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**OFFICE OF THE ACCOUNTANT GENERAL
ORISSA - BHUBANESWAR**

**MANUAL
OF
FUND DEPARTMENT**

(Fourth Edition)

(Incorporates Correction Slips from Nos. 8 to 251)



Issued By

OFFICE OF THE ACCOUNTANT GENERAL (A&E), ORISSA

2008

PREFACE TO THE FIRST EDITION

This Manual brings together all important orders relating to the procedure and interpretation of the Rules of the several Provident Funds the accounts of which are maintained in this office.

2) As the office was established only in 1936, it is not in possession of the original orders in many cases and it has, therefore, been found necessary to reproduce some orders from the Fund Manuals of other provinces, e.g., Bihar and Orissa, Assam, Central Provinces and Berar, North West Frontier Province, etc.

3) All members of the Fund Section are expected to be conversant with this Manual.

4) The Superintendent of the Fund Section will be responsible for keeping this Manual up-to-date by issuing correction slips whenever necessary.

B.C. Dutta
Comptroller, Orissa

Ranchi,
Dated 15th October, 1941

PREFACE TO THIRD EDITION

This edition of the Manual of Fund Department has been compiled from the second edition of the Manual printed in 1955, incorporating the corrections and orders issued subsequently. The instructions contained in this Manual are supplementary to those in the various codes and manuals issued by the Comptroller & Auditor General of India and other authorities.

2) All members of this office in general and the staff of the Fund Sections in particular are expected to be thoroughly conversant with the instructions contained in this volume. No deviation from the procedure as laid down in this Manual will be permitted except under the orders of the Accountant General. The Manual should not be quoted or referred to as authority in any correspondence outside this office.

3) Fund Miscellaneous Section is responsible for keeping the Manual up-to-date. All orders of an important nature effecting procedure followed in the Sections should be suitably incorporated in this Manual with care and promptitude. Suggestions for improvement of the Manual are always welcome.

Preface of the first edition is reproduced separately.

T. NARASIMHAN

Accountant General, Orissa
Bhubaneswar,

Dated the 27th November, 1965

PREFEACE TO THE FOURTH EDITION

Consequent upon the computerization of Provident Fund Accounts and earlier edition of the Manual having become quite old, the revision of the Manual of Provident Fund Sections has been necessitated. Fourth edition of the Manual has thus been prepared. Apart from updating the Manual to cover the latest developments since its last revision, the Manual has been enlarged. It describes the procedure prevalent in the Provident Fund Sections. Notable addition is the Chapter on “Computerization of General Provident Fund Accounts”.

FM Section will be responsible for keeping the Manual up-to-date and ensure that all-important orders and decisions, affecting the procedural changes are incorporated in the Manual with due care and promptitude.

Any error or omission noticed in this Manual and also any suggestions for its improvement should be brought to the notice of FM Section.

I hope this Manual will help the staff and officers working in this office is discharging their duties efficiently.

Bhubaneswar
ORISSA
Dated 3rd February 2009

SUPARNA DEB
Accountant General (A&E)

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Chapter-1
INTRODUCTORY

Nature of Work

101. The work of the Fund Department consists mainly of :-

- (i) The preparation and maintenance of the Provident Fund Accounts in computer ;
- (ii) The issue of Annual Account Statements ;
- (iii) The audit of transactions affecting the Funds ; and
- (iv) The issue of authorisation for Final withdrawals from G.P Fund.

102. The following are the Provident Funds for which accounts are maintained in Fund Department :-

- (i) General Provident Fund (Orissa).
- (ii) Contributory Provident Fund, Orissa.
- (iii) All India Services Provident Fund (State).

The rules regarding operation of these accounts are provided in G.P.F (Orissa) Rules 1936 and C.P.F (Orissa) Rules 1938 and AISPF Rules 1955.

Constitution

103. Consequent upon Computerization of GPF accounts and related works, the Provident Fund Sections under FM have been divided in to EDP (GPF) and Non-EDP (GPF) Branches for overall effectiveness of Fund Group as per instructions contained in FM Circular No.514 dt;.14.10.98,515 dt.28.10.98 and 531 dated 29.11.1999. The work has generally been distributed amongst the staff on functional basis so that each Sr. Accountant/ Accountant/ DEO/ Console Operator is assigned to one type of work only. The sections are under the immediate charge of Sr. Accounts Officer/Accounts Officer/ Assistant Accountant General. The department as a whole functions under a Group Deputy Accountant General/Sr. Deputy Accountant General.

Work done in Fund Sections including EDP (GPF)

104.(A) Works of EDP (GPF) Sections:-

- (i) Receipt and check of Fund Schedules/Vouchers ;
- (ii) Posting of Fund Schedules/Debit Vouchers/Noting of Sanction Orders in respect of Temporary Withdrawals/Part Final Withdrawals ;
- (iii) Check of posting and receipt of individual accounts/all type of correspondences in respect of discrepancies in the accounts/Maintenance of Un-posted/Missing Credit Register etc. ;
- (iv) Agreement of the balances ;
- (v) Issue of Annual Account Slips to the subscribers and watching their acknowledgements ;
- (vi) Review of Ledger Cards/subscriber status with a view to watch the regular recovery of subscriptions and refundable advances and interest thereon ;
- (vii) Furnishing figures for review of balances ;
- (viii) Furnishing various reports to Comptroller & Auditor General/other offices ;
- (ix) Calculation of interest on Computer due for each year ;
- (x) Other works as directed by Higher Authorities.

104.(B) Work of Non-EDP (GPF) Sections:-

- (i) Issue of authorisations for final withdrawals and all type of correspondences there on ;
- (ii) Furnishing of figures for the review of balances/review of various Broad-Sheets/Explanation Sheets/Missing Credit/Debit Registers/Suspense Registers etc. ;
- (iii) Clearance of Un-posted Missing Credits/Debits relating to pre-computerised periods ;
- (iv) Scrutiny of all applications for admission to Provident Fund and allotment of Account Numbers ;
- (v) Maintenance of insurance policies which financed from G.P Fund Accounts.
- (vi) Maintenance of all types of registers such as G.I.R/R.C.A/Suspense Broad-Sheet/F.P.R/Interest Adjustment Registers/Explanation Sheets/BSPR etc. ;

- (vii) Attending to all type of Audit Reports/D.I Reports/Court Cases ;
- (viii) Supplying information to Website/other offices ;
- (ix) Other works as directed by higher authorities.

Staff Admissible

105. The strength of the Fund sections is determined with reference to the standards fixed by the Comptroller and Auditor General as under :-

(A) For offices following the Manual system of postings

(i) S.A.S Accounts :-

The strength of P.F sections for purpose of supervision has been fixed as one S.A.S Account for every 9 U.D.Cs.

[CAG's letter No.-995-Tech-Admn-I/360-63, dated 21/22-04-64 (File FM-8-20-64/65)]

(ii) U.D.Cs. :-

(a) Out turn per month at

150 hours	160 hours
(1) 1 U.D.C for 1000 accounts plus 1 Examiner for every 5 U.D.Cs.	(1) 1 U.D.C for 1143 accounts plus 1 Examiner for every 5 U.D.Cs.
or	or
(2) 1 U.D.C for 830 accounts	(2) 1 U.D.C. for 949 accounts

Note-1- Weightage of 1/4 on the rates adopted for GPF accounts will be allowed for the maintenance of Contributory Provident Fund Accounts.

[CAG's letter No.-3213-Admn-I/739-62, dt.10.12.62 as amended by his letter No.-3026-Admn.-I/739-62, dt.07.12.63. O.O No.-A-4782, dt.08.03.64.]

Note-2- The following categories of P.F Accounts may also be created as "Live Accounts".

- 1) Accounts where no transactions have appeared after the due date of membership of the subscriber concerned ;
- 2) Accounts with balance but where no transaction has appeared for the past few years and the balance of which can not be transferred to “Deposits”.
- 3) Accounts indicating minus balance due to over drawals, wrong postings etc. and
- 4) Accounts in respect of which residuary amounts are to be authorised/transferred.

[Based on CAG’s letter No.-1795-TA-11/305-69 dated 13.10.70 Dy-FM-CAG-8-20]

- (b) For concurrent settlement of mistakes the staff shall be allowed at the rate of one Auditor for every 25000 Provident Fund accounts or part thereof subject to a maximum of 4 Auditors for an office.

[CAG’s letter No.-1489-Tech-Admn-II/363-65, dt.09.08.65 (Dy. FM-8-20-CAG-46)]

- (c) Additional staff for handling foreign posting slips is allowed on the following standards.
 - (i) Where the number of foreign posting slips are 10000 or less in a month- 1 Auditor.
 - (ii) Where the number of foreign posting slips are more than 10000- 2 Auditors.

[Based on Headquarters letter No.-1260-TA-II/252-82 dt.10.11.82 Dy-FM-CAG-32]

- (d) Policy Cases :-

No additional staff for policy work is allowed since due weightage has already been allowed in the standard rate of work for posting.

- (iii) Librarian (L.D.C) :-

One librarian for offices with more than 75000 accounts.

[CAG’s letter No.-995-Tech-Admn-I/360-63, dt.21/22-04-64 (File FM-8-20/64-65)]

- (iv) A senior Selection Grade clerk should be posted to each Section as the Examiner in lieu of the examiner in the U.D.C. grade.

[CAG's letter No.-342-Tech-Admn-II/283-64, dt.08.03.65 (Dy. FM-8-14-CAG-133)]

- (v) A seasonal post of one U.D.C for each P.F section for 2 months from the middle of May to middle of July to attend to the work connected with despatch of Annual Accounts slips.

[CAG's letter No.-342-Tech-Admn-II/283-64, dt.08.03.65 (Dy.FM-8-14-CAG-133)]

- (vi) Staff of 1 Section Officer/AAO, 4 Accountants/Sr. Accountants and 1 Clerk has been sanctioned for the formation of Fund Miscellaneous Section for coordinating the work of various Provident Fund Sections, consolidation of reports regarding date of work etc. and to deal with amendments to P.F Rules, general orders and technical questions of general nature for issue of Circular instructions for guidance of P.F sections in their application etc. The exact duties to be entrusted to this section and guidelines for its functioning may be prescribed locally. This section may work on the lines of T.M., W.M. and other controlling sections and may be placed under the direct charge of the Group Supervisory Officer.

[Based on CAG's order letter No.-456-TA-II/80-79 dt.16.04.79, Dy.-FM-CAG-3/79-80]

Offices with not less than 3 Fund Sections but less than 15 Sections will get two auditors to attend to the items of work intended to be dealt with by F.M Section.

[Based on Headquarters Circular letter No.-1230-TA-II/205-80, dt.06.10.80, Dy-FM-CAG-3]

(B) Staff admissibility in new format 109000 Provident Fund Sections proposed by Hq.Office vide No.33/Dir (A/cs) Task Force/2006 dt.07.02.2006.

Activity Code & Descriptions	Standard Rates
109101-Number of GPF Live Accounts under Hand Posting System	1 Accountant for 810 GPF Live Account or 1 Accountant for 976 GPF Live Accounts plus 1 Examiner (Accountant) for every 5 Accountants
109102-Number of CPF Live Accounts under Hand Posting System	Weightage of 1/4 th on the rates adopted for G.P Fund Account
109103-Number of GPF Live Accounts under Machine Posting System 109104-Number of CPF Live Accounts under Machine Posting System	<p>(i) 1 Machinist (Clerk) for every 5000 G.P Fund Accounts. 12 months A/C is to be completed in 10 months.</p> <p>(ii) 1 Machinist (Clerk) for every 4000 C.P Fund A/C where the posting in CPF Accounts (Govt. Contributions) has to be made every month. 12 months A/C is to be completed in 10 months.</p> <p>(iii) 1 Machinist (Clerk) for every 4250 CP Fund Accounts where the posting of Govt. Contribution is required to be made annually. 12 months A/C is to be completed in 10 months.</p> <p>(iv) 1 Accountant for 2788 Accounts with 10% audit.</p> <p>(v) 1 Accountant for 1952 Accounts with 100% audit.</p> <p>(vi) 1 Accountant for 2280 Accounts with 50% audit</p>

	<p>(vii) 1 Helper (Clerk) for 4 Machinists.</p> <p>(viii) 1 Head Machinist (Accountant) for 10 Machinists.</p>
109201-Number of insurance policies financed from G.P Fund in case of Machine Posting	1 Accountant for every 2000 policies. For fraction of 2000 policies no additional staff is admissible.
109202-Number of foreign posting slips	<p>(i) 1 Accountant for offices where the number of foreign posting slips are 10000 or less in a month.</p> <p>(ii) 2 Accountants for offices where the number of foreign posting slips are more than 10000.</p> <p>(Authority 1260-TAII/252-82 dated 10.11.1982)</p>
109203-Number of Sections in P.F Group	<p>(i) 2 Accountants for fund co-ordination Section for offices with not less than 8 Fund Sections but less than 15 Sections</p> <p>(ii) 1 Section Officer, 4 Accountants and 1 Clerk for Fund Co-ordination Sections for offices with Fund Sections from 15 onwards.</p>
109204- Number of DDOs in case where G.P Fund Accounts of Class-IV staff being maintained by the A.G Hand Posting System	<p>(i) If the number of DDO is less than 50:- No Staff</p> <p>(ii) If the number of DDO is between 50 to 600:- 0.5 Accountant</p> <p>(iii) If the number of DDO is between 601-1250:- 1 Accountant</p> <p>(iv) If the number of DDOs is more than 1250:- 1 Accountant for every 1250 DDOs</p>

Note:- In addition to above, the staff for the following items of work is also being allowed by the Computer.

1.	Librarian (Clerk)	<p>Machine Posting</p> <p>(i) For offices with 50000 A/Cs and above but less than 125000 A/Cs :- 1 Clerk</p> <p>(ii) For offices with 125000 A/Cs and above but less than 200000 A/Cs :- 2 Clerks</p> <p>(iii) For offices with 200000 A/Cs and above :- 3 Clerks</p>
2.	Concurrent Settles	<p>For more than 75000 A/Cs :- 1 Clerk</p> <p>1 Accountant for every 25000 A/Cs subject to maximum of 8 Accountants for an office</p> <p>(Authority Letter No.-1260-TAII/252-82 dated 10.11.1982)</p>

Optimum Size = 9 Accountants

AOs Supervision = 1 AO for 4 Sections/SOs

Functions of Fund Miscellaneous Section

106. One of the Sections (Fund Miscellaneous Section) coordinates the work done in all the Fund Sections. It deals with the following items work.

- (i) All matter of common interest to all fund sections ;
- (ii) Issue of Fund miscellaneous circulars for uniformity in the accounts procedure in various fund sections ;
- (iii) Consolidation of the quarterly Report to the Comptroller & Auditor General on the state of work of the Fund sections ;
- (iv) Periodical reports to the Comptroller & Auditor General ;
- (v) Consolidation of monthly reports ;
- (vi) Examination of important cases referred to it by other sections ;

- (vii) Co-ordination of the work of the other sections so as to see that they are working efficiently ;
- (viii) Keeping the Provident Fund Manual up-to-date and issue of corrections ;

107. The duties of the staff in the section are as follows :-

A. SECTIONAL HEAD (Assistant Accounts Officer/Section Officer/Supervisor)

- (i) Supervision of the work of the Sr. Accountants/Accountants/DEO/CO/Clerk etc. He is also responsible for the efficient management and working of the section.
- (ii) Check of all the accounts closed on retirement or otherwise and all accounts transferred to another circle of audit.
- (iii) Review of the broad sheets maintained in the section.
- (iv) Scrutiny of the monthly agreements of balances.
- (v) Scrutiny of the sanctions to temporary withdrawals.
- (vi) Scrutiny of the sanctions for non refundable withdrawal.
- (vii) Cent per cent check of the entries in the pink Transfer list.
- (viii) Passing the objections raised on vouchers relating to temporary withdrawals, withdrawals for payment of insurance premia and non-refundable withdrawals.
- (ix) Examining in detail the annual accounts to the extent prescribed and recording the result of the examination in the Review Register.
- (x) Maintenance of a Calendar of Returns for the section.
- (xi) Close watch over the prompt disposal of the papers received in the section and timely clearance of the items outstanding in (i) Broad Sheet, (ii) Missing Credit Register, (iii) Objection Book.
- (xii) Attestation of the following opening entries in the new subscriber's accounts and all carry-forward entries in new Ledger Volumes.
 - (a) Note regarding compulsory subscription.
 - (b) Opening balances.
 - (c) Protected rate of interest (if any).
 - (d) Advances outstanding.
 - (e) Particulars of Insurance Policies financed from the fund.

- (f) Stoppage of subscriptions.
 - (g) Any other important information.
-
- (xiii) To check up hundred percent total of one unit Broad Sheet of the section in each months account. For this purpose a selection Register should be maintained by the Sectional Head showing the number of Broad Sheets in the section and selection of unit Broad Sheet should be done by the Branch Officer. A review sheet should be opened in the selection Register for recording completion certificate of the check by the Sectional Heads. This Register should be submitted to the Branch Officer along with the monthly Accounts.
 - (xiv) To list check total of explanation sheet items to see if the totals of items kept in the explanation sheet have been correctly worked out under each category and carried forward from page to arrive at the total figure and to agree this total with the monthly accounts. A certificate of the portion of explanation sheet items test checked by the Sectional Head should be recorded by the Sectional Head in the explanation sheet in the closing memo for the month.
 - (xv) To see that the explanation sheets have been properly maintained and wanting information have been called for in all cases before submission of accounts to the Branch Officer.
 - (xvi) To ensure that all pink outwards items for a month have been sent immediately at the time of closing accounts of that month and that pink inwards received in the month have been adjusted before the account of the month in hand is finalised.
 - (xvii) To ensure that direct posting Register (Previously known as B.S.P.R) is maintained and closed properly in accordance with F.M Circular letter No.-107 dated 24.11.69.
 - (xviii) To ensure that ledgers and Broad Sheets are maintained according to rules and orders and also as per instruction communicated in F.M Circular No.-108 dt.27.11.69.
 - (xix) Finalisation of GPF cases and issue of authority thereon and every type of correspondences.

[Items (xvii) and (xviii) are based on A.G's orders dt.04.05.70 on the notes submitted on CAG's letter No.-202-T-Admn-II/84-69 dt.05.02.70 (Dy-FM-CAG-8-14-66) and FM Circular No.-117 dt.5-70.]

B. Duties of the General Assistant:-

- (i) Conducts all-important correspondence work.
- (ii) Examines the declarations (selecting nominees for General Provident Fund money) and issues objections in those cases in which declarations are not in order.
- (iii) Deals with transfer of accounts, transfer adjustments of unclaimed deposits and adjusts in account interest payable on Fund balances.
- (iv) Maintains the Final Payment Register and Register of Closed Accounts.
- (v) Maintains the "Unclaimed Deposit Register".
- (vi) Copies out the Declaration Forms in the case of deceased subscribers.
- (vii) Takes out declarations for filling them in the concerned case files.
- (viii) Examines the objection book every month.
- (ix) Maintains Six-monthly Register.
- (x) Attends to all work connected with (Retention) accounts of subscribers who are permitted to retain their P.F balances with Government even after retirement.
- (xi) Maintenance of Suspense Broad Sheet/T.E Register.
- (xii) Compliance to IAD/D.I Report/maintenance of Register of Close Accounts and Interest Adjustment Register etc.
- (xiii) Other works as directed by higher authorities.

[Based on A.G's order dated 18.12.71 vide notes retained in file No.-FM-8/14/71-72]

C. DUTIES OF THE SR.ACCOUNTANTS/ACCOUNTANTS (DEALING ASSISTANTS)

- (i) All work of a general nature relating to the Fund group as a whole relating to Final Payment of GPF Cases/Court Cases/all type of correspondences.
- (ii) Examination of orders of general importance/IAD Reports/DI Reports.
- (iii) Attending to cases received from other sections for opinion and comments.

- (iv) Preparation of Budget Estimates relating to the head “2049-Interest” in respect of all Provident Funds.
- (v) Preparation of all reports due to the C.A.G such as the Quarterly report on Missing Credits, etc., report on outstanding P.F. cases etc.
- (vi) Arranging for payments on Provident Fund Special Seal authorities received from the other Accountant General.
- (viii) Preparation of Draft Para on F.P cases to be included in the Audit Report.
- (ix) Other works as directed by higher authorities.

D. DUTIES OF GENERAL BROADSHEET KEEPER IN FUND-13/FUND-14 SECTIONS

- (i) Collection of materials for and the proper maintenance of General and Pink Broad Sheets and the related explanation sheets and cardinal sheets.
- (ii) Preparation of all Consolidated Returns relating to the Broad sheets such as, Review of Balances Report.
- (iii) Half yearly statement to CAG on P.F. Suspense and maintenance of the Broad Sheet of P.F. Suspense.
- (iv) Preparation of the Consolidated T.E for adjustment of interest on Provident Funds (State).
- (v) Reconciliation of discrepancies between the Details Book Figure relating to the Provident Fund and the figures adjusted by the groups as per the Forms ‘B’ received.
- (vi) Squaring of the Consolidated Broad Sheet with the Unit Broad Sheets.
- (vii) Squaring of Consolidated Cardinal Sheet figures.

E. DUTIES OF SCHEDULE SORTER IN FUND-13/FUND-14 SECTIONS

- (i) Watching the receipt of the Treasury Credit Schedules and Debit vouchers and Schedules received through the Exchange/I.S.S./P.A.O. Accounts booked under “G.P. Fund/C.P. Fund (State)”.
- (ii) Sorting and distribution among the sections of the credit schedules and the debit vouchers relating to “G.P Fund/C.P Fund (State)”.

- (iii) Maintenance of the Residuary Broad Sheet and clearance of the items left initially undistributed, after getting the particulars.
- (iv) Obtaining and distribution amongst the groups of T.E details affecting the Provident Fund heads.

F. DUTIES OF POLICY ACCOUNTANT/SR.ACCOUNTANT.

- (i) Examination and acceptance of Policies to be financed from Provident Fund under the various Provident Fund Rules.
- (ii) Watching the receipt of Policies and the maintenance of the Stock Register.
- (iii) Watching the Premium Receipts of Gazetted Officers financing their policies from Provident Fund and endorsement thereon.
- (iv) Examining the Assignments and making Reassignments on Policies with reference to the Rules concerned.
- (v) Collection of Maturity proceeds of Policies and crediting the same to the P.F Accounts concerned.
- (vi) All other work connected with the financing of Life Insurance Policies from Provident Funds.

**G. DEALING ASSISTANTS (Sr. ACCOUNTANTS/ACCOUNTANTS)
WORKING IN FUND-13/FUND-14 SECTIONS**

- (i) Watch the punctual receipt of the schedules of fund deductions from other sections. Delays in the receipt of these documents should at once be brought to the notice of the Branch Officer of the Section concerned.
- (ii) Check the schedules with the covering list and settle discrepancies, if any, by corresponding with the Departmental Accounting Sections.
- (iii) File the schedules when received back after posting.
- (iv) (a) Maintenance of Unit Broad Sheet, Explanation Sheet and the Cardinal Sheet.
(b) Squaring of the Unit Broad Sheet and the Cardinal Sheet.
(c) Copying of the Explanation Sheet from year to year.
- (v) File payment vouchers after audit and review.

- (vi) Audit in detail the vouchers for temporary withdrawals and premium payments from the fund.
- (vii) Maintain an objection book for watching the proper disposal of all the objection memos issued in course of audit.
- (viii) Take necessary action for the settlement of discrepancies in the Explanation Sheets due to misclassification, etc.
- (ix) Carry on all routine correspondence relating to the discrepancies in accounts and interests.
- (x) Other works as directed by higher authorities.

H. DUTIES OF CLERK WORKING AS DIARIST

- (i) Diarising, indexing, referencing and filing letters.
- (ii) Preparation of Weekly reports.
- (iii) Sending old schedules to old record.
- (iv) Receiving inward documents and issuing outward cases.
- (v) Preparation of monthly indent of stationery articles.
- (vi) Other routine work as ordered by the sectional head now and then.

I. (1) DUTIES OF SECTIONAL HEADS OF FUND LIBRARY SECTION

- (iii) Receipt of Ledger Cards and Ledger Volumes.
- (iv) Serialisation of Ledger Cards.
- (v) Preservation of Ledger Cards.
- (vi) Supply of Ledger Cards and Ledger Volumes on proper requisition.
- (vii) Proper maintenance of Index Registers.
- (viii) Proper maintenance of Issue Registers.
- (ix) Census of Ledger Cards to find out (a) Ledger Cards available, (b) Missing Ledger Cards, (c) Duplicate Ledger Cards, (d) Cards having same account number but belong to different person, (e) Same persons having different or more Ledger Cards.
- (x) Any other work as and when required for improvement of functioning of Fund Group/Fund Library.

(2) DUTIES OF SR. ACCOUNTANTS/ACCOUNTANTS IN FUND LIBRARY

His position in the Section is of general nature. He shall work as the Chief Assistant to the Section Head in discharging his duties. He shall:-

- (i) Check all the Ledger Cards to be supplied to different Fund Sections as per the requisition with relation to different entries in the pertinent registers like Supply Registers, Index Registers etc.
- (ii) Shall prepare a note with all required details for the out going Ledger Cards for Branch Officer's approval before supply.
- (iii) Shall attend to correspondences between Fund Library and other Sections in form of letters.
- (iv) All other work as felt necessary from time to time and allotted by the Sectional Head.
- (v) Shall prepare certificate wherever Ledger Cards are not available with entries in the certificate register after proper verification.

(3) DUTIES OF REFERENCE CLERK OF FUND LIBRARY

He shall act as an agent in recording all the initial movement, in ward as well as outward of information pertaining to Fund Library. He

- (i) Shall receive all the inward letters inform of requisition, circulars and other communications marked by the Section Head.
- (ii) Shall enter them into proper diaries without delay.
- (iii) Shall see that they are received by pertaining officials in charge for necessary action.
- (iv) Shall note the action of the officials in the related diaries with approval of the Section Head.
- (v) Shall ensure the outward movement of the action oriented information in shape of records/letters, as the case may be.
- (vi) Shall close the diaries in time.
- (vii) Shall collect the stationery items for use in the Section.
- (viii) Shall attend any other work assigned by the Section Head.

(4) DUTIES OF RECORD-KEEPER OF FUND LIBRARY

All the Ledger Cards and related Broad Sheets in the library are to be maintained by the Record-Keepers posted to Fund Library properly. Further, they should:-

- () Be responsible for receiving and supplying of Ledger Cards to the Fund Sections.
- (i) They will be responsible for safe custody of Ledger Cards and other Registers like Index Registers, Supply Registers etc.
- (ii) They shall be responsible for recording of movement of Ledger Cards with full particulars in the related Index Registers/Supply Registers for future reference.
- (iii) Shall attend any other work as assigned by Sectional Head.

(5) GENERAL INSTRUCTION FOR PROPER FUNCTION OF FUND LIBRARY

Fund Library shall be earmarked as Restricted Area. No officials should be allowed to enter to in the Fund Library for verification of Ledger Cards without permission of Higher Authorities. All verification may be done in the Section itself after obtaining the Ledger Cards from Fund Library on proper requisition. A Visitor Diary shall be maintained in the Fund Library to keep watch of visitors entered to in the Fund Library.

(J) DUTIES OF BRANCH OFFICER (SR. ACCOUNTS OFFICER/ ACCOUNTS OFFICER)

- (i) To ensure that correspondence with a subscriber/his department is made/put up to him only in the personal file of the subscriber after proper linking up & no loose papers are submitted.
- (ii) To ensure by test check that timely encashment of bank drafts and prompt credit in the subscriber's account is being made by the section.
- (iii) To ensure while approving the consolidated broad sheets and master cards that no lump sum postings are made in the difference sheets without adequate record and the items in the difference sheet are limited to the minimum possible. Master cards/difference sheets should not be approved by the Sr. Accounts

Officer/Accounts Officer unless the reference has been made to the Drawing & Disbursing Officer asking for details of unposted items.

- (iv) To review five percent of the computerized Ledger Cards/annual statements to see that up to date position of all Missing Credit and Debits has been recorded therein.
- (v) To ensure that Final Payment cases are put up by the assistant within the stipulated period and the subscribers or beneficiaries are kept informed of the Missing Credit at the time of authorisation of the available balances.
- (vi) To ensure that no Final Payment application is returned except with the approval of the Group Officer and that provisional calculations have been made and kept on record.
- (vii) To watch the submission of monthly report of the Final Payment applications indicating cases where full or part payments have been made, applications returned without any payment, applications pending in the office where no action has been taken within 3 weeks of their receipt, to see that Final Payment cases are disposed of in time.
- (viii) To watch the submission of report on quarterly review of residual payment cases.
- (ix) To watch the submission of monthly report on the clearance of residual payment cases.
- (x) To ensure that surprise checks are conducted periodically to check if provident fund schedules, debit vouchers, consolidated broad-sheet etc. are maintained and indexed arranged properly for ready reference.
- (xi) To peruse sectional dak before transmission to the sections and check periodically the sectional diaries.
- (xii) To conduct Post Audit of debit vouchers. Surprise checking of credit posting done by computer users.
- (xiii) To pass all transfer entries. Supplementary entries relating to adjustment proposed by Government and other annual adjustments etc.
- (xiv) Close supervision of the sections under his charge.
- (xv) Other works as directed by higher authorities.

(K) DUTIES OF DATA ENTRY OPERATOR

- (i) All type of data preparation, verification and validation and posting thereon in computer.
- (ii) Maintenance of register of Missing Credits/Debits and its adjustment by taking matter with quarters concerned.
- (iii) Adjustment of unposted, part want/full want items of the Master Cards by taking matter with quarters concerned.
- (iv) Posting of E.P.S/T.Es and print out its status.
- (v) To generate status report of subscribers as and when requisitioned by the concerned sections.
- (vi) To feed basic pay of subscribers annually in the computerized records.
- (vii) Maintenance of files, registers, other related papers and any other work assigned by the Supervisory Officer.

(L) DUTIES OF CONSOLE OPERATOR

- (i) Allotment of GPF accounts Number, related work and validation of data.
- (ii) To render full assistance to Sr. C.O in connection with closing Annual Accounts of G.P.F.
- (iii) Generation and printing of Annual Statement of G.P.F and Ledger Cards.
- (iv) Generation and printing of Mini Ledger Cards and Consolidated Broad-sheets.
- (v) To assist the Sr. C.O to startup and shut down the system besides maintaining/preserving the data.
- (vi) Posting of all debit vouchers in ledger cards/status in of all series.
- (vii) Maintenance of files, registers, other related papers and any other work assigned by the Supervisory Officer.
- (viii) Despatch of Annual Account Statement to the subscribers and watching their receipts.
- (ix) Other works as directed by higher authorities.

(M) DUTIES OF SR. CONSOLE OPERATOR

- (i) Assistance in the design, development and implementation of information system and Databases, operations and analysis.
- (ii) Programming and data organization, data collection, validation, processing and maintenance of all forms of data, textual, graphic and operation of any type of EDP machine/Computer based on-line systems/computer network based system etc.
- (iii) To Start up and Shut down the system.
- (iv) Closing of Annual G.P.F Accounts.
- (v) Generation of Annual Statement of G.P.F and Ledger Cards and Mini Ledger Cards and consolidated Broad Sheets.
- (vi) Net work Administration including management of Login/Password to users.
- (vii) Guiding DEO/CO/other staff about working of the GPF package.
- (viii) Maintenance of GPF package including backup/restoring of date, editing of data etc.
- (ix) Any other work assigned by the Supervisory Officer.

CURRENT REVIEW

- 108.** (i) The result of current review of debit vouchers and of Ledger accounts conducted by the Sectional Heads/Superintendent & Examiner/Dealing Assistants should be recorded in a Review Register in Form No.-SY-3.
- (ii) Important defects, serious omissions and irregularities, etc., noticed in the course of review should be recorded in this register and reported to Deputy Accountant General through the Branch Officer in the first week of every month.
 - (iii) The due date of the submission of the Register should be noted in the Sectional Calendar of Returns.

[Based on para 139 of the CAG's Manual of Standing Orders (Tech) Volume-I and O.O No.-A-1523, dated 06.09.54 Dy. Fd-1-6713.]

TRIENNIAL REVIEW OF FUND ACCOUNTS

109. To bring to light mistakes in the Provident Fund Accounts and to prevent any that have occurred continuing for long, the Comptroller & Auditor General has decided that a review of the General Provident Fund Accounts should be conducted as a standing arrangement by I.A.D Section. A review of the Provident Fund Accounts should be conducted after the despatch of the annual Accounts in three batches so as to complete it in a cycle of three years.

[Auditor General's letter No.-288-Admn.-1/27-34, dated the 14th June 1935, T.144-Admn-1/27-34, dated the 11th May 1935, No.-232-Admn.1/27-34 dated the 27th April 1936 and No.-346-Admn-1/207-37, dated the 8th June 1938. Case Fund-I-2 of 1936-39 vide also paragraph 432 of M.S.O (Tech.) Volume-I and CAG's letter No.-1744-T-Admn-II/162-64, dated 07.11.64]

GENERAL INSTRUCTIONS

110. The following points should be specially borne in mind by the Dealing Assistants working in the Provident Fund Sections :-

- (i) The fund accounts should be prepared neatly and accurately, as any error in posting or in calculation leads to monetary loss either to the State or to the individual, and causes unnecessary correspondence and work.
- (ii) Erasures and over writings in the registers are strictly forbidden; if a correction is found necessary it should be made by scoring out the incorrect entry and inserting the correct one under the initial of the recording clerk in each case.
- (iii) The deposit account of a subscriber is treated as confidential. No information should be communicated to an outsider without the written permission of the Branch Officer. The latter should not permit this information to be given where it is not required for official purpose.
- (iv) All applications for withdrawals (final or otherwise) should be treated as "urgent" and should be disposed of promptly and carefully. The Comptroller and Auditor General has on more than one occasion drawn attention to the necessity for the prompt disposal of such cases.

[Auditor General's Endorsement No.-1120-Admn-186-24, dated the 5th July 1924.]

GENERAL NOTE BOOK

111. A general note book is maintained in which are entered extracts from all important departmental orders, Government resolution and sanctions etc. classified according to the subjects dealt with in the Fund section. It should be supplied with a suitable index.

REGISTER OF CORRECTION TO MANUAL

112. Orders affecting this manual when received should be incorporated as corrections and entered in a register maintained for the purpose. The Dealing Assistant will submit the register to the group Deputy Accountant General, through the Sectional Head and Branch Officer quarterly on the 15th April, July, October and January. The passed corrections will be numbered in a serial order, and then typed and forwarded to the press for print.

PRESERVATION OF RECORDS

113. The period of preservation of the records of the Fund Section has been indicated in Appendix G to this manual.

INCIDENCE OF THE COST OF STANDARD ACCOUNTS FORMS USED IN THIS OFFICE FOR STATE PROVIDENT FUND WORK

114. (i) The Government of Orissa have agreed to bear the cost of following forms used in the Office of the Accountant General, Orissa, in connection with the audit and accounting of the State General Provident Fund Accounts.

(ii) The Orissa Government have also decided that the printing of these forms should in future be undertaken by the Government Press at Cuttack.

(1) General Index Register- M.S.O (T)- 65

(2) Register for matching recoveries of temporary withdrawal- M.S.O (T)-67

(3) Register of closed Account- M.S.O (T)- 70

(4) Ledger form of G.P.F Account- M.S.O (T)- 75

- (5) Form of Broad Sheet- M.S.O (T)- 76
- (6) Form of Explanation Sheet- M.S.O (T)- 77
- (7) Abstract of differences- M.S.O (T)- 78
- (8) Lad at form for C.P.F account- M.S.O (T)- 79
- (9) Form of Account Slip for Gazetted subscribers- M.S.O (T)- 80
- (10) Form of Account Slip for non-gazetted subscribers-M.S.O (T)- 81
- (11) Half Margin Memorandum on F.P cases- G.P.F -10
- (12) Final Payment authority (addressed to Heads of Offices)- G.P.F- 11
- (13) Final Payment authority (to Treasury Officers and other Audit Offices)-G.P.F- 11-A
- (14) Half Margin for forwarding account slips- G.P.F-17
- (15) Half Margin for nominations- G.P.F-21
- (16) Half Margin for G.P.F schedules and vouchers- G.P.F-22

Forms in use locally for routine correspondence and authority.

- (1) Form of authority for non refundable advance for building or acquiring a suitable house- FM-1
- (2) Form of authority for non refundable advance for marriage ceremony of the subscriber's daughter/son- FM-2
- (3) Form of authority for non refundable advance for the higher education of child of the subscriber- FM-3
- (4) Reconciliation Memo of Accounts (Big)- FM-4
- (5) Reconciliation Memo of Accounts (Small)- FM-5
- (6) Form of Pink Transfer- FM-6
- (7) Half Margin objection memo for unposted credit/debits- FM-7
- (8) Letter form for acknowledging nomination- FM-8
- (9) Letter form calling information regarding discontinuance of subscription to Provident Fund- FM-9
- (10) Letter form calling information regarding excess credit/wanting debits- FM-10
- (11) Form of letter calling for disbursement certificate in support of Provident Fund drawals- FM-11

- (12) Form of authority for drawals for financing L.I Policies- FM-12
- (13) Form of correspondence on unposted items- FM-13
- (14) Form for reminding demi-officially regarding pending final payment cases- FM-14
- (15) Register of Missing Credits/Debits- FM-15

[Based on Government of Orissa, Finance Department letter No.-G.P.F-38/67-17459/F dt.04.05.57 Dy-FM-76 of May-1967]

Suggestions to improve work in Provident Fund Sections in Account Office

115. On the basis of the suggestions of an Assistant Accounts Officer, the Comptroller & Auditor General of India has issued the following instructions with a view to improve the work in the Provident Fund Sections in Account Offices :-

- (i) Drawing Officers should be instructed to quote invariably the account numbers correctly and the Departmental Accounting Sections should check the Provident Fund deductions carefully, record the classifications correctly and prepare the covering lists methodically.
- (ii) When an Account number is allotted to a subscriber the Sectional Head should sign the General Index Register in token of check so as to prevent a second Account number being allotted by the Accountants/Sr. Accountants.
- (iii) To prevent belated submission of Provident Fund schedules by the Departmental Accounting Sections, a register should be maintained in the Fund Section to keep a watch on their punctual receipt. Sections which habitually delay submission of the schedules should be reported to the Accountant General.
- (iv) Where the names of subscribers are identical the names of their fathers may be ascertained and recorded in the Index Register together with their designations. Such subscribers should also be asked to record their father's name invariably in the Fund Schedules.
- (v) At the time of allotment of an Account number the designation of the subscriber should be recorded invariably in the relevant column of the Index Register.

[Vide Comptroller and Auditor General's Circular letter No.-895-Admn.-364-49, dated the 9th May 1950 to all Accountants General]

Interpretation of Rules

116. The Auditor General has held that the State Government is free to interpret their General Provident Fund Rules and that it is not incumbent upon them to adopt the interpretations given by the Government of India. They are also to issue a special order in an individual case without having general application. The order should be expressed as an order of the Governor and it is not necessary for audit to insist that such an order should receive the personal approval of the Governor.

{ Auditor General's letter No.-448-NGE/106-39, dated 17.12.1937.}

117. In order to relieve the Accountant General from the work of signing of re-assignments on policies financed from Provident Funds and acceptance of assignments on such policies, the Comptroller & Auditor General has been pleased to appoint the Branch Officer-in-charge Fund sections as the "Accounts Officer" in terms of rule 2(1) (a) of A.I.S (P.F) Rules, 1955, Rule 2(1) of the I.C.S.P.F Rules, Rule 2(1) of the I.C.S (N.E.M) P.F Rules, 1943, Rule 2(1) of the Secretary of State's services (GPF) Rules 1943 Rule 2(1) (a) of GPF (C.S) Rules 1960, and Rule 2(1) (i) of C.P.F (India) Rules 1962.

[Based on CAG's letter No.-2470-Tech-Admn-II/484-65, dated 01.12..65 Dy-FM-CAG-91 and letter No.-239-Tech-Admn.-II/484-65, dt.10.02.66 Dy-FM-1-CAG-122.]

118. It has been decided in partial modification of earlier instructions on the subject that P.F payment Vouchers need not be taken for local verification with the cash book. The local inspection party should, however, examine the initial records like temporary advances register, Cash Book etc. kept by the Departmental office.

[Based on CAG's letter No.-363-TA-I/225-73 dt.30.05.73 (Dy-FM-8-14-CAG-16 of 74 – 75)]

Chapter- 2

ADMISSION TO FUND

Central

201. (i) The eligibility of the officers to join the fund is governed by rule 4 of the General Provident Fund Rules (Central) 1960.

State

(ii) The eligibility of the officers/staff of the Government of Orissa to join the Fund is governed by Rule 4 of the GPF (Orissa) Rules.

All persons appointed under the Government of Orissa with effect from 01.01.2005, except a few category of Government employees, are not eligible for GPF. But they are covered under DCPS. For details in this regard Appendix- Q may be seen.

Note-1- Government Servants appointed on contract basis are generally not eligible to the benefits of the G.P Fund. But they are allowed the benefits of the C.P. Fund if the period of contract is for 5 years or more provided it is specifically mentioned in the contract bond executed by the Government servants that he would be so entitled.

Government, however, agree to encourage thrift the contract officers should be allowed to contribute to the G.P. Fund in terms of Finance Department Memo No.-2623-F, dated 9th March 1949. But in such cases it is desirable that in each case specific orders of Government should be taken.

[Government of Orissa, Finance Department No.-3324/F/P.F-35/55, dated 13th February, 1956, Dy. FD-II-9776-P. File No.-FD-II-MJ-2(Per) of Dr. S.C. Das]

Note-2- In the case where a person is appointed to a temporary post under Government on transfer from a Corporate body, owed or controlled either by State or Central Government, his service under that Corporate body should be treated as service under Government, and the person concerned should be permitted to subscribe to the G.P. Fund immediately on his joining Government service if he has already completed one year's service under that body.

[Vide Govt. of Orissa, Finance Department No.-P.F-12/64-22998/F, dated 27th July 1964.]

Note-3- It has been clarified by the Government of Orissa that, in the case where a person is transferred to a new post under the State Government from Central Government, other State Government or another Department of the Government of Orissa, his services under the Central Government, other State Government or in the previous Department of the Government of Orissa should be treated as continuous service for eligibility to subscribing to the General Provident Fund in terms of Rule 4 of the G.P.F (Orissa) Rules and the person concerned should be permitted to subscribe to the General Provident Fund immediately on his joining the new post, if the amount standing to his credit is transferred to the new post in term of rule 33 *ibid.* Past cases decided otherwise should not be re-opened.

[Based on the Government of Orissa, Finance Department O.M No.-GPF-43/68-5461/F, dt.19.02.69 (Dy.-FM-1-37-743 of 69-70 and Dy No.-FM-DO-1-37-43 of 73-74)]

G.I. Decision No.-1

It has been decided that the maximum limit up to which a subscriber may subscribe to the Fund shall be his monthly emoluments as defined in rule 2(1) (b) of the General Provident Fund (Central Services) Rules or in rule 2 (1) (ii) of the Contributory Provident Fund (India) Rules, and that where amounts in excess of this limit have been paid in any case, they shall be treated as unauthorised.

[Government of India, Ministry of Finance, Office Memorandum No.-F-30(34)-EV/53, dated the 18th January, 1954, copy received with Ranchi Office No.-OE-10-5315, dated the 22nd February 1954, Dy.FD-1-10-8838]

G.I. Decision No.-2

It has been decided that 'dearness pay' should not be treated as part of pay for the purpose of advances from the Contributory Provident Fund.

[Govt. of India, Ministry of Finance O.M. No.-F-30(34)-EV/53, dated 21st May 1954. Dy. FD-1(g1)-1-10-7]

G.I Decision No.-3

For the purpose of calculating the amount of subscription by Government servants and Government contributions to the C.P. Fund, the dearness pay appropriate to the pay on which these contributions are based, shall be treated as part of such pay. This concession will take effect from the 15th July 1952, provided that the Government servant concerned pays the arrears of subscription from that date. Cases of persons who have already retired before the issue of these orders will not be reopened.

[Govt. of India, Ministry of Finance O.M. No.-F-6(5)-E-II/53, dated 9th May 1953. Dy. O.E(Br)-3-2-75, and Govt. of India, Ministry of Finance No.-D-6241-EV/54, dated 3rd August 1954. Dy. FD-(GI)-1-10-23.]

G.I Decision No.-4

A question has been raised whether persons transferred to temporary post under Government Service under a corporate Body owned or controlled by Government, should be required to subscribe compulsory to the GPF immediately on taking over under Government or after completion of one year's continuous service under Government.

The Government of India have decided that in such cases the service under the corporate Body should be treated as service under Government for the purpose of rule 4 of the GPF (C.S) Rules, 1960 and the person concerned should be permitted to subscribe to the Fund immediately on his joining Government service if he has already completed one year's service under that body.

[Based on Government of India, Finance Department Office Memorandum (Department of Expenditure) No.-F-8(12)-EV/B/63-II, dated 19th September 1963 received with Comptroller and Auditor General's letter No.-1754-Admn.-II/245-62, dated 1-10-63-Dy. FD-1-CAG-26.]

Government of India Decision No.-5

A doubt having been raised whether persons transferred to a new post under the Central Government from service under a State Government or in another Department of the Central Government should be required to subscribe compulsorily to General Provident Fund immediately on joining the new post under Government or after completion of one year's service in the new post, it has been clarified by the Government of India that in such cases, the service under the State Government or in the previous Department of the Central Government should be treated as a continuous one for eligibility to subscribe to the General Provident Fund in terms of Rule 4 of GPF (C.S) Rules, 1960 and the persons concerned should be permitted to subscribe to the General Provident Fund immediately on his joining the new post, if the amount standing to his credit is transferred to the new post in terms of Rule 35 *ibid*. The past cases decided otherwise should not be re-opened.

These orders are also applicable to persons serving in the Indian Audit & Accounts Department.

[Based on Government of India, Ministry of Finance (D.E) O.M No.-F-41(1)-EV/68, dated 19-04-68 received with Comptroller & Auditor General's letter No.-809-Audit/31-68 dt.26.04.68 Dy.-FM-1-10-CAG-13]

201-A Eligibility of work charged employees to subscribe to GPF.

It was clarified by the Government of Orissa that work charged employees are excluded from subscribing to the GPF. However, the subscription released from then up to date would be accepted and the interest there on would be allowed up to date of a

transfer of the accounts to the Provident Fund Commissioner under the E.P.F Act or the final payment of the amounts.

[Based on G.O.F.D letter No.-26320/F dt.26.07.67-Dy-FM-1-37-337 of 67-68 at Page-41]

It has subsequently been decided by Government in partial modification of their orders dated 26.07.67 that :-

- (i) Interest on subscription released beyond July, 1967 will be paid at the proscribed rate till the final payment of the amount to the subscriber.

Note- But in no case interest will be allowed for the period beyond 31-12-75 on the subscriptions to provident Fund.

[Based on Government of Orissa Finance Department Office Memorandum No.-GPF-4/75-43615/F, dt.01.12.75]

- (ii) The amount of subscription of a work charged employee with interest thereon in the GPF account shall not be transferred to any account and
- (iii) If the work charged employee is appointed to a post in regular establishment, the accumulation in his GPF account in respect of his service rendered as work charged employee for the period in question shall not be transferred to his fresh GPF account in the regular establishment, but shall be finally paid.

[Based on G.O.F.D O.M No.-28302/F, dt.01.06.73-Dy.-FM-1-37-114 of 73-74]

Interpretation of the Term “Subscribers” for Purpose of the General Provident Fund Rules

202. (i) In Government of India, Finance Department letter No.-F-30(2)-R-II/38, dated the 26th August 1938, it was stated that a person in whose time the following processes have been completed may be considered as a subscriber to the General Provident Fund:

- (a) Submission of application for admission.
 - (b) Acceptance of the application.
 - (c) Allotment to him/her of an account number.
 - (d) Deduction of subscription from his/her pay bill and crediting the amount to his/her account in the Fund.
- (ii) After consultation with the Government of India the Auditor General has agreed that the Statutory Rules on the subject of General Provident Fund nowhere lay down that a person is to be deemed as a subscriber only when his proposal has been made in a particular manner and has been accepted by the Audit Officer and an Account Number allotted by the latter. The rules merely legislate that a subscriber should first be eligible to subscribe and that he should as a matter of fact subscribe in the manner prescribed. It is, therefore, not necessary that all the processes mentioned in the Government of India, Finance Department letter dated the 26th August, 1938, referred to above should be undergone by a person before he can be legally described as a subscriber.

[Auditor General's Endorsement No.-480-A/165-44, dated the 14th November 1944, Dy. Fd-1-10-1540]

Interpretation of the Term of a "Subscriber" for General Provident Fund (Orissa) Rules and Contributory Provident Fund (Orissa) Rules

203. The Government of Orissa have decided that if a Government servant is eligible to be a subscriber to the General Provident Fund or Contributory Provident Fund and has as a matter of fact, subscribed to the Fund and has submitted an application for admission to the Fund, he should be considered as a subscriber to the Fund even if no account number has been allotted to him/her by the audit office.

[Government of Orissa, Finance Department No.-4697-F, dated the 8th August 1945, Dy. Fd-1-26-956]

Subscribers to Special Provident Fund not Eligible to Subscribe to General Provident Fund

204. It has been decided by the Government of India that a subscriber to a Special Provident Fund should not be permitted to subscribe to the General Provident Fund also.

[C.G.'s letter No.-2200-E-476-15, dated the 8th November 1915]

Eligibility of a Judge of the High Court

205. (i) A Judge of the High Court who is not a member of the Indian Civil Service shall be entitled to subscribe to the General Provident Fund (Superior Civil Services) in accordance with the rules of that fund, provided that nothing in this rule shall have effect so as to give to a Judge who is a member of Civil Service in India less favourable terms in regard to General Provident Fund benefits than those to which he would be entitled as a member of his Civil Service if he had not been appointed as a Judge.

[Government of India, Home Department Notification No.-59/1/37-Judicial, dated the 4th May, 1937 forwarded with Government of India, Finance Department endorsement No.-F-11(8)-R-II/37, dated the 20th May, 1937. Dy.-Fd-1-574.]

Note- It has been decided by the Government of India that the G.P Fund accounts of the High Court Judges appointed after the commencement of the High Court Judges (Conditions of Service) Act 1954 should be maintained by the Accountant General of the State and the Provident Fund transactions should be adjusted in the State section of accounts.

[G.I letter No.-11/52-54/Judl., dated 14th February 1955, Dy. Fd-1-10-65]

(ii) (a) Consequent on departmentalisation of Accounts of Central Government Departments, the State Accountant General would continue maintaining dummy Provident Fund Accounts of High Court Judges who are subscribers to the

General Provident Fund (Central). The State Accountant General would also continue making payment of advances and final settlement of cases after retirement. These transactions (both credits and debits) would be carried out in the State Section of the Accounts by keeping transactions initially under the head “858-Suspense Accounts-P.A.O. Suspense” and cash settlement effected with the concerned P.A.O once in a year. The cash settlement should be effected before the close of the accounts of the relevant financial year.

- (b) The State Accountant General would also work out the annual interest on Provident Fund Balances of these accounts and make the posting of interest in the individual Dummy Provident Fund Ledger Account. He should communicate the total figure of interest to the P.A.O to enable him to carry out the adjustment in the Accounts by debit to the head “Interest” and credit to Provident Fund in the Accounts of the year.
- (c) The concerned Pay and Accounts Officer in the Ministry of Law and Justice and Company Affairs is the P.A.O Department of Legal Affairs, Indian Law Institute Building, Bhagwan Dass Road, New Delhi.

[Based on C&AG’s letter Nos.-

- (i) 907-TA-II/242-71, dt.17.05.77 (Dy.-FM-CAG-1-10/77-78/7)
- (ii) 2143-TA-II/242-71, dt.08.12.77 (Dy.-FM-CAG-1-10/77-78/13)
- (iii) 449-T.A-II/242-71, dt.23.03.78 (Dy.-FM-1-3/78-79/47) and
- (iv) 619-TA-II/242-71, dt.06.05.78 (Dy.-FM-CAG-1-3/78-79/2]

Eligibility of Governors to subscribe to Provident Fund

206. Since Governors (unless they happen to belong to any particular service, e.g., I.C.S.) have at no time enjoyed the privilege of subscribing to a Government Provident Fund, they are not entitled to subscribe to Provident Fund, unless a specific provision is made by law in Parliament in this regard.

[Government of India, Ministry of Home Affairs D.O letter No.-27/42/52-Public, dated the 18th December 1952 to the Secretary to the Governor of Orissa received with the latter's D.O Express 343 S.G., dated the 27th January 1953, Dy. Fd-8-578]

Eligibility of Members of Orissa Public Service Commission to subscribe to Provident Fund

207. (i) Notwithstanding any provision to the contrary in GPF (Orissa) Rules, a member of Orissa Public Service Commission shall be entitled to subscribe to the GPF (Orissa) in accordance with the provisions of the Regulation 13 of the O.P.S.C (Conditions of Service) Regulations, 1952.

(ii) A Government servant who is appointed as a member after his retirement from service under the Government of India or a State Government shall be eligible to subscribe to the General Provident Fund (Orissa) from the date of his re-employment as a member.

(iii) A Government servant who is appointed as a member before retirement shall be eligible to continue to subscribe to the General Provident Fund (Orissa) A.I.S.P.F or the Central Provident Fund as the case may be till he retires from his parent service. On retirement, the Fund account of the member shall be closed and balance paid to him, and he shall be entitled to subscribe to the General Provident Fund (Orissa) from the date of his retirement and a new account will be opened in his name.

(iv) Any other person appointed as a member shall be eligible to subscribe to the General Provident Fund (Orissa) with effect from the date of his appointment.

(v) Subject to the provisions of the above Regulation, the rules of the General Provident Fund (Orissa) A.I.S.P.F. or the Central Provident Fund as the case may be, shall apply to the subscribing members.

[Regulation 13 of the Orissa Public Service Commission (Condition of Service) Regulations 1952 as amended by Government of Orissa, Political and Services Department Notification No.-12770/Gen., dated 20th October 1959 (Dy. Fd-1-37-7041)]

Maintenance of Provident Fund Accounts of Divisional Accountants

207-A. It has been decided by the Comptroller and Auditor General that as Divisional Accountants working in connection with the State Divisions are being paid from the State Consolidated Fund their General Provident accounts should be kept in the State Section of Accounts. However, in order to distinguish the P.F transactions pertaining to Divisional Accountants who are governed by the G.P.F (CS) Rules from the transactions of the G.P.F of the State, the former transactions are accounted for under a detailed head.

“G.P.F of Divisional Accountants” under the minor head “G. P. Fund”.

The G.P.F accounts of Audit office clerks who are recruited as Divisional Accountants should, however, be continued to be maintained in the Central Section of Accounts till they are confirmed as Divisional Accountants.

[Based on Comptroller and Auditor General’s letter No.-2718-Tech-Admn-II/402-68 dated 13.11.68/Dy.-FM-1-10-57/68-69]

Note- All Divisional Accountants whether promoted from Audit Officer of State Government Officers are governed by G.P.F (CS) Rules.

207-B. The G.P.F (C.S) Rules will be applicable to the Public Works Divisional Accountants (whether attached to the Divisions or Audit Officers) although the Divisional Accountants contribute to the G.P.F of the State Government and as such the orders contained in the Ministry of Finance Notification No.-F(26)-2-EB-57 dt.10.06.57 [Reproduced as para-3 of the Fifth Schedule to G.P.F (C.S) Rules, 1960] would not apply in the case of Divisional Accountants for determining the authority competent to Sanction advances from their G.P.F.

It has further been clarified that when an U.D. of Audit office is promoted as a Divisional Accountant, his Provident Fund balance is to be transferred from Central to

State Government, and an inter Government monetary settlement for the purpose has to be carried out.

[Based on CAG's letter No.-236-N.G.E-II-373-Admn-II/62 dt.07.03.63 addressed to A.G, Andhra Pradesh and this office letter No.-Addl.A.G.-3(6)-206 dt.30.10.72 (Dy-FM-1-10-515)]

Admission to the Benefits of the Contributory Provident Fund of the Whole Time Chowkidars of Bungalows and Circuit Houses not Forming Part of Regular Establishments

208. The Government of Orissa have decided that the whole time Chowkidars of the Government Bungalows and Circuit Houses who are on the regular scale of pay and are borne in the Works Charged and Contingent establishments shall be admitted to the benefit of Contributory Provident Fund with effect from 1st January 1959 subject to the following conditions :-

- (i) Only those Chowkidars who have completed three years of continuous service by the 1st January 1959 and those who complete the period thereafter will only be eligible to the benefits of the scheme.
- (ii) The amount of subscription shall be fixed by the Chowkidars themselves and shall be expressed in whole rupees. It may be any sum so expressed but not less than 6 ¼ per cent and not more than 15 5/8 per cent of the emoluments. Government will pay a contribution to the Provident Fund Account of the subscribers at 6 ¼ per cent of their emoluments.

[Vide Government of Orissa, Finance Department, Resolution No.-39733-CPF-31/58-F, dated 29th December 1958.]

- (iii) Temporary withdrawals from the Provident Fund will be permissible subject to the following conditions and restrictions :-
- (a) If the subscribers balance in the Fund relating to his own subscription is less than Rs.75/- or the grant of the advance will reduce this balance to less than Rs.75/- withdrawals shall not be permitted.
 - (b) Advances may be granted to meet heavy medical expenses in case of the subscriber's own serious illness or the illness of his lawfully wedded wife or wives and unmarried legitimate children or the marriage expenses of a daughter, or to meet the University Examinations fees and cost of books in the college course of a son, but advances will not be granted on any other account.
 - (c) A second advance shall not be given while one is outstanding and between the complete repayment of a previous advance together with interest thereon and the grant of a fresh advance there should be an interval of not less than twelve months.
 - (d) The amount of advance will be restricted to three month's pay and shall be so fixed that it may be repaid in installments of equal amounts. The amount shall be recovered from the subscribers in such number of equal monthly installments as the sanctioning authority may direct but such number shall not be less than twelve unless the subscriber so elects or in any case, more than twenty four.

[Vide Govt. of Orissa, Finance Department No.-33211/F, dated 10th November 1959]

- (iv) Substitution of subscriptions to a family pension fund or payments towards insurance premium for subscription to the fund as envisaged in Rule 15(a) of Contributory Provident Fund Rules (Orissa) shall not apply to the above category or subscribers.

[Vide Government of Orissa, Finance Department No 33209/F, dated 10th November 1959]

Admission to the Fund

209. On receipt of an application for admission to the provident fund in GPF Form 3 the procedure laid down in Paragraph 387 of M.S.O. (Technical) Volume-I should be followed. No one should ordinarily be allowed to subscribe to the fund for the first time before the allotment of an account number. If a new name appears in the schedule of Provident Fund deductions, an application for admission should be called for and its admissibility checked.

210. Cases of apparent ineligibility to subscribing to the Provident Fund should at once be brought by the Departmental Accounting Sections to the notice of the Fund section, with a view to such account being closed, but this does not absolve the Funds section of its responsibility to take action in such cases.

211. A subscriber should send his application together with nomination in the revised form in duplicate. The application should be admitted if in order and the account number allotted and limited through the duplicate copy of the application, as detailed below :-

- (i) An account number in the appropriate series should be allotted and entry thereof made in the General and Alphabetical Index Registers.
- (ii) The designation of the subscriber should invariably be noted in the relevant column in the General Index Register.
- (iii) When the names are identical, the names of the fathers/husbands should be ascertained and noted in the Index Register.
- (iv) A ledger account should simultaneously be opened for the subscriber in the form prescribed.
- (v) The entry of the account number against the subscriber's name in the Index Register and the entries in the account of the name, number and designation and the special entries regarding the title to protected rate of interest, Compulsory deduction of subscription, etc. (which should be noted at the top of the account), should be attested by the Superintendent.
- (vi) The nomination received with the application should be dealt with in accordance with paragraph 304 below.

[CAG's letter No.-896, Admn/364-49, dated 9th May 1960]

Note: It has been decided by the Government of Orissa that the names of subscribers should be written in full and not in an abbreviated manner in the applications for admission.

[Based on GO, FD OM No. GPF-10/70-20336 Dated 28.4.1970-DY FM-I-37-159 of 5/70]

General Index Register

212. Index Registers (one for each group) should be maintained in Form 65-M.S.O (T) and each register should have an alphabetical index prefixed to it. There should be a separate series of numbers for each group with distinctive letters prefixed to them, e.g., P/50 denotes account No.-50 of the Police Department while A.J/50 the Administration of Justice Department. As soon as a new account is to be opened an account number (consecutive for each group) should be assigned to the new subscriber with the help of the Index Register wherein records of declarations and final payments on closed accounts are to be noted.

Note- When new group numbers are assigned to the old subscribers care should be taken to see that a record is kept in the General Index Register of their old numbers also, so that their past records may be easily traced whenever required. For this purpose the new group number will be shown as numerator and the old number as denominator in General Index Register, e.g., LR(O)-20/GA(O)-3000 shows that the old number of the subscriber corresponding to the new number LR(O)-20, was GA(O)-3000.

[Para-389 of M.S.O (Technical) Volume-I]

Chapter- 3
NOMINATIONS

Receipt of Nomination

301. A subscriber shall, at the time of joining the Fund, send along with the application a nomination in the appropriate form prescribed in the rules applicable to him.

Note- As nominations are to accompany the applications for admission to G.P. Fund as per revised form of application for admission introduced by the Central/State Government one consolidated Register for diarising all correspondence relating to admissions and nominations should be maintained instead of two separate ones.

[Based on O.O.B-1046, dated 31st July 1964.]

Government of Orissa Decision No.-1

(The letter No.-GPF-6/86/1034/F from R.N. Das, Secretary to Government of Orissa, Finance Department dated 12th January, 1987.)

Office Memorandum

Under Rule-8(1) of GPF (O) Rules, a subscriber is required to send nomination to the Accounts Officer at the time of joining the Fund, conferring on one or more persons the right to receive the amounts that may stand at his credit to the fund in the event of his death before that amount has become payable. These are sent to the Accounts Officer in Accountant General's office for acceptance and record.

Now Accountant General, Orissa has reported that due to increase in numbers of P.F subscribers it has become difficult for them to call for, watch receipt of and maintain them in safe custody. As a result of this arrangement, on many occasions it has created delay and impediments for Final Payment of dues.

In order to over-come these difficulties the Governor has been pleased to decide that nominations in respect of non-gazetted employees be accepted by the heads of offices, noted and kept in the Service Book of the subscriber concerned for future reference. They shall send the nominations to Accountant General, Orissa along with applications for Final Payment.

Action is being taken to amend the relevant rules of GPF Rules to this effect.

Government of Orissa Decision No.-2

(Government of Orissa, Finance Department, Office Memorandum No.-GPF-10/87-18183/F dated 29th April, 1988.)

Sub: Filling of Nominations in respect of Gazetted Officers in respect of GPF.

The undersigned is directed to invite a reference to the decision contained in Finance Department Office Memorandum No.-1034/F dated 12.01.1987 regarding the procedure of filling and acceptance of nomination in respect of Non-Gazetted employees under Rule 8(1) of GPF ruules.

Now the Accountant General, Orissa has reported that since the pay and allowances of the Gazetted Government servants are at present drawn by the Heads of Offices on establishment bills and the service records are maintained by them as in the case of Non-Gazetted Government Servants, the nominations in respect of Gazetted Government servants, to be filed may also be accepted by the Heads of Offices.

The proposal has been duly considered and the Governor has been pleased to decide that nomination filed in respect of Gazetted employees shall be accepted by the Heads of Offices, noted and kept in the Service Book of the subscriber concerned for future reference. They shall send the nominations to the Accountant General, Orissa along with applications for Final Payment.

The following detailed procedure shall, however, be followed for implementation of the above decision.

- 1) Gazetted Government servants whose pay and allowance are drawn by the Heads of Offices will also send their nomination to the P.F to the Head of Office. The Head of Office or any subordinate Gazetted Officer who has been duly authorised by him in this behalf will scrutinize the nomination and accept it if it is found to be in order in accordance with relevant rules of GPF and record the fact of acceptance on the nomination form at the top right hand-side under his dated

signature and seal. Defective nomination may be returned to the person concerned for rectification and early return.

- 2) As soon as a nomination is accepted suitable entry regarding receipt and acceptance of the nominations should be made at the top of the inside cover of front page of the Service Book of the official, under the dated signature of Head of Office.
- 3) Nominations should be kept in the safe custody of Head of Office.
- 4) In the event of transfer of the Government servant to another office, his nomination should also be transmitted along with the Service Book to the Head of Office to which he is transferred and entry to that effect should be made in the Service Book below the entry mentioned in Item-2 above. Acknowledgement for receipt of the nomination from the latter office should be filed and kept in the custody of Head of Office from where he is transferred.
- 5) When the balance at the credit of the subscriber become payable to his nominee under the rules of the fund the nomination kept by the Head of Office shall be sent in original to the Accountant General along with the application for Final Payment of GPF dues after retaining an attested copy for further reference.

Change of Nomination after the Date of Retirement/Discharge

302. (i) Under the existing rules of the General Provident Fund (Central Services) Rules 1960 and Contributory Provident Fund Rules (India), a subscriber at the time of joining the Fund is required to make a nomination conferring the right to receive the amount that may stand to his credit in the Fund in the event of his death before the amount at his credit is paid or becomes payable to him.

A question has been raised whether a subscriber can effect changes in the nomination already made by him while in service, after the date of his retirement/discharge, etc. The matter has been carefully considered by the Government of India and the position is that so long as the amount at the credit of the subscriber is not actually paid it retains the character of Provident Fund and hence there should be no objection to the subscriber changing the nomination in this regard even after retirement,

discharge, etc., provided the changes or revised nomination are made and notified in accordance with the provisions of the relevant Provident Fund Rules.

[Based on Government of India, Ministry of Finance (Department of Expenditure) Office Memorandum No.-F-52(13)-EV/60, dated 16th July 1960 received with Comptroller & Auditor General's letter No.-1619-Admn.-III/176-Audit/59, dated 9th August 1960. Dy.FD-I-G.I-1-10-32.]

(ii) The Government of Orissa have taken the same decision as stated in sub-para 1 in regard to GPF (Orissa) C.P.F. (Orissa) Rules.

[Based on Govt. of Orissa, Finance Department O.M No.-27340/F, dated 31st August 1960. Dy. FD-1-37-3935.]

Validity of the Nomination/Revised Nomination executed before the Death of the Subscriber Received by the Head of the Office, but not Forwarded to the Accounts Officer

303. The nomination executed by a subscriber in respect of his Provident Fund account and submitted by him well before his death to the Head of the office should be treated as a valid nomination notwithstanding the fact that it did not reach the Accounts Officer before the death of the subscriber.

[Based on CAG's letter No.-993-A/3-62, dated 23rd November 62 (Dy. Fd-11-10-8838) received with Main Office No.-TM-BO-Fd-1897, dated 20th December 1992.]

Note- The above decision has been adopted by the Government of Orissa in respect of both General Provident Fund and Contributory Provident Fund nominations.

[Based on Government of Orissa, Finance Department Memorandum No.-P.F/38-65/19380-F, dated 14th May 1965. Dy. 1.37.65-66/685]

Admission of Nomination

304. (i) The nomination should, on its receipt, be checked to see if it is in the Prescribed Form and in conformity with the rules. If a nomination is defective in any respect, an objection memorandum in prescribed form should be issued.

(ii) If the nomination is in order, receipt of the nomination should be noted in the General Indx Register and on the top of the ledger folio.

(iii) Acknowledgement of its receipt should be in the form given below :-

(Form of Acknowledgement of P.F. Nominations)

No. Fds-

From

The Accountant General, Orissa,

To

Shri

(Through)

Sir,

Sub : Acknowledgement of nomination.

Ref :

The receipt of the nomination, dated Furnished by Sri/Smt./Kum. in respect of his/her Provident Fund account No. is hereby acknowledged.

The old nomination, dated is returned herewith duly cancelled.

Assistant Accounts Officer /Assistant Accountant General

[CAG's letter No.-649 Admn-11/407-60, dated 15th April 1963.]

(iv) If a information is defective in any respect, an objection memorandum in GPF Form-21 should be issued, if the nomination is found to be in order or after proper completion has been secured, an acknowledgement of its receipt should be prepared and the same should then be put up along with nomination, etc., for initial/signature of the Gazetted

Officer-In-Charge. The nominations, after being accepted by the Branch Officer, should be properly filed in the guard file on nominations which is kept under lock and key in the Branch Officer's custody.

(v) The acknowledgement should be addressed direct to the subscriber through Department concerned where necessary.

[Based on CAG's letter No.-1823-Admn.-26-49, dated 24th September 1949.]

(vi) It has been decided in consultation with the Government of India that information regarding names of the nominees and the share of deposit allotted to each as given in the nominations should not be indicated in the acknowledgement of receipt of nominations.

Note- The acknowledgement should be addressed to the subscriber direct, if he is a Gazetted Officer and through the Department concerned in other cases.

[Based on CAG's letter No.-905-Admn.-11/407-60, dated 22nd May 1963- Dy.Fd-I-1-10-CAG-5.]

Audit of Nominations

305. In auditing the nominations it should be seen :-

- (i) That the account number is quoted ;
- (ii) That the appropriate form of nomination has been used by the subscriber and column (3) regarding age, filled in ;
- (iii) That the name of the nominee together with his private address is fully stated in column (1) ;
- (iv) That a married subscriber has not bequeathed any portion of his deposits to any other than his wife, children or children of his deceased son ;
- (v) That the share payable to each nominee is stated in column (4) and that the total of the share covers the whole amount at his credit ;
- (vi) That the full name and address of the person to whom the minor's share is to be paid is stated in column (5) ;

- (vii) That the subscriber's own name is not entered in column (5) ;
- (viii) That the depositor's signature is transliterated, if in vernacular, dated and attested by two witness ; and
- (ix) That the vernacular entries in the declaration are transliterated and corrections if any, attested by the depositor.

Note- A question was raised whether it is necessary to specify "Death" as one of the contingencies in the nomination. It has been held that specification of 'Death' as one of the contingencies is redundant and misleading, especially in view of the headings in the last two columns of the form of nomination. Hence, the subscribers should not specify 'Death' as one of the contingencies in the penultimate column of the nomination. However, nominations already made by the subscribers and accepted by the Accounts Officer in which "Death" has been specified as a contingency will not be treated as invalid.

[Based on Government of India, Ministry of Finance (Department of Expenditure) Office Memorandum No.-F-28(18)-EV/50, dated 12th November 1957. Dy. Fd-1G.I-10-165.]

306. Bequests in declarations- A depositor should be allowed al reasonable latitude in making bequests in the declaration, and if he desires to do so, he is at liberty to name either a particular widow or a particular child as sole beneficiary from his savings in the Fund.

[Government of India, Finance Department No.-1297-F.E., dated the 6th March 1911.]

Note-1- A child given in adoption outside the family of a subscriber should be excluded from the category of the surviving members of the family.

[Government of India, Finance Department No.-73-F.E., dated the 20th May 1924.]

Note-2- The term child has been defined under Note-II to Rule 2 (c) of the General Provident Fund (Central Services) Rules, 1960 as including an adopted child with the object of bringing the latter under the term “Dependent” as defined in section 2(c) of the Provident Funds Act of 1925. An adopted child is, therefore, for the purpose of the Act and the rules made thereunder, the child of the adopter and cases to be the child and dependent of the natural father. It has accordingly been decided that in a case in which a person has given his child in adoption to another person and if, under the personal law of the adopter, adoption is legally recognised as conferring the status of a natural child, such a child should, for the purpose of the Provident Fund Rules, be considered as excluded from the family of the natural father.

[Government of India, Finance Department No.-F-22(1)-R-II/36, dated the 30th January, 1936, Uttar Pradesh Manual.]

Note-3- Adoption is not recognised by the Muhammedan Law.

[Muhammedan Law by S. Amir Ali, Chapter-3, See also the order issued in letter No.-2725-F, dated the 15th June, 1942, from the Government of Orissa, Finance Department on the case of Late Munsif, Abul Alleem, Dy.Fd-939-Case No.-Fd-5-114 of 1940-41]

Government of India Decision

Question whether a subscriber can specify more than one alternate nominee in the nomination made under the Provident Fund Rules- The expression “Such other person” occurs not only the proviso to Section 5(1) of the Provident Fund Act, but also in Rule 5(5)(a) of the General Provident Fund (Central Services) Rules 1960. The Government of India have been advised that, normally, words in the singular number include the plural but that this rule of construction is subject to the context. In regard to principal nominees, Rule 5(1) of the General Provident Fund Rules expressly permits nomination in favour of “one or more persons” and Rule 5(2) contains provisions for specifying the shares in the case of more than one nominee. As, however, Rule 5(5) relating to alternate nominees is not couched in the same language, the expression “Such other person” occurring therein

is not normally capable of being interpreted as including more than one person. But it is not the intention of Government to fetter the discretion of a subscriber in regard to the disposal of his Provident Fund accumulations, and it has also come to the notice of the Government of India that certain Accounts Officers have been accepting nominations wherein more than one alternate nominee is clearly indicated. The Government of India have accordingly decided that the present practice of accepting such nominations should continue.

[Government of India, Ministry of Finance letter No.-F-30(2)-EV/52, dated the 6th March, 1953. Copy received under Accountant General, West Bengal, letter No.-Fd-1-53, Vol.-II/1377, dated the 5th September, 1953, Dy. Fd-I-10-5897]

Inter-Pleader Suit in cases affecting the Liability of a Subscriber's Interest

307. When a case in a concrete form affecting the liability of a subscriber's interest in the Fund to any assignment or encumbrance executed or assumed to be executed by him arises, it should be reported to the Government of India, or to State Government as the case may be, so that an inter-pleader suit may be brought for a final decision in a court of law.

[C.G.'s letter No.-296-E-692-19, dated the 23rd August, 1919, Auditor General's No.-5181-F/737-21, dated the 19th December, 1921. Vide paragraph 22 of Bihar and Orissa Manual]

Creating a Lien on the General Provident Fund Money

308. A subscriber to the General Provident Fund can not create a lien in favour of Government on the sum at his credit in the Fund with a view to the substitution of such lien for existing security deposits.

[Government of India, Finance Department No.-1020-P, dated the 25th February, 1910.]

Disclosure of the Name of the Subscriber's Wife

309. A subscriber to the General Provident Fund should not, if he objects, be asked to disclose the name of his wife when she is the nominee. Payments should be made simply on proof of identity being furnished.

[Vide Note under para-380 of M.S.O (Tech.) Volume-I]

Validity of Nominations made under Old Rules

310. In view of Rule 5 of the General Provident Fund (Central Services) Rules, 1960, old nominations, although not strictly according to the new rules, will continue to be valid and need not be replaced by new rules, will continue to be valid and need not be replaced by new ones after the introduction of the new rules. A declaration in favour of a member of a subscriber's family made and accepted under the old rules would continue to be valid automatically if the subscriber re-marries after the new rules come into force.

[Government of India, Finance Department letter No.-F-22(30)-R-II/36, dated the 17th March, 1937, Dy. Fd-1-2358.]

311. (i) The declaration given under the old rules provides for nominating a person to receive payment on behalf of a minor beneficiary. In the declaration forms prescribed under the new rules no such provision exists. But such declaration forms in which guardians have been nominated under the old rules remain valid and payments will have to be made to such guardians under the new rules in view of Rule 5 of General Provident Fund (Central Services) Rules, 1960 and the General Provident Fund (Superior and Civil Service) Rules.

(ii) Under rule 15 of the Old General Provident Fund Rules, a nomination becomes invalid on the marriage or re-marriage of a subscriber even if such nomination had been made in favour of a member of his family. A declaration in favour of a member of a subscriber's family made and accepted under the old rules would continue to be, valid automatically if the subscriber re-marries after the new rules come into force.

[Government of India, Finance Department No.-F-22(3)-R-II/36, dated the 17th March, 1937]

312. (i) A question having been raised-

- (a) Whether the provision in Rule 26 of the State Railway Provident Fund Rules to the effect that on the marriage or –re-marriage of a subscriber who is not a Hindu, Mohhammadan, Budhist or other person exempted from the operation of the Indian Succession Act, any nomination already made by him shall forthwith become null and void, is ineffective as contravening Section 5(1) of the Provident Funds Act ;
- (b) Whether a nomination made under one set of rules of a Provident Fund would become invalid under a later set of rules ; if not revised as required by the later set of rules ;

It has been decided by the Government of India that Section 5(1) of the Act does not itself provide for nominations to be made, and that it does not by itself create any right in favour of the nominee. It merely gives protection and force to a nomination made in accordance with the rules of a Provident Fund. If therefore, a rule exists in any Provident Fund Rules rendering nominations invalid on marriage or re-marriage, nominations (even if valid when made) will become ineffective if subscribers marry or re-marry and will not be nominations to which the protection of Section 5(1) of the Act could extend, such as that referred to at paragraph i(a) above, being in conflict with the Act.

- (ii) As regards the question in paragraph (i) (b) above, a nomination under Section 5(1) of the Act must also not only be in accordance with the rules (as they stand when it is made) but it must continue to be in accordance with the rules (as they may stand, amended or altered from time to time). The words duly made in accordance with the rules of the Fund occurring, in the section are significant, and in view of these words the position is that a nomination once made in accordance with the rules might lose its validity if the rules are subsequently altered or

amended. A nomination under one set of rules may thus become invalid under another set of rules if not revised as required by the later set of rules and loses the benefit of Section 5(1) of the Act.

[Government of India, Finance Department No.-F-22(30)-R-II/36, dated the 5th January, 1937, Dy. Fd-1-10-1724.]

Note- A question was raised whether a nomination submitted in the form as it stood prior to the amendments made in 1948 consequent on the passage of the Provident Funds (Amendment) Act, 1946, was valid or not. It was held that such a nomination, if otherwise valid, should not be treated as having become invalid solely on the ground that it was made in the form as it stood prior to its amendment in 1948. However, it is advisable for the subscribers, in their own interest, to have their nominations revised in accordance with the form as it now stands.

[Based on G.I., M.F (Department of Expenditure) O.M. No.-F-28(18)-EV/50, dated 12th November, 1957, Dy. FD-I-G-I-10-10-165.]

313. Interpretation of Rule 5(4) of the General Provident Fund (Central Services) Rules 1960 and corresponding rules of the C.P. Fund Rules (India) and the D.S.P. Fund Rules, etc.-

- (i) A question arose whether a nomination duly made and which was valid in accordance with the Rules of a Provident Fund could be cancelled by the subscriber by merely giving a notice of its cancellation in writing to the Accounts Officer of the Fund without simultaneously replacing it by another valid nomination or whether the old nomination subsisted by virtue of proviso to Rule 8(4) of the General Provident Fund (Central Services) Rules for so long as it was not replaced by another valid nomination.
- (ii) The Ministry of Law have advised that as the proviso to Rule 5(4) is directory and not mandatory, failure to send a fresh nomination along with the notice does not

make the notice ineffectual. Section 5(1) (a) of the Provident Funds Act 1925, provides that any nomination, duly made in accordance with the rules of the Fund, can at any time be expressly cancelled by notice given in the manner and to the authority prescribed by those rules. Sub-rule (4) of Rule-5 prescribes the manner in which and the authority to whom the notice of cancellation is to be given. The additional proviso that a fresh nomination should be sent along with a notice does not affect the validity or otherwise of the notice. The proviso thus does not constitute a condition for the validity of the notice. It follows, therefore, that once a notice is given complying with the above, requirements, it operates as a valid and effective notice provided it is given in clear and unambiguous terms.

- (iii) In view of the ruling given by the Ministry of Law, the Comptroller and Auditor General has decided that it would not be in order to make the payment of the deposits in the Central Provident Funds on the basis of the nomination, which is expressly cancelled by the subscriber by a notice given in clear and unambiguous terms but which is not replaced by another valid nomination. After receiving such a notice of cancellation of a nomination, the nomination should be canceled forthwith and returned to the subscriber. If the subscriber fails to furnish, along with the notice of cancellation or separately in due course, a fresh nomination which is in accordance with the rules and the Provident Fund deposit becomes should be made in accordance with the rules of the Fund as if no valid nomination subsists.

[The Comptroller & Auditor General No.-365-A/151-52, dated the 6th April, 1953, Dy. Fd-1-10-7.]

Note-1-The Government of Orissa have also adopted the above decision of the Government of India for payment of the deposits in the State Provident Funds.

[Government of Orissa, Finance Department No.-13367(34)/F/P.F-25/53 dated the 21st July, 1953 Dy. Fund-1-10-3063.]

Note-2-It has been held by the Government of Orissa that second marriage contracted while the first wife continued to be the legal wife is not “re-marriage” within the meaning of Rule 15 of Old General Provident Fund Rules and that “Re-marriage” means re-entering married state after leaving it.

[Orissa Government’s letter No.-2216-F, dated the 13th March, 1939, Dy. Fd-1-5 of 38-39-2448]

Duty of Audit Officers to see that Declarations do not conflict with the Rules regulating the Fund

314. (i) It is incumbent on the audit office to see that the General Provident Fund declaration does not conflict with the rules regulating the Fund. The whole object of the Provident Fund Act, 1925, is to take sums of money deposited under the rules of Provident Fund out of the scope of the ordinary law and to enable them to be paid, such law notwithstanding to the persons whom the rules designate. So long as the Fund remains with Government no question about the ordinary law of inheritance can arise.

(ii) It is only when in the absence of specified persons a share in the Fund is made over by the Government to the legal representative and all connection of the Government with the share ceases that heirs under the personal law of the individual concerned can claim the money from the legal representative. With this the Government has nothing to do.

[Government of India, Finance Department No.-90-F.E, dated the 10th January, 1912 and Government of India, Finance Department No.-820-F.E, dated the 31st October, 1912.]

Comptroller and Auditor General’s Decision-

In a recent case, a State Government issued a sanction, in relaxation of the relevant provisions of the State Provident Fund Rules, with a view to permit an individual subscriber to nominate his brother and mother as nominees for the payment of his Provident Fund deposits in preference to his wife. The question whether the said nomination could be held to be a nomination “duly made in accordance with the rules of

the fund” as contemplated in Section 5(i) of the Provident Fund Act, 1925, was referred to the Ministry of Law whose opinion is reproduced in the following paragraph.

The provisions of Section 5(1) of the Provident Funds Act, 1925, relating to the rights of the nominees are applicable notwithstanding anything contained in any law for the time being in force and prevail over those contained in any enactment including the rules framed thereunder. In order that a nominee may be entitled to the rights conferred by the said sub-section it is necessary that nomination must be duly made in accordance with the rules of the Fund. It follows that if the nomination is not duly made in accordance with the rules of the Fund, the nominee would not be entitled to the rights conferred by the said sub-section, under the proviso to Rule 8(1) of the General Provident Fund (Central Services) Rules and the corresponding provisions of other Provident Fund Rules, where a subscriber has a family, as defined in the rules, no nomination can be made in favour of any person or persons other than members of his family. Thus the nomination made in favour of the mother and brother of the subscriber, who are not included in the term family, as defined in the rules, when other members of the family are surviving, is ineffective and the nominees would not be entitled to the right conferred by the said sub-section notwithstanding the relaxation sanctioned by the Government. A contrary conclusion would go to defeat an important object of the fund as contemplated in the Provident Fund Act, 1925, namely to make provisions for the members of the family of the subscriber to the Fund, and would also effect the character of the Fund to which provisions of the Act are applicable. Rules of the Fund have to be interpreted so as to carry out the object or the intent of the enactment and not to defeat the same. It follows therefore that the reply to the question raised in para.1 is in the negative and that the method adopted by the State Government in relaxing the rules can not be commended as legally sound.

[Comptroller and Auditor General's letter No.-209/A/350-53, dated the 16th February, 1954, Dy. Fd-1-10-9347. Received with Ranchi Office memo No.-OE-10-5545, dated the 11th March, 1954.]

Misstatement in Nominations executed by the Subscribers to Provident Fund-Powers of the Accountant General to deal such cases.

315. To facilitate expeditious settlement of final payment cases where it is found that nomination executed by the deceased subscriber is not in accordance with the relevant provisions of GPF (Orissa) Rules, or is contrary to facts that is based on misstatement or suppression of facts concerning the existence of a family as defined in GPF (Orissa) Rules, the Accountant General has been empowered by the Government to treat such nominations as null and void and make payment as though these nominations do not exist at all.

[Vide Govt. of Orissa, Finance Department O.M. No.-21/62, 3132-F, dated 4th February, 1964, Dy.Fd-1-37-7396.]

Filling of Nominations

316. All nominations should, after their admission, be pasted on to the leaves of the guard file in the Branch Officer's custody. The Branch Officer should not sign the acknowledgement before this is done. The guard file of nominations should be maintained in the order of account numbers for each department and kept under lock and key in the custody of the Branch Officer. As and when a nomination is pasted on the stub of the guard file, the Branch Officer should verify whether the nomination has been correctly pasted in the relevant stub and, in token thereof record at the corner of the stub "Admitted on" and initial the entry.

316(A). As soon as each final payment is made a record to that effect should be made on the relevant nomination over the initials of the Superintendent. The nominations should then be removed from the guard file and placed in two guard files depending upon the period of preservation. The two guard files should be opened with the following headings as per CAG's letter No.-1092-T-Admn-II/282-80 dt.19.06.70.

- (i) Nomination relating to accounts in which final payments were/are made to subscribers themselves or to the major members of the family in accordance with these nominations ; and

- (ii) Nominations relating to accounts in which final payments were/are made to either (i) major and minor members of the family (ii) or only minor members of the family according to nomination or in any other manner.

These files, which should be maintained group wise, should remain in the custody of the Gazetted Officer In-Charge. Each of the guard files should have an index showing the serial number, Name of the subscriber with account number and due date of destruction of the nominations placed therein. The period of preservation of these two guard files has been indicated in Clause "A" of Appendix- 'G'.

An examination of these two guard files should be made in March each year and the nominations which are due for destruction should be destroyed. This work of destruction should be completed before 15th of April each year when a report of completion should be submitted to the Deputy Accountant General.

[Based on orders of A.G dt.20.05.66 in file FM-Genl-Misc-66-67 Para-50 of the Manual of Fund Sections of the Office of the A.G.C.R and C & A.G's letter No.-1092-T-Admn-II/282-70 dated 19.06.70 and No.-1489 TAI/282-70 dt.07.08.70]

Removal of Nomination

317(i) When for any reason a nomination is removed, the fact should invariably be noted under the dated initials of the Branch Officer in the remarks column of the General Index Register (M.S.O(T)65). A Proper record containing full information about the removal of the nomination should also be made in the relevant stub of the guard file of nominations under attestation by the Branch Officer.

(ii) When the nomination is replaced, the fact should be similarly noted in the relevant documents under proper attestation by the Gazetted Officer.

[CAG's letter No.-1236-Admn.-II/25-Admn.-1/51, dated 20th October, 1952.]

Revision of Nominations

318. When a revised nomination is received, it should be scrutinised with reference to the rules and if in order –

- (i) The entries in the General Index Register should be revised, canceling the previous ones ;
- (ii) The entry “Revised Nomination, dated received and admitted” should be recorded on the latest ledger account ; and
- (iii) The nomination should be admitted by entering the words “Admitted”. The revised nominations should then be kept in the guard file after making a suitable entry in the relevant stub of the guard file while acknowledging the receipt of the revised nomination, the superseded nomination should be returned duly cancelled to the subscriber.

319. *Circular to revise Nominations-* A circular letter may be issued calling upon all subscribers to revise their nominations in case any events have occurred which necessitate revisions if the head of an Account Office considers that such a circular issued once in three years in addition to the note 2, on the printed form of annual account sent to each subscriber, will serve a useful purpose.

[Auditor General’s No.-1062-NGE/79-29, dated the 12th May, 1929.]

320. (i) A question having been raised as to whether a nominee does not have any absolute right to receive the P.F balance of a deceased Government servant and to dispose it of in any manner he/she liked, it has been held by the Government of India (Ministry of Finance) in consultation with the Ministry of Law that payment of Provident Fund money in accordance with the nomination earns a valid discharge for the Government, but if any Court of Law decrees that payment should be made to person(s) other than nominee(s) before actual payment has been made to the nominee(s), the orders of the Court will have to be complied with.

[Based on letter No.-1293-T-Admn-II/128-68 dated 19.09.69, Dy-FM-1-10-CAG-40]

(ii) It has been decided by the C&AG in consultation with the Ministry of Finance and Ministry of Law that :-

- a) Section 5 of the P.F Act, 1925 confer on the nominee merely a right to receive the P.F assets in the event of subscribers death and that the nominee does not have any absolute right of disposal of such assets. It is always open to the heirs under the personal law applicable to the deceased subscribers to claim their share of P.F money. As such the orders where a court of law orders payment of P.F money otherwise than in accordance with the nomination irrespective of the facts whether the nomination is held or not.
- b) P.F amount should not be authorised by the Accounts Officer to the nominee(s) in a case which is known to him to be sub judice.
- c) In a case where there is a possibility of a suit being filed the Administrative Department may write to the party intending to file a suit that Government intends to make payment within a certain number of days.
- d) After the orders have been passed by a lower court, if certain parties intend to go in appeal against the judgement of such a court, the Administrative department should write to the party which has lost the case that if within a stated reasonable period (say 15 days) that party does not obtain a stay order from the Court, payment shall be made.

The Administrative authority should take action in all the 3 types of cases mentioned in (b), (c) and (d) above, so long as the application for final payment is not forwarded to the Accountant General concerned. After the application has been forwarded, the responsibility rests both with the Accounts Officer and the Administrative authority & whenever receives any information should pass it on to this office.

[Based on CAG's letter No.-1324-T-Admn-II-128-68, dt.24.07.70 Dy-FM-CAG-1-10-28]

Chapter- 4

SCHEDULES

N.B.- The instructions given in this section apply mostly to the Fund Accounts maintained by Hand Method.

Receipt of Schedules and Instructions for their Preparation.

401. Each and every salary or establishment bill which includes any deduction on account of subscriptions to the General Provident Fund must be accompanied by the schedules in the prescribed form, viz., O.T.C. No.-76 and 77 for the State Government and Form No.-T.R.-56 and 56-A for the Central Government. The instructions for the preparation of the schedules have been incorporated in Appendix- “A” to this Manual.

Note- (1) Cases of permanent transfer to other Audit circles of Gazetted Government servants, who are subscribers to any provident funds, should be communicated by Gazetted Audit Department to the Fund Section to enable the latter to take steps for transfer of the Provident Fund balances. Similar intimation should be given by the Departmental Account Sections in respect of non-gazetted subscribers in cases where this information is available in these sections.

Note- (2) When any non-gazetted subscriber proceeds on leave and does not elect to subscribe to the Fund during leave the fact is noted in the remarks column of the Fund schedule. But in the case of Gazetted Government servants no such information is at present received in the Fund section and when no subscription is paid by them during leave, the reason for non-recovery of subscriptions has to be ascertained by reference to the office. Audit sections, however, receive a report from the officers concerned in cases of leave out of India as to whether they intend to subscribe to the Fund during leave. They should send this report to the Fund section for note to minimise correspondence in the Fund section.

Check of Schedules

402 The schedules should be checked first by Accounting Section and then by the Fund section.

Preparation of Covering Lists of Provident Fund Schedules

403. The following instructions should be followed in the preparation of the “covering lists of Provident Fund Schedules” and the submission of monthly accounts to the Fund Section. Superintendents of the sections concerned before they sign the Covering lists should ensure that the instructions issued herewith are complied with :-

- (i) The Covering lists along with the supporting schedules and vouchers should be sent to the Fund Section by the dates prescribed vide para-1015(iii) (a). If they are sent more than 2 days beyond the due dates they should be transmitted under the dated initials of the Branch Officer concerned who would look in to and record reasons for the belated submission. Fund Section should maintain a register where the dates of receipt of the schedules from various sections should be noted. This Register should be submitted to the Branch Officer, submission of the schedules should be reported to the Accountant General on the 5th of the following month.
- (ii) The order of the Treasuries in the Covering list should be the same as adopted in the Compilation sheets, viz., Balasore, Cuttack, Puri, Sambalpur, Ganjam and Koraput, etc.
- (iii) The Covering lists for the schedules (one for each district) should be prepared in the following form. The schedules should be arranged in the same order as adopted in the Covering list.
 - (a) Covering list of the Provident Fund Schedules/Vouchers of
Treasury/Department for the month of

Sl. No.	No. of vouchers	Net Amount
1	2	3
1	2	10
1	3	50
3	4	10

- (b) The Consolidated Covering Lists should be prepared in the following form and the certificates noted below should be recorded therein under the dated signature of the Superintendent. No correction should be made in the text of certificate. Consolidated Covering List of the Provident Fund Schedules/Vouchers of the Department for the month of 20

Name of Treasury	Amount
Balasore	
Cuttack	
Puri	
Sambalpur	
Ganjam	
Koraput, etc.	
Total Treasuries :-	
Add T.Es. :-	
Grand Total :-	

1. Certified that the individual Treasury and the grand totals have been verified and agreed with the relevant figures in the Classified and Consolidated abstracts, etc.
 2. Certified that I have personally satisfied that all Provident Fund schedules, vouchers and details of adjustments are furnished herewith, except in cases where schedules were originally wanting and could not be prepared and called for from the Heads of offices.
- (iv) To avoid tearing off the schedules they should be nicely detached from the vouchers and not shabbily snatched out. The use of pins should be avoided as far as possible. Thread or tag should be used in stitching the schedules.
- (v) The number and date of the relevant vouchers with the name of Treasury together with the net amount of the bills should be noted on each schedule.
- (vi) Where schedules are not received with the accounts, they should be called for immediately. If the wanting schedules are not received by the time they are due

for submission to the Fund section copies thereof should be prepared by the Departmental Accounting Section by reference to the relevant vouchers, on the prescribed form of proper size. Their correctness should be certified by the Superintendent/Sectional Head concerned.

- (vii) The deduction shown in the schedules should be compared with those noted in the vouchers and a certificate of: checked and agreed” record on each schedule under the dated initials of the Sr. Accountants/Accountants concerned.

[See Paragraph 410 of M.S.O. (Tech.) Volume-I]

- (viii) Where the names are not shown in the establishment bill (e.g., in the case of Police Constables and Class-IV Government servants) the wanting schedules can not be prepared in the Accounting Section. In such cases the schedules should be called for by means of D.O. letters. The office copies of such letters should be sent to the Fund section along with the Covering Schedules.
- (ix) The details of all items which represents adjustment of the previous month’s transactions should be furnished completely. If it is withdrawal of credit/debit, it should be stated when the original credit/debit appeared in the account. In respect of fresh credits/debits supporting schedules/vouchers must be furnished or it should be stated when they were sent to the Fund section.
- (x) If any misclassification comes to the notice of the Departmental Accounting Section, T.E. must be drawn immediately to correct it. The number and month of the account of the Transfer Entry must be intimated to the Fund section.
- (xi) The subscriber’s pay as shown in April schedules should be checked in respect of General Provident Fund. In the case of Contributory Provident Fund, however, the pay should be checked every month.
- (xii) The Treasury section will furnish the schedules in the following forms :-
- (a) Covering list of the Treasury Section :-

Name of the Treasury	Receipt/Payment Amount	No. of vouchers schedules
----------------------	------------------------	------------------------------

Balasore
Cuttack
Puri
Sambalpur
Ganjam
Koraput, etc.

Total Treasuries :-
Add Transfer Entry :-
Grand Total :-

Note:- Certificates as prescribed in para (iii) (b) will be given here under the dated signature of the superintendent.

- (xiii) The Account Current section will furnish the schedules in the following forms :-
(a) For Credit/Debits received from other States :-

Name of States	Amount	No. of schedules attached
Bihar		
Uttar Pradesh		
Madhya Pradesh, etc.		

Total :-

Note:- Certificates as prescribed in para (iii) (b) will be given here under the dated signature of the superintendent.

[Based on instructions received with the Auditor General's No.-1318-Admn./301-49, dated the 7th July 1949. Du No.Fd-1692 and O.O No.-335, dated the 25th July, 1949.]

Check in the Fund Section

404. On receipt of the schedules containing the prescribed certificates the auditors of the Fund Section should see that the required check has been completed by the Accounting Sections concerned. If any schedule is found to be wanting it should be called for from

the Accounting Section which should either send the original schedule or prepare a fresh one or intimate to the Fund section if the amount has been incorrectly credited. The Fund section should exercise the requisite check and post the schedules in the manner described below :-

405. The following paragraphs describe in detail the procedure relating to the various schedules which form the basis of compilation of the Fund Accounts.

The source from which information for the maintenance of General Provident Fund Accounts is available are :-

- (i) Covering schedules prepared by the Departmental Account current and S.A.A. sections supported by the fund schedules with the requisite certificates referred to above.
- (ii) Schedules of cash recoveries by districts either supported by fund schedules or themselves containing all the necessary information in respect of subscribers concerned.
- (iii) Schedules, supported by vouchers of withdrawals received from Treasuries.
- (iv) General Provident Fund transactions appearing, through Exchange accounts and Inter State Suspense Accounts supported by the fund schedules.
- (v) General Provident Fund transactions appearing through transfer ledger Abstracts.

Note:- The Treasury Officers are authorised to accept subscriptions to the General Provident Fund in cash from officers on foreign service when it is not convenient for them to submit the subscriptions direct to the Accounts Office.

[C.G.'s No.-1462-E-545-13, dated the 18th July 1913]

Item (i)- The departmental auditors will check the Fund schedules as required under above rules. The Fund section will see that the name of the office from which the subscriber has been transferred is noted in the schedules in the case of all new names entered last in the schedules. Information regarding new names, date of leave, retirement

or death, if not already given in the schedules, should be called for by the Fund section and recorded in the remarks column.

Immediately after the departmental accounts have been compiled, each departmental auditor is required to send to the Fund section Covering schedules (One for each department) in the following form supported by the corresponding fund schedules with a certificate to the effect that the total of the schedules has been verified with the departmental Consolidated abstract and that all the relevant fund schedules are attached. [vide para (i) sub-para.]

No. of vouchers

Amount recovered

Total

Total verified with the departmental abstracts and all fund schedules are attached.

Add total of cash recoveries.

Grand Total.

Auditor
Examiner, Fund Section

Note-1- The date for the transmission of schedules to the Fund Section by the Departmental section has been fixed as the 20th of the month following that to which the accounts relate.

Note-2- Departmental sections should arrange the General Provident Fund schedules in order of entries made in the Covering list.

Note-3- To enable the Fund section to close and despatch the annual accounts in time a special effort should be made to send the schedules for March to the Fund section as soon as the vouchers are received by the auditors before the departmental accounts are compiled.

Item (ii)- Separate schedules of cash recoveries received from Treasuries should, after agreement with the accounts, be passed on by the district accountants to the Fund section supported by Fund schedules. These schedules being Consolidated once for all the departments, items relating to different departments should be sorted by departments in the Fund section itself and a Consolidated Compilation prepared by districts and by departments. In this Compilation the total amount of recoveries both in cash and by deduction from bills is shown in lump against each district and under the department concerned. Similarly, all items of receipts appearing through the Inter State Suspense and Account or Exchange Accounts or transfer ledger abstract are communicated to the Fund section directly by other than the departmental auditors concerned are also consolidated in this compilation. Thus, information as to the total amount recovered on account of General Provident Fund will be available by districts and by departments for which separate accounts are compiled. After this Consolidated Compilation has been made, the amount of cash recoveries are added by the Examiner, Fund Section to the totals of the relevant covering schedules mentioned above before posting is made in the ledger.

Item (iii)- Schedules supported by vouchers for withdrawals received from treasuries should, after agreement with the lists of Payments, be passed on the district auditors to the Fund section where a separate compilation by districts and departments will be made so that information as to the total amount of withdrawals relating to a department should be available by district. Similarly, debits received through Inter State Suspense Account or Exchange Accounts or transfer ledger abstract and communicated directly by the Account Current section are also incorporated in the Compilation.

This Compilation should be completed on or before the date on which fund schedules are received from the departmental sections so that work relating to posting of

Ledger is not retarded. The last date for the compilation of the total of withdrawal is 26th of the month following that to which the accounts relate.

Item (iv)- In respect of items in Inter State Suspense Accounts and Exchange Accounts the Account Current Section will communicate to the Fund section the credits and debits with covering statements (one for Credits & one for Debits) supported by Fund schedules in the case of credits and by vouchers of withdrawals in the case of debits together with a certificate to the effect that the total figures entered therein agree with the accounts.

Item (v)- A similar procedure should be followed in respect of Fund transactions appearing in the transfer ledger abstracts maintained by auditors other than the departmental auditors.

(Vide para-32 of the Fund Manual of Bihar and Orissa)

Arrangement of Schedules

406. After all the schedules have been compared and checked in the manner referred to in the preceding paragraphs, they should be made over to the posters who will arrange and sort them as far as practicable in the same order in which the schedules for April was arranged. Whenever a schedule is found of a subscriber transferred from one department to another, the particular ledger account in which his name is shown should be ascertained with the help of the alphabetical index and a reference to the particular card/account noted in the schedule. In arranging the schedule, such a schedule be placed at the bottom of the list.

Check of Subscriptions

407. (i) On receipt of the P.F schedules in the Fund section, the accountant concerned should see that :-

(a) The rate of subscription paid for the first time ;

- (b) The rate of subscription deducted from the Pay/Estt. Pay bills for March paid in April (i.e., GPF subscriptions for April) ; and
- (c) The revised rate of subscription, if any, adopted during the course of the year are in accordance with the provisions of Rule 8 of GPF (C.S) Rules, 1960 or Rule 11 of GPF (Orissa) Rules, as the case may be. In the case of subscriptions paid subsequently; it should be seen that the amount of subscription paid for the subsequent months agree with the rate adopted and accepted in audit for the first month of the year (viz. April) or with the revised in audit under the rules of the Fund, as the case may be.
- (ii) The Auditor should also see at the time of monthly posting of credits in the P.F ledger Accounts that :-
 - (a) All compulsory subscriptions have been paid at the accepted rate except when an exemption or a lower rate is allowed ; and
 - (b) Discontinuance of subscriptions by a subscriber is permissible under the rules of the Fund.
 - (iii) At the time of percentage check of postings in the P.F ledger, the Examiner should, inter alia, see that the concerned auditor performs his duties as indicated in sub-para (i) & (ii) above satisfactory and point out omission if any, in his review notes.

[Para 393 of M.S.O (Tech)-Vol-I]

Note-1- If the subscriber under G.P.F (C.S) Rules dies during the course of a month, proportionate subscription should be recovered for that month from his emoluments, i.e., for the number of days during which he was alive in the month.

[Government of India, Finance Department No.-F-19(2)-R-II/38, dated the 5th August, 1938, Dy. Fd-I-995.]

Note-2- The provisions of the above note also apply to subscribers governed by the General Provident Fund (Orissa) Rules.

[Government Order No.-7764-81-A, dated the 15th August 1938, Dy. Fd-1-1079.]

Note-3- Subscriptions should not be paid in advance except in cases where pay is paid in advance owing to transfer or long leave out of India.

[Auditor General's letter No.-1694, dt.30.08.1907]

Note-4- The checks prescribed in para-393 of M.S.O (Tech) Vol-I for Fund Sections should be treated as supplementary to the checks prescribed to be exercised by G.A.D and D.A.D Section as per paras-119 (K), 187 and 235 (7) *ibid*.

[C&A.G's letter No.-111-T.-Admn-II/274-70 dt.23.06.70 to the A.G, Assam, Meghalaya and Nagaland, Shillong- Copies endorsed to all Accountants General-Dy-FM-1-10-CAG-19 of 7/70]

408. It is the intention of the Government of India that the principles laid down in the third sub-section of Rule-7 of the old General Provident Fund Rules whereby the amount of subscription originally fixed by a subscriber was not to be varied during the course of a year on account of any increase or decrease in his rate of Pay which might ultimately have been found to be due in respect of the 31st March preceding or which might take place during the year should be followed under Rule-8 of the General Provident Fund (Central Services) Rules 1960 and Superior Civil Services Rules, respectively.

[Government of India, Finance Department No.-19(4)-R-11/38, dated the 10th September 1938, Dy.-Fd-1-1264.]

Note-1- The Government of Orissa have accepted the above interpretation of Government of India as applicable to the subscriber under the General Provident Fund (Orissa) Rules.

[Government of Orissa, Finance Department No.-11111-36-F, dated the 3rd November 1938. Dy.Fd-128-1731.]

409. According to Rule 8(i), 13(i) and last proviso to Rule-17 of the General Provident Fund (Central Services) Rules 1960 and the corresponding provisions in the C.P.F. (India) Rules, the amount whether subscribed or refunded or withdrawn from the Fund account should be rounded off to the nearest whole Rupee. It has been decided by the Government of India that in cases where a departure has been made, i.e., where the transactions were accounted for in fractions of rupees, the balances in such accounts should be rounded off to the nearest whole rupee by counting 50 paise and more to the next higher rupee and less than 50 paise to the next lower rupee and resultant difference between the balance actually outstanding in the ledger and that arrived at after rounding the individual accounts of the subscribers may be transferred to “LII, Miscellaneous-Miscellaneous” or “71-Miscellaneous-Miscellaneous and Unforeseen Charges” as the case may be. The amount of fractions in respect of other Provident Fund transactions including credit of matured value of Insurance policies, accumulations transferred from the other funds, interest on temporary advances from the Provident Funds, etc., should also be rounded off to the nearest whole rupees as and when each such transaction takes place and the resultant difference similarly adjusted under the heads noted above.

[Government of India, Ministry of Finance (Department of Expenditure) No.-F-40(26)-EV/59, dated 10th February 1960, No.-F-40(26)-EV/59, dated 17th January 1961 and Clarification of Government of India, Ministry of Finance (Department of Expenditure) No.-F-40(26)-EV/59, dated 13th April 1961.]

Note-1- When a subscriber elects to subscribe at the minimum rate of 6 per cent, fraction of a rupee less than 50 paise shall be rounded to the next lower rupee even if the subscription falls below the minimum.

[CAG's No.-134-A1/139-60-11, dated 14th March 1961.]

Note-2- Over payment or short payment of subscription to the General Provident Fund may be readjusted by deduction from or addition to the subscription in the

subsequent months. This is a convenient method of working and should be observed, wherever possible. There is, however, no warrant for refusal of cash payment or recovery if a warrant for refusal of cash payment or recovery if a subscriber so desires. This procedure will mutatis mutandis apply to the other Provident Funds.

[Vide Note to Paragraph-393 of M.S.O. (Tech.) Volume-I]

Note-3- No demand should be made on account of the recovery of advances or subscriptions to the General Provident Fund during the period of vacations from section writers, copyist or other piece rate workers who earn little or nothing during such periods.

Note-4- Vacation when combined with leave should be treated as leave for the purpose of option to discontinue subscription to the General Provident Fund.

[Vide Government of India, Finance Department letter No.-F-22(b)-R-11/36, dated the 7th May 1936, Dy. Fd-1-252]

Note-5- The Auditor General has decided in consultation with the Government of India, Finance Department, in the case of a subscriber (who was in Government service on the 31st March of the preceding year) and who, after discontinuing subscription for some time, renews his subscription should be governed by Rule 8(2) (a) and not Rule 8 (2) (a) (i) of the General Provident Fund (Central Services) Rules 1960 since the main rule, viz., Clause (a) must govern cases not explicitly in its provisos.

[CAG's No.-1857-NGE/500-40, dated the 16th November 1940, Dy. Fd-1-10-2240]

Outward and Inward Register

410. Outward and Inward Registers are maintained for record of subscriptions recovered from persons transferred from one department to another but there should be only one Inward Register and one Outward Register for one department as a whole, wherein full

particulars as to account number, etc., should be recorded so that the ledger may easily be posted from the entries in the departmental Inward Register. The person who is required to post the Outward Register of a department is responsible for transcribing the entries therefrom in to the Inward Register of other departments concerned and in token of his having done so, he should record a monthly certificate in his Outward Register to the effect that all the items contained therein have been properly entered in the Inward Registers concerned. The Superintendent should trace 10 per cent of the entries appearing in the Outward Register of a department in to the Inward Register of other departments concerned. The posting in the ledger of items appearing in the departmental Inward Register should be made in the ordinary way.

Note:- The Examiner should personally see that all the items appearing in the departmental Inward Register have been posted in the ledger.

General Provident Fund Ledgers

411. (i) General Provident Fund Form No.-4 is used for the ledger accounts of subscribers to the General Provident Fund. one or more ledgers should be set apart for the officers of each department. The ledger folio provides space for recording the accounts of each subscriber for eight years. At the end of this period the closing balances in the ledgers should be transferred to the new General Provident Fund Ledgers under the dated initials of the Superintendent of the Fund section.

(ii) (a) In order to facilitate the posting of monthly credits of subscriptions, the ledger should be on a departmental basis, i.e., the accounts of all subscribers from the same department should be kept in the same ledger. When an officer of the one department is transferred to another department, he should not be allotted with a new account number with reference to the department to which he is transferred unless such transfer is a permanent one and there is no possibility of his reverting to the former parent department. In case of temporary transfer from one department to another re-allotment of account number should not be done at all.

Though re-allotment of account numbers in cases of transfers reduces pink transfers and enables immediate adjustment of credits in the ledger accounts, the system of frequent re-allotment of account numbers is detrimental to the efficiency in the maintenance of P.F accounts, as with each re-allotment of account number, the balance in the old ledger account is to be transferred to the new account and these balances always do not represent the correct position due to missing credits/debits resulting in numerous inter-sectional correspondence. Before transferring an account from one group to another, the transferring section should, therefore, ascertain if the transfer of the subscriber is a permanent one and there is no possibility of the subscriber's reverting to the former parent department.

The decision already made in F.M Circular No.-12 dt.12.04.65 to allot GA(O) account No. to all O.A.S/O.S.A.S officers and Taxes(O) A/C No. to all O.F.S officers irrespectively of the head of the account under which they drew their pay should continue to apply.

- (b) If the subscriber is on foreign service/deputation at the time of allotment of account number, he should be allotted account number with reference to his parent department.
- (c) When a new number is allotted to a subscriber, the new number should be shown as numerator and the old number as denominator in the Index Register and a note to that effect should be kept in the concerned ledger accounts so that their past records may be traced easily whenever required.

[Based on para-389 of M.S.O (Tech) Vol.-I and orders of A.G dated 19.07.69 in file FM-6-14-69 and 70]

Posting of the Ledgers

412. After arranging the schedules in the manner described in paragraph 406 above, the posters should begin the postings in the ledgers. Simultaneously with the posting they

should check the subscription paid in a month with the amount fixed for the year as noted in the ledger. If any discrepancy is noticed it should be noted in the schedule and in the remarks column of the ledger. But in case the reason for such discrepancy or any irregularity is explained in the schedule the poster will not in the ledger and raise an objection, if necessary. Non-payment of subscription or payment at different rates in any month on account of absence of a subscriber on leave should be noted in the remarks column of the ledger. If in any month the column for subscription is found to be blank in the broad sheet and the case of non-deduction unknown, an enquiry should be made at once of the head of the office of the subscriber himself if he is a Gazetted Officer, vide also instructions 421 and 422 of M.S.O. (Tech.) Volume-I.

Note-1- The fact of the discontinuance of subscriptions by an optional subscriber otherwise than while on leave should be entered in his folio. The fact of the subscriber having exercised the first, second or third option should also be noted on the top of his ledger folio.

Note-2- Particulars of sanctions to temporary withdrawals should be noted in the ledger folio.

Note-3- The fact whether an officer is a compulsory or an optional subscriber to the Fund should be recorded in the ledger folio of each officer.

Note-4- At the time of posting Provident Fund credits for the month of March in the Provident Fund ledgers, the current designations and address of the subscribers, as available in the P.F schedules should be noted in the respective ledger accounts in the space provided at the top of the ledger. Similar information, if available from the latest correspondence may also be incorporated in the ledger.

[Based on A.G's orders dated 03.04.70-File-FM-8-14-1970-71]

Broad-sheet

413. (i) To test the correctness of postings in the ledgers a broad sheet in M.S.O (T) Form No.-76 should be maintained for each department separately and all subscriptions credited in the ledger account should be posted in it, and totaled and agreed with the departmental figures in the manner prescribed in paragraph 414 below.

(ii) The total credits and debits for the month as worked out in separate volumes of the departmental account broad sheets are entered in the “Consolidated Broad sheet” for State which is maintained by the General Broad sheet Keeper. In the first column of the Consolidated broad sheet are entered the particulars of the departmental accounts (instead of the Account Number of the subscriber). The total monthly receipt and payment as worked out in the consolidated Broad-sheet are agreed with the entries in the detail books. After getting the entries verified by the Superintendent of the Book section, the Consolidated broad sheet is submitted to the Assistant Accounts Officer/Assistant Accountant General in charge of the Fund Section. The due dates for submission is 10 days after the due dates prescribed for closing the month’s account under para 1015 (iii).

Monthly Agreement with the Broad sheet

414. (i) The total broad sheet of each department has to be agreed with the departmental figure furnished by the Departmental Accounting section to the Fund section. The respective Auditors of the Fund section then make a reconciliation statement on a blank sheet of paper in the following manner, as shown in the case of the Police Department.

- (1) Received from the Police Department
- (2) Deduct, transfers to other Department
- (3) Add, received from other Department
- (4) Deduct or Add by transfer Entry
- (5) Deduct transfer to other States
- (6) Deduct un-posted items for want of details
- (7) Add adjustment of un-posted items of previous month
- Total

(ii) The name of the departments and particular amounts transferred to each department should be furnished in the reconciliation statement in respect of item 2 above. The names of the States to which the amounts are transferred as well as the particular amounts transferred to each State should also be furnished.

(iii) When the total of the broad sheet does not agree with the amount shown in the departmental schedules one poster will dictate from the schedules the number of the General Provident Fund account and the amount of subscription relating thereto and other poster concerned should find them out in the broad sheet and see that the amount in the Broad sheet tallies with that of the schedule and tick it off in token of verification. After agreeing the total of the Broad sheet with the departmental figure the amount as passed on by other departments as well as the amounts passed on through the Exchange Accounts and Treasury are posted in the ledger and broad sheet and a grand total is struck. This total must tally with the final reconciliation statement which is recasted in the following manner :-

Police Department	
Month of	20
Receipts	
.....	
Payments	
(A) Details-	
General Administration for the Police Department	
Forest Department, etc.	
(A) From other Department.	
From Treasury	
From Exchange Accounts	
	Total
(B) Details	(B) Deduct Transfer to
General Administration	other Department
Forest etc.	

(C) Details
Madras
Bihar

(C) Deduct Transfer to
other States.

Add/Deduct Transfer
Entries.

Net.

Agreed

Auditor

The fact of agreement should be certified by the poster.

Note- Vide instructions in paragraph 424 and 425 of M.S.O. (Tech.) Volume-I.

Chapter- 5

TEMPORARY ADVANCES

General

501. The grant of temporary advances from the various Provident Funds is governed by rules of the funds and by instructions, interpretations and orders issued by the appropriate governments.

Communication of Sanction to Temporary Advances

502. (i) Sanctioning Authorities should communicate a copy of the sanction order in the form given below to this office. An attested copy of the order sanctioning the advance should invariably be attached to the bill in which the amount is drawn. A temporary advance not ordinarily exceeding three months pay may be allowed from sum at his credit at the discretion of the sanctioning authority under Rule 12 of the General Provident Fund (Central Services) Rules, 1960 and Rule 15 of General Provident Fund (Orissa) Rules. The advance is recoverable in installments with interest as laid down in Rule 13 of GPF (Central) Rules, 1960 and Rule 16 of GPF (Orissa) Rules.

(ii) The advance in the case of non-gazetted officer should be drawn by the Head of office on the authority and responsibility of the officer sanctioning the advance without pre-audit or reference to this office in the same way as Pay. The Payee's receipt need not be sent to this office. A disbursement certificate in the following form should, however, be forwarded to this office immediately after the advance has been drawn and disbursed to the subscriber concerned :-

“I certify that I have satisfied myself that the advance of drawn from the General Provident Fund for on voucher No..... dated has actually been disbursed and the Payee's receipt taken in the Acquittance Roll maintained in my office”.

Note-1- Rebate of income-tax is not admissible on deduction from salary in repayment of advances taken from the Fund.

Note-2- The voucher for such withdrawals should contain a certificate to the effect that the amount drawn does not exceed three months pay of the subscriber and is covered by the balance at his credit.

Note-3- If the period of repayment of a temporary advance drawn under General Provident Fund (Central Services) Rules is prolonged, interest should be calculated for the actual number of months broken or complete, from the date of withdrawal of the advance to the date of its repayment, including the months of non-recovery. If the repayment is made either by deduction from emoluments or the amount is forwarded in cash before the 5th of the month the last month of repayment should be excluded for purpose of calculating interest as the excluded for purpose of calculating interest as the advance has been completely repaid, but if the installment is paid after the 5th of the month, the last month of repayment should be taken into account in calculating interest.

[Auditor General's No.-1558-NGE-438-32, dated the 29th November 1934]

Note-4- there is no objection to the grant of temporary advance under the provisions of rule 15 to Optional subscriber's who have ceased subscribing to the fund.

[Government of India, Finance Department No.-D/2505-II, dated the 26th August, 1931.]

Note-5- Receipt for payments of deposits from the General Provident Fund are liable for stamp duty.

Note-6- The Government of India have decided that in future when a temporary advance is subsequently disallowed before repayment is completed, the whole or the balance of the advance should be repaid forthwith by the subscriber or ordered to be recovered by deduction from the emoluments of the subscriber in one sum or in monthly installments not exceeding twelve, the principles being that the number of installments in which recovery of an irregular advance is enforced should be definitely lower than the number of installments for the repayment of regular advances.

[Government of India, Ministry of Finance No.-F-28(19)-3.V/50, dated the 17th August, 1950 Dy. Fd-1-10-10]

Note-7- The following procedure should be followed under the scheme of departmentalisation of accounts in respect of temporary withdrawals from Provident Fund Accounts, where the subscribers are serving in offices under the payment control of the Pay and Accounts Officers but their provident fund accounts are maintained by some other Accounts Officer and vice versa.

The Pay and Accounts Officers have been permitted to make payment of temporary withdrawals from the Provident Fund accounts and claim cash reimbursement from the Accountant General concerned. This arrangement also holds good in the case of Officers, who are serving under the payment control of the Pay and Accounts Officer set up for the Food Rehabilitation and Supply Departments, but whose Provident Fund accounts are maintained by another Accounts Officer.

[Vide Comptroller & Auditor General's letter No.-295-SAA/38-56, dated the 17th July, 1956 to the Pay & Accounts Officer, Ministry of Works, Housing and Supply, New Delhi/Calcutta/Bombay, etc. Dy. FD-I-6(c)-3300]

Note-8- The Comptroller & Auditor General has prescribed the following combined form of application and sanction to temporary advances as per specimen given below. In future all applications for grant of temporary advances from the General Provident Fund should be submitted in the prescribed form. Applications for the grant of special advance requiring the sanction of Comptroller & Auditor General also should be submitted to him in triplicate.

1. Name of the subscriber & Account No.....
2. Designation
3. Pay
4. Balance at credit of the subscriber on the date of application

5. Amount of advance required
6. Purpose for which the advance is required Rule 15(i)(a)
7. No. (and amount of monthly installments in which the advance is proposed to be repaid).....
8. Amount of advance or advances last taken if any, state particulars of the advance, date on which taken, installments of repayment and balance outstanding
9. Whether any advance last taken not being less than $\frac{2}{3}$ rd of the amount admissible under item No. (i) of Rule 15(1)(c) of GPF (C.S.) Rules in course of repayment or 18 months have not elapsed since its complete repayment.
10. Full particulars of the pecuniary circumstances of the subscriber justifying the application for the temporary withdrawal :
11. Whether discontinued subscription if so, full particulars thereof should be given.

Signature of applicant

Remarks of the recommending authority.

Signature

Designation

Orders of the sanctioning authority communicated to

Signature

Designation

[Based on Comptroller & Auditor General's letter No.-944-NGE-II/96-52, dated the 29th March, 1952, Dy. OE-108.]

Validity of Sanctions

503. Orders sanctioning advances from Provident Funds will remain operative for three months from the date of issue.

[Based on Government of India, Ministry of Finance (Department of Expenditure) Office Memo No.-F-11(40)-E-11(A)/59, dated the 22nd October 1959 received with CAG's letter No.-141-Admn.-111/143-AI/59, dated the 17th November 1959. (Dy. 1-10-8434)].

Note- The above decision is equally applicable to sanctions accorded for non-refundable advances from the General Provident Fund.

[Based on Government of Orissa, Finance Department letter No.-PF-41/64-26312/F, dated the 29th August 1964-Dy.F-1-1-37-3056.]

Register of Temporary Withdrawals

504. The Register M.S.O (T) 67 is meant for watching the recovery of temporary advances made from the Fund. It should contain the name and designation of the officer, his account number, the amount sanctioned, the number and date of the order sanctioning the advance, the amount drawn and the number of installments in which it is repayable. The entries relating to the amount withdrawn are reviewed by the Examiner and the Superintendent. The recoveries are posted from the schedules simultaneously with the posting of the Ledger. The Register is examined every month by the Poster concerned after closing of the broad sheet. He should notice all cases of irregularity in connection with recovery of installment and interest and issue objection slips where necessary. The Register is also submitted every month to the Superintendent for review who submit it to the gazetted officer for inspection on the 15th of the month.

Note- The Register for temporary withdrawals may be destroyed after a lapse of five complete account years.

Audit of Sanctions

505. (i) On receipt of an advance copy of the sanction order, it should be audited as laid down in paragraph 394 of the M.S.O (Tech.) Volume-I. If the sanction is in order, it should be admitted by Sectional Heads of P.F Sections finally. Only in doubtful cases, the Superintendents may obtain the orders of the Branch Officer before admitting the sanction order. If any irregularity is discovered in the sanction, it should be brought to the notice of the sanctioning authority for its removal or for such action as is desirable in the circumstances of the case.

[Based on Comptroller & Auditor General's letter No.-78-TA-II/437-70, dt.19.01.71, Dy-FM-1-10(CAG)55 of 70-71]

(ii) Simultaneously, the amount of the advance sanctioned, the number of installments of recovery of the advance, the amount of each installment and the month of last recovery should be entered in the "Remarks" column of the Ledger account under the attestation of the Superintendent. In case the debit for temporary advance does not appear within a reasonable period, enquiry should be made of the sanctioning authority in the case of non-gazetted officers and from the officers themselves in the case of gazetted officers.

Note-1- It has been decided that the competent authority referred to in sub-para (i) of para-394 of M.S.O. (Tech.) Volume-I is the appropriate authority of the Government in connection with whose affairs the subscriber is serving while on deputation or on temporary transfer.

[Based on Government of India, Ministry of Finance Notification No.-F-26(2)-EV/57, dated the 10th June, 1957 (Dy. 1-GI-1-10-66).]

Note-2- The Secretary to Government of Orissa, Works Department has delegated the powers of Head of Office and Head of Department in respect of the grant of temporary advances (Ordinary and Special) from the General Provident Fund (Orissa) Rules to the non-gazetted staff of the Works and Transport Department to the Deputy Secretary to the Government in the Works until further orders.

[Based on G.O.W.D No.-IVM-59-57-25675/C, dated the 19th December 1957 endorsed by Finance Department Memo No.-33647-F, dated the 27th December 1957. Dy. D-1-137-9675-Delegation of power accepted by A.G., Orissa letter No.-HA-2-31-933, dated the 21st January 1958. Dy. Fd-I-1-37-10697.]

Procedure to challenge Irregular sanction

506. In cases in which an Accounts Officer considers that an advance has been improperly granted, he should bring the matter, in the first instance, to the notice of the sanctioning authority and only in the event of his inability to accept the latter's decision, report the case to next higher authority and ultimately to the State Government.

Sanctioned Advance not to be disallowed by an Accounts Officer

507. An Accounts Officer is not empowered to disallow the payment of General Provident Fund advances sanctioned by competent authorities on the ground that they are not admissible under the General Provident Fund Rules. He should, however, bring to the notice of higher authorities what he considers to be violation of the rules.

[Auditor General's letter No.-752-E-76-21, dated the 21st February 1921]

Audit of Vouchers

508. The following are to checks to be applied in the audit of a bill for temporary withdrawal.

- (i) It should be supported by a copy of the sanction duly attested by the head of the office or some other gazetted officer ;
- (ii) The sanction should contain all the information required for audit purpose and be in order ;
- (iii) The amount drawn should be covered by the balance at credit of the subscriber and correspond to the amount sanctioned, and
- (iv) The bill should be otherwise in order.

Note- Audit of all vouchers including final payments, should be completed within the time schedule prescribed for closing of the Accounts vide Para 1015 of this Manual.

General Principles governing the Grant of Advances

509. (i) It should be remembered that the General Provident Fund is designed solely for the protection of a subscriber's family against his sudden death or ; if he

survives until retirement, to provide both him and them with additional resources in his old age. Anything which interferes with a subscriber's normal accumulations detracts from these purposes and tends to defeat the true object of the Fund. Rule 12 of the General Provident Fund Rules, 1960 merely permits a temporary and wholly exceptional departure from the real purpose of the scheme, and unless it is strictly interpreted there is danger that subscribers will come to regard the Fund as an ordinary banking account, the existence of which absolves them from the necessity of providing for the normal incidents of life with the prudence which a private individual would exercise. The inevitable result, if this tendency is countenanced, will be to discourage thrift and to leave the subscriber with a depleted account at the time when it ought to be most helpful to him or his family. Sanctioning authorities ought, therefore, to have no hesitation in resisting any attempt to use the Fund as cheap loan account, and in enforcing the altogether exceptional character of Rule 12 as a provision to meet urgent needs which could not ordinarily have been anticipated. Every prudent married man, for example, should be prepared to meet a certain demand upon his resources on account of doctor's bill, and it is only when the burden is exceptionally prolonged or the necessity unusually grave and sudden, that he ought to think of making use of the Provident Fund for this subject.

(ii) Similarly, withdrawals should not be allowed to cover the passage money of subscriber or any member of his family in ordinary circumstances or even in circumstances which, though they seldom recur, are nevertheless normal ; as when the son of a subscriber is sent to school in Europe, or when the subscriber or his wife returns for some incident in their Children's education, or to establish them in a profession. When however, a voyage is urgently necessary, for instance to secure in Europe specialist treatment unobtainable in India, the Fund may properly be drawn.

(iii) For the same reasons, a careful scrutiny should be applied to requests for withdrawals on account of marriage or funeral expenses. In the first place, the rule does not permit the use of deposits in the fund to meet the marriage expenditure of Europeans,

and withdrawal for this purpose should never be allowed. Even where ceremonial expenditure is by religious custom obligatory, its extent should nevertheless be limited by the resources of the family, and no subscriber should be enabled to enhance such expenditure on the strength of deposits in the Fund. An advance from the Fund can legitimately be made for obligatory ceremonial expenditure where no other resources exists but not in order to raise such expenditure to a more protentious scale.

[Government of India, Finance Department No.-1309-F.E, dated the 24th November 1916, received with Government of India, Finance Department No.-F-711-R-II, dated the 21st March 1930.]

Advances for Building houses

510 (I) In the Ministry of Finance, Office Memorandum No.-F-50(14)-EV/51, dated the 30th July 1951, orders were issued permitting the grant of advances from various Provident Funds for the purpose of house building to displaced Government servants. The Government of India have now decided to grant similar advances for the purchase of construction of a house, including the cost of site, to other Government servants also provided that they have not less than 25 years total service including broken period of service if any.

Such advances will be granted subject to the rules of the Provident Funds concerned, to the extent modified in sub-paragraph (ii) below :

(ii) (a) Subject to the condition that the advance from a Contributory Provident Fund will not exceed the amount of subscription and interest thereon at the subscriber's credit in the Fund at the time the advance is granted such an advances shall be limited to the following maxima :-

- (1) In the case of a Gazetted Officer, twelve month's pay or Rs.30000/- whichever is less ; and
- (2) In the case of a non-Gazetted officer, twelve month's pay or Rs.10000/- whichever is less.

(b) The grant of an advance to a Government servant under these orders will be subject to the condition and will be so arranged that the net pay drawn by the Government servant, after all compulsory deductions, including installments of the house building advance, are made (e.g., Provident Fund subscriptions, income tax, recovery of loans and other advances, etc.) will not be less than half his basic pay.

Provided that if some amount becomes recoverable after a house building advance has been sanctioned, which has the effect of reducing the net pay to less than half the basic pay such additional recovery will still be made.

(c) An advance granted under these orders will be recoverable in equal monthly installments of not less than one-sixtieth each of the amount of advance, with three additional installments for interest at the rate prescribed in the relevant Provident Fund Rules.

(iii) Authorities who are competent to sanction advance from Provident Funds for any of the recognised purpose may sanction advances for the purpose of house building also if all the terms and conditions set out in this office memorandum and its annexure are fulfilled cases necessitating the relaxation of any of the terms and conditions should be referred to this Ministry.

(iv) An Officer who has obtained an advance in accordance with the orders contained in this Ministry's Office Memorandum No.-F-50(14)-EV/51, dated the 30th July, 1951, will not be eligible for a further advance under these orders.

(v) In so far as persons serving in the Indian Audit and Accounts Departments are concerned, these orders have been issued after consultation with the Comptroller & Auditor General.

[Government of India, Ministry of Finance, Office Memorandum No.-F-50(12)-EV/52, dated the 26th May 1952, Dy.Fd-1-10-20]

GOVERNMENT OF INDIA DECISIONS NOS.-1 AND 2

- 1) Ministerial officers governed by F.R.56(b)(1) may be granted advances for house building purpose on attaining the age of 52 years or at any time thereafter.

- 2) In the case of non-Gazetted officers the amount of the advance shall be twelve months pay or half the amount at credit in the Provident Fund account (the amount of subscription and interest thereon at credit in the case of a subscriber to a Contributory Provident Fund) whichever is greater, subject to a maximum overall limit of Rs.10000/-. The amount of the advance shall, of course, in no case exceed the total amount at credit in the subscriber's account. This takes effect from the 24th July 1953 and past cases in which advances have already been granted will not be re-opened.

[Government of India, Ministry of Finance, No.-F-52(9)-EV/53, dated the 24th July, 1953, Dy.Fd-1-10-50.]

Advances for Legal Proceedings

511. The grant of an advance from the General Provident Fund for purpose of legal proceedings is a legitimate one, although the purpose might not strictly come within those mentioned in the rules. Audit should not raise objection if the advance is sanctioned by a competent authority.

[Auditor General's No.-483-NGE/GP-37, dated the 25th March 1937, to the Accountant General, Central Revenues.]

Advances for Defraying the cost of Maktab Ceremony

512. It has been decided by the Government of Bihar and Orissa that a temporary advance from the General Provident Fund for defraying the cost of Maktab ceremony is inadmissible.

[Government of Bihar and Orissa, Finance Department No.-3063-F, dated the 25th February, 1927.]

Note- When asked in connection with the sanction of temporary withdrawal whether the Muslims also observed the ear boring ceremony the Government of Orissa informed that in Muslim Society too, the ear boring ceremony is observed with pomp and splendor.

[Based on Government of Orissa, Home Department No.-9770/P, dated the 29th April, 1958. Dy.Fd-I-IS-3-928 of 5/58.]

Advances for Pilgrimage

513. The grant of temporary advances from Provident Funds to meet expenses connected with the pilgrimage of a subscriber or his dependants is not permissible within the meaning of rule 12(iii) of General Provident Fund (C.S.) Rules 1960.

[Based on Government of India, Ministry of Finance Department letter No.-D-3304-EV(B)/56, dated 16th January, 1957 Dy.-I-1-37-8636.]

Assistance to Dependent Parents

514. The term “Family” of the General Provident Fund Rules should be interpreted as defined in those rules, but this does not imply that a married subscriber is absolutely debarred from obtaining an advance to render assistance to a relative outside his family in cases of real difficulty and where he is also socially or morally bound to give such assistance. While it is not intended to make it too easy to borrow from the Fund, an advance may be sanctioned to enable assistance to be given e.g., to a dependant father or mother in distress, when the pecuniary circumstances of the subscriber justify the grant of an advance. Such advances are not strictly speaking, irregular in the special circumstances and having regard to the discretion allowed to the sanctioning authorities.

[Government of India, Finance Department No.-3850-R-II, dated the 16th December, 1927.]

Note- See also section 2(c) of the Amendment to Act No.-XIX of 1925.

Advance for Marriage of Uncle's Daughter

515. The Government of India have decided that in view of the obligations and duties of a member of a Hindu Undivided Family towards the female members who consider marriage as a religious duty and not merely a social obligation a subscriber can draw a temporary advance from his General Provident Fund on account of marriage of his uncle's daughter provided they are members of the same undivided Hindu Family and it is incumbent on the subscriber to perform the marriage.

[Government of India, Finance Department No.-DAD No.-835-1.T/36, dated the 1st February 1936.]

GOVERNMENT OF INDIA DECISION NO.-1

Doubts were raised as to whether an advance under rule 12(1) (a) of the Contributory Provident Fund Rules (Orissa) may be allowed to meet obligatory expenses in connection with marriages, funerals or other ceremonies of persons who are not actually dependant on the subscriber. It has been decided that as a Provident Fund is intended primarily for the benefit of the subscriber's family only, accumulations therein can be utilised for such purpose(s) only as could satisfy that object. A person who is not actually dependant on the subscriber can hardly be regarded as a member of his family. It would therefore not be in conformity with the provisions of the Provident Fund rules to grant advances in connection with marriage, etc. of persons who are not actually dependent on the subscriber.

[Based on Government of Orissa, Finance Department O.M No.-CPF-10/57-20667F, dated 24th July 1957. Dy.Fd-I-I-37-3260]

Grant of Temporary Advance from General Provident Fund to meet Expenditure Incurred in the Past.

516. It has been decided by the Comptroller and Auditor General of India in consultation with the Government of India, that no time limit need be imposed for the grant of an advance after the expenditure has been incurred but it should be left to the discretion of the sanctioning authority to reject an application if submitted long after the event to which the application for the advance relates.

[Auditor General's letter No.-3146-NGE-II/K.W.-73-49, dated the 28th September, 1949, received with Auditor General's letter No.-3252-NGE-II/KW-73-49, dated the 18th October, 1949, Dy-Fd-1-10-3807.]

517. It has been decided by the Government of India that vacation combined with leave should be treated as leave for the purpose of repayment of an advance under Rule 13(2) of General Provident Fund (Central services) Rules 1960.

[Government of India, Finance Department letter No.-F-22(2)R-II/37, dated the 18th January, 1937, Dy-Fd-1-1806/36-37]

518. The Government of India have decided that under Rule 13(2) of the General Provident Fund (Central Services) Rules, 1960 the installment towards an advance should be recovered only when a subscriber draws full duty pay in any month, and while he is on leave, only when he expresses his consent to have the deduction made from his leave salary.

[Government of India, Finance Department letter No.-F-22(26)-R-II/36, dated the 3rd December, 1936.]

519. It has been decided by the Government of India, that the words "Advance of Pay" occurring in Rule 13(2) of the General Provident Fund (Central Services) Rules 1960 include any ordinary advance of pay granted under 228, 229 and 230 of the General Financial Rules 1963, but does not include advances for buildings or repair of a house, for the purchase of a conveyance or for the payment of passages overseas, which are of a different nature.

[Government of India, Finance Department No.-F-18VII-R-II/34, dated the 6th August, 1934.]

Grant of Advances to Divisional Accountants

520. As regards Divisional Accountants, the Accountant General is the “Head of the Department” for the purpose of Rule 12 of General Provident Fund Rules.

[Government of India, Finance Department No.-351F.E, dated the 17th March, 1914.]

521. In order to bring the Contributory Provident Fund (Orissa) Rules on a par with the General Provident Fund (Orissa) Rules, the Government of Orissa have decided that the Executive Instructions embodied in Appendix “B” to the General Provident Fund (Orissa) Rules, are also equally applicable to the grant of temporary advances sanctioned from the Contributory Provident Fund under Rule 12(i) (a) of the Contributory Provident Fund (Orissa) Rules.

[Government of Orissa, Finance Department No.-8073(34)F/P.F-22/52, dated the 16th June, 1952 vide Dy-Fd-21-37-3616.]

Chapter- 6

NON-REFUNDABLE WITHDRAWALS

Procedure for watching the Disposal of Cases of Part Final Withdrawals of Money from Provident Funds.

601. In order to watch the disposal of cases of Part Final Withdrawals a register of Part Final Withdrawals should be maintained in the following form with immediate effect. The register should be submitted to the Gazetted Officer In-Charge on the 10th of every month. Column-11 of the prescribed register i.e., Remarks Column, maybe used to watch the receipt of certificates about fulfillment of conditions where such certificate is required to be furnished to this office.

Register to watch the disposal of cases of final withdrawals from G.P. Fund for higher education. (Form No.-70-A)

Sl. No.	Name & designation of the subscriber	Account No.	No. & date of sanction	Designation of sanctioning authority	No. & date of the authority issued for payment
1	2	3	4	5	6

Amount authorised to be withdrawn	No. & date of voucher & Treasury	Amount withdrawn	Date of receipt of disbursement certificate	Remarks
7	8	9	10	11

[Based on Comptroller and Auditor General's letter No.-2144-T-Admn-II/342-68 dt.12.09.68 Dy-FM-1-10-CAG-44]

GOVERNMENT OF INDIA DECISION NO.-1

It has been decided that a second final withdrawal may also be allowed from the Provident Fund account of the subscriber for the purpose of carrying out additions and alternations, etc., to a house acquired with the help of a withdrawal already made or which may be made in future from the Provident Fund under the order contained in Paragraph 59(E) of the Manual (Government of India, Ministry of Finance Office Memorandum No.-F-37(1)-EV/55, dated the 25th January 1955) subject to the condition that the total of both the withdrawals does not exceed half the amount as it stood at the credit of the subscriber in his P.F. account at the time of the first withdrawal and also that the second withdrawal does not exceed the limit of Rs.10000/- prescribed for the purpose vide G.I.M.F. O.M. No.-F-24(3)-EV/57, dated the 18th February 1957.

[Based on G.I. Ministry of Finance, Department of Expenditure Office Memorandum No.-F-24(13)-EV/58, dated the 4th March 1959 Dy-Fd-1-1-10248.]

GOVERNMENT OF ORISSA DECISION

(i) The actual withdrawal from the General Provident Fund will be made only on receipt of an authorisation from the Accountant General who will arrange this as soon as the formal sanction of the competent authority has been issued.

(ii) The Government servant who is granted advance from General Provident Fund for house building shall submit an annual declaration in such form as may from time to time be required by Government on or before 31st December in each year and satisfy the sanctioning authority, if called upon to do so by the production of tax receipts, title deeds, etc. that the house remains in his sole ownership and that while he is still in service he has not parted with the possession thereof by way of transfer, sale, mortgagee, gift, exchange, lease for a term exceeding three years or otherwise howsoever without the previous permission of the sanctioning authority in writing. The amount withdrawn shall be repayable forthwith in one installment together with interest thereon at the rate

provided in the GPF (Orissa) Rules from the month of such withdrawal by the Government servant, if the house is sold or encumbered at any time before the retirement without such permission.

[Based on Government of Orissa, Finance Department letter No.-PF-8/55-30656-F, dated 12th December, 1956, Dy.-FD-I-1-37-3938.]

Note:Para (i) of above decision has since been discontinued.

G.I DECISION No.-2

A question having been raised as to whether a final withdrawal for meeting the expenditure on a marriage may be permitted in a case where the marriage has already taken place, it has been decided that marriage is a foreseeable event and ordinarily it should not be difficult for the government servant concerned to make up his mind beforehand whether he would be able to meet the entire expenditure thereon from his private resources or whether he would have to resort to a final withdrawal from his provident fund account for this purpose and if the latter, to apply for final withdrawal sufficiently in advance of the date of marriage, where, however the officer applies for the withdrawal will be for the date of the marriage but the application is sanctioned after the aforesaid date or if sanctioned before that date, the case is received in audit office for the issue of authority for payment after that date there will be no objection to payment of the amount being made after the date of marriage. The subscriber shall furnish a certificate to the sanctioning authority within the period of one month from the date of marriage, or if he is on leave, within one month on return from leave, that the money withdrawn has actually been utilized for the purpose for which it was intended. Cases in which the withdrawal is applied for after the marriage is over should not ordinarily be entertained.

[Based on Government of India, Ministry of Finance Office Memo No.-F-24(18)-EV/57, dated 14th October, 1957. Dy. FD-I-GI-1-10154.]

G.I DECISION No.-3

On a doubt raised as to whether the daughter/son for whose marriage the final withdrawal from the Fund has been applied for should be actually dependent on the applicant it has been decided that it is not necessary that the daughter or the son should be actually dependent on the subscriber for this purpose.

[Based on Government of Orissa in their letter No.-PF-36/59-22349(48)-F, dated the 3rd July 1959 (Dy. FD-1-1-37-3101)]

G.I DECISION No.-4

In order to enable the Audit to examine that the conditions laid down in proviso to sub-rule (1) of Rule-16 of GPF (C.S) Rules, 1960 are satisfied in each and every case of final withdrawal sanctioned for house building purposes, it has been decided by the Government of India that in future, in all cases, where a final withdrawal is sanctioned from the Provident Fund for purposes specified in clauses (d), (e) and (f) of sub-rule (1) of rule 15 of GPF (C.S.) Rule 1960, the sanctioning authority must indicate in the sanction letter (i) the pay of the subscriber at the time of sanctioning the final withdrawal, (ii) Particulars and amount of advance drawn by the him for house building purposes under the scheme of the Ministry of Works and Housing ; and (iii) the amount of any other assistance in this regard received by him from any other Government source.

2. These orders will apply, mutatis-mutandis, to the withdrawals sanctioned under the CPF rules (India) 1962 for house building purpose.

[Based on G.I.M.F. (D.E) Notification No.-F-23(26)-EV(B)/65, dated 21.02.66 received with Comptroller & Auditor General's letter No.-506-Tech.-Admn.-II/379, dated 01.03.66 Dy.FM-1-10-CAG-129.]

Government of India Decision No.-5

Second withdrawal for house building purpose :- Normally only one withdrawal from the G.P Fund is sanctioned either for the construction of a house or for

acquiring a suitable house or for repaying any outstanding amount of loan expressly taken for the aforesaid purposes or for reconstruction or making additions or alterations to a house already owned or acquired by a subscriber under Clause (d) of Rule 15(i) of G.P.F (CS) Rules 1960.

Once a withdrawal from the G.P Fund account either for the construction of a house is sanctioned to a subscriber, then he becomes in-eligible for another withdrawal for the purpose of making additions or alterations to that house. However, if a subscriber, who has been sanctioned a withdrawal for the construction of a house, finds that the amount of withdrawal is inadequate to enable him to complete the construction of that house, then a second final withdrawal can be sanctioned with the concurrence of the Ministry of Finance on the merits of individual cases. Withdrawals in such cases are sanctioned up to the limits permissible under the rules based on the following working formula.

To the balance of Fund as available on the date of the application for the second withdrawal the amount of 1st withdrawal is added and 75% of the total is worked out ; say 'A'. The first withdrawal amount is deducted from 'A' and the remainder is paid to the individual and 2nd withdrawal.

[Based on G.I., M.F. (D.E) letter No.-6312/EV/70 dt.14.09.70-FM-Dy-1-10-GI-39]

602. In case of final withdrawal of money from the Provident Funds, for (i) house building purposes, (ii) meeting cost of higher education and (iii) meeting expenditure in connection with marriages, a question was raised as to the date from which the period of 20 years service for being eligible to make final withdrawal from the Provident Fund should be reckoned in case of officers of Indian Civil Service. It has been decided that in case of these officers the date of commencement of their service is normally the date of their arrival in India and in case of such of those officers who underwent training in India, it is the date on which they reported for duty in the headquarters of the State to which they were allotted. It has been further been decided that the limited purpose of

calculating the period of 20 years of service for being eligible to make final withdrawal from the Provident Funds the I.C.S. Officers should be allowed an ante date of one year from their normal actual date of commencement of service.

[Based on G.I Ministry of Home Affairs letter No.-13/4/55-AIS(II), dated 20th March 1956 to the A.G Orissa, Ranchi Fund IC-GI-I-10-166.]

603. (i) It has been decided by the Government of India in consultation with the Auditor General of India that “PAY” for the purpose of Rule 12(i) of the General Provident Fund (Central Services) Rules 1960 in the case of a subscriber who applies for temporary advance from his accumulations in the General Provident Fund while he is under suspension and draws a subsistence grant instead of pay, would be taken to be the “PAY” which he was drawing immediately before he was placed under suspension.

(ii) The above decision has also been accepted by the Government of Orissa.

[Government of India, Finance Department No.-F-21(7)-F.V/48, dated the 1st July 1948, Dy.Fd-1-37-1314 and Government of Orissa, Finance Department No.-9687(16)F, dated the 30th October, 1948, Dy.-Fd.-1-37-3531.]

Submission of Annual Declaration by Central Government servants who have taken final withdrawal from Provident Fund for house building purpose.

604. In case of a Government servant who has availed himself of a loan from Government for house building purpose and accordingly can not submit the annual declaration as contemplated in Rule 16(3) of GPF (C.S) Rules, 1960 and in Rule 17(3) of C.P.F Rules (India), 1962 because of the house/house-site remaining mortgaged to Government, it has been decided by the Government of India that he should furnish not later than 31st December of every year. The following declaration duly signed by him to the sanctioning authority as long as the house/house site remains mortgaged to Government.

“I do hereby certify that the house/house-site for the construction of which or for the acquisition of which, I have taken a final withdrawal from the Provident Fund, continues to be in my possession but stands mortgaged to Government.

[Based on Government of India, Ministry of Finance (D.E) O.M No.-23(27)-EV(B)/65-GPF dt.25.08.67 and No.-23(27)-RV(B)/65, dt.26.08.67 received with C & A.G's letter No.-2288-Tech-Admn-II/1-65 dt.07.09.67 Dy-FM-1-10-CAG-32]

Re-marriage of a Divorced Daughter

604. (A) A case being referred to the State Government of Orissa for decision it has been decided that non refundable advance for the re-marriage of a divorced daughter should not be sanctioned as this is one of the legal obligations of the subscriber.

[Based on G.O, F.D No.-GPF-41/67/34126/F dated 05.10.1967-Dy-FM-1-37-641]

Note- The above decision applies to employees of the State Government of Orissa.

[Based on Government of Orissa, Finance Department O.M No.-GPF-63/67-6662/F dated 02.03.68 Dy.-FM-1-37-975]

Advance for betrothal and marriage

605. It has been decided by the Government of India in consultation with the Comptroller & Auditor General that a subscriber shall be permitted to make final withdrawal both on the occasion of the betrothal ceremony and the marriage ceremony and each occasion shall be treated as a separate purpose for the purpose of rule 16(1) of the G.P.F (C.S) Rules.

Advances under the rule 12(1) *ibid* also can be granted for both the purpose separately when the subscriber is not eligible to avail of the facility of final withdrawal.

These orders will apply mutatis mutandis to withdrawals from the C.P.F under Rule 17 of the C.P.F (India) Rules 1962.

[Based on G.I.M.F (D.E) O.M No.-F-32(3)-EV/67 dated 23.09.67 received with Comptroller & Auditor General's No.-1169-Audit/536-66 dated 03.10.67 (Dy-FM-CAG-48)]

Note- The above decision may mutatis mutandis be applied to cases of officers of the All India Services including I.C.S and I.P Officers.

[Based on Government of India, Ministry of Home Affairs 5/16/67-AIS(II) dated 07.11.67 Dy-FM-1-10-G/I-52]

Reckoning of service for eligibility for the withdrawal.

606. It has been clarified by the Ministry of Finance that for the purpose of withdrawal from the G.P.F the length of service is the criterion whether the service is pensionable or otherwise. Therefore, the whole service of a subscriber including non-pensionable contingent establishment should be taken in to account for the purpose of computing the 20 years.

[Based on Comptroller & Auditor General's Memo No.-2634-NGEI/30-68II dated 16.12.68 Dy.-FM-1-10-CAG-67]

Sanction to Non-Refundable Part Final Withdrawals

607. A sanction to non-refundable part final withdrawal from Provident Funds will remain operative for three months with effect from the date of its issue.

[Government of India, Ministry of Finance Department of Expenditure) Office Memorandum No.-F-11(25)-E-II(A)/65 dt.14.01.66 received with Comptroller & Auditor General's letter No.-222-Tech.-Admn-II/545-65 dt.01.02.66 Dy.-FM-1-10-CAG-115]

In the case of non refundable advances withdrawn in installments, the period of validity of the sanction will be up to a particular date to the specified in the sanction order itself.

[Government of India, Ministry of Finance (Department of Expenditure) Office Memorandum No.-F-11(25)-E-II(A)/66 dt.30.07.66 received with CAG's letter No.-1743-Tech-Admn-II/545-65 dt.10.08.66-Dy.-FM-1-10-CAG-30]

Authority competent to sanction NRA

608. A question was raised as to the authority who would sanction non refundable withdrawals from the General Provident Fund accumulations to the officers of the State Government during the period of their deputation to other State Governments, Government of India etc. It has now been decided by the Government of Orissa that the Departmental authority of the lending Government competent to forward the application for final withdrawal of General Provident Fund money, to the Accountant General, will be the sanctioning authority in respect of non refundable withdrawal in such cases.

The above decision will also apply to the cases of non-refundable withdrawal from the General Provident Fund accumulations of the officers on deputation on Foreign Service terms.

[Based on Government of Orissa, Finance Department O.M No.-GPF-21/71-14960/F dt.10.04.71 (Dy-FM-1-37-31)]

Chapter- 7

Final Withdrawals

Circumstances in which final withdrawal can be permitted

701. The sum which accumulates to the credit of a subscriber will not be his absolute property and will not be refunded to him until he finally quits the service of Government or dies except to the extent provided in the Rules of the Fund. On his quitting the service he should apply for its refund to the Accountant General through the head of the office if he is a non-Gazetted Officer and through the head of the Department if he is a Gazetted Officer. The whole amount at his credit will then be authorised for payment to him on his personal receipt if he is a Gazetted Officer, or if he is a non-Gazetted Officer, on a bill drawn by the head of the office. In the event of the subscriber's death before retirement, the entire amount, at his credit will be paid according to the Rules of the Fund concerned. In such cases, the persons who are to receive payment of the money should apply for it through the head of the office of the deceased subscriber to the Accountant General, under whose authority the amounts due to them will be paid on bills duly received by them after they have been properly identified or their signature attested by two respectable persons known to the officer making the payment. The authority for the final payment is issued under the signature of the Gazetted Officer-in-charge of Fund Section and a note of the fact is made in the ledger folio of the subscriber concerned under his initial and also in the registrar of closed accounts in M.S.O. (T) Form 70 (vide also paragraphs 726 to 736).

Note-1- Withdrawals of Provident Fund balances in the case of officers granted extended leave preparatory to retirement.- Contribution to a Provident Fund may be continued in the case of an officer granted extended leave preparatory to retirement only up to a maximum period of six months from the date of beginning of leave, the accumulated balance at credit becoming payable on that date.

[Government of India, Finance Department No.-F-44(29)W/24, dated the 24th October, 1945, Dy.Fd-8-1558.]

Note-2- The Assistant Inspector General of Police signs the final withdrawal applications of Gazetted Officers on behalf of the Inspector General with his approval. In regard to the grant of temporary advance from the General Provident Fund to non-Gazetted officers under Rule 15(3) (a), the Assistant Inspector General only complies with the direction of the Inspector General in communicating the sanctions.

The Deputy Inspector General can sanction advances from the General Provident Fund to Government servants as falling only under Rule 15(3) (1) (II) of the General Provident Fund, (Orissa) Rules.

[Inspector General of Police, Orissa, Cuttack letter No.-23390/FIVA-17-53, dated 15th October, 1953 and Government of Orissa, Home Department letter No.-14405, dated the 31st July, 1950. (Copy received with above, Dy.Fd-II-9249).]

Comptroller and Auditor General's Decision-

A State Government issued a sanction in relaxation of the relevant rule, permitting a Government servant to withdraw the entire accumulations in his General Provident Fund Account before he actually quitted service. Under Section 2(a) of the Provident Fund Act, 1925, "Compulsory Deposit" means a subscription to or deposit in a Provident Fund which, under the rules of the Fund, is not, until the happening of some specified contingency repayable on demand other wise than for the payment of premia in respect of a policy of Life Insurance or subscriptions or premia in respect of Family Pension Fund. It has been held by the Ministry of law that this case will also be governed by the views expressed in the earlier case. In other words as the amount standing at the credit of a subscriber to the Fund is not payable, under the rules of the Fund, until he quits the service, or proceeds on leave preparatory to retirement, the sanction, in relaxation of the rules for the payment of the amount, while he is still in service, does not have the effect of creating a contingency in accordance with the rules of the Fund within the meaning of section 2(a) of the Provident Fund Act, 1925, and would therefore operate to deprive the deposit of the protection available under the Act and the rights of nominees that accrue therefrom.

[Comptroller & Auditor General's letter No.-209-A/350-53, dated the 16th February 1954. Copy received under Ranchi Office Memo No.-OE-10-5545, dated the 11th March, 1954. Dy.Fd-I-1-10, 9347.]

Grant of final withdrawal from Provident Fund Clarification of Rule 16(1) of GPF (C.S.) Rules

Note-2- Doubts having been raised as to whether the grant of a second final withdrawal for the same purpose is permissible under Rule 16(1) of GPF(C.S) Rules, 1960, it has been clarified by the Government of India that (i) only one final withdrawal can be allowed for the same purpose. In this context, the marriage/education of different daughters/sons will not be treated as the same purpose. Similarly, the illness of the subscriber or his dependents on different occasions will not be treated as the same purpose.

- (ii) An advance and final withdrawal for the same purpose should not be sanctioned together. In other words, a person should be granted either an advance or a final withdrawal for a particular purpose subject to the conditions mentioned in Rule 15. Further, the advance which is subsequently converted in to final withdrawal should be treated as a final withdrawal under Rule 15 ; that is to say, if a person has got an advance converted in to a final withdrawal under Rule 16-A, he should not be allowed another final withdrawal for the same purpose under Rule 15.
2. The clarification referred to above will apply mutatis mutandis in respect of withdrawals/advances from C.P.F Rules (India), 1962 also.

Note-3-In partial modification of the orders contained Govt. of India,office memorandum F.23(2)EV(b)/64 dt.7.1.66 it has been decided that a subscriber shall be permitted to make a final withdrawal as and when he is called upon to pay in instalment for site/house purchased through house-building co-operative societies or similar agencies and the calls for payment of instalments treated as separate purposes for the purposes of Rule 15(1)of GPF(CS) Rule, 1960.

These order will apply mutatis mutandis to withdrawals from the C P F, Rules(India),1962.

(Based on Government of India, Ministry of Finance –D.E OM No.F.23(2)-EV(B)/64 dt.17.10.66-Dy. F M-1-10-CAG-49).

Note-3-A- The decisions contained in Note-2 and Note-3 above have been adopted by the Government of Orissa.

[Based on G.O Finance Department, O.M No.-GPF-33/66-43646/F dated 08.12.66 Dy-FM-I-37-1603]

Note-4- The past cases otherwise decided need not be re-opened.

[Based on Govt. of India, Ministry of Finance (Department of Expenditure) O.M. No.-23(2)-EV(B)/64, dated 07.01.66 received with CAG's letter No.-79-Audit/299, dated 20.01.66, Dy.-FM-1-10-CAG-110.]

Note-5- It has been decided by the Government of Orissa that, since under the Provisions of Rule 4 of G.P.F (Orissa) Rules, re-employed Government servants after their retirement are not entitled to subscribe to the G.P Fund. Final payment of P.F balances standing at their credit should be authorised on their application.

[Based on G.O.F.D letter No.-GPF-44/67-24844/F dated 13.07.67 Dy-FM-1-37-295]

702 (1)The Government of India have decided that Central Government servants who have completed 28 years of service or have less than 3 years to attain the age of Superannuation may be permitted to make final withdrawals from the G.P. Fund/C.P. Fund for purchasing a Motor Car or for repaying a Government loan already taken by them for the purpose subject to the following conditions.

(i) The officer's pay is Rs.1000/- or more.

- (ii) The amount of withdrawal is limited to Rs.12000/- or one fourth of the GPF balance of the subscriber or one fourth of the amount of subscription with interest thereon standing to the credit of the subscriber in C.P. Fund, as the case may be, or the actual price of the Car, whichever is the least.
- (iii) Such withdrawal will be allowed only on one occasion. In the event of purchasing another Car, the Motor Car advance under the provisions of Chapter-14 of G.F Rules 1963 as supplemented by the executive instructions from time to time will not be admissible.

The authority competent to sanction an advance for special reasons under the relevant P.F. Rules may sanction final withdrawals in terms of these orders.

[Based on Govt. of India, Ministry of Finance (Department of Expenditure) O.M. No.-F-23(7)-EV(B)/64, dated 27.03.65 received with Comptroller and Auditor General's letter No.-693-Audit/220-63, dated 01.05.65-Dy.-FM-1-10-65/66-CAG-14.]

Note-1- The above orders are also applicable to the persons serving in the I.A and A.D.

[Based on C & A.G's letter No.-1011-Audit/220-63 dt.31.12.68 Dy-FM-1-10-CAG-70]

Note-2- The provisions of para 702 are applicable mutatis mutandis to the subscribers under the G.P. Fund (Orissa) Rules and C.P.F Rules (Orissa).

[Based on G.O. Finance Department Office Memos No.-PF-45/65-19901/F, dated 18.05.65 (for G.P.F) and No.-C.P.F-3/65-29996/F dt.18.08.65 (for C.P.F) Dy-FM-1-37-764 and Dy-FM-1-37-188 of 1969-70]

702 (2) (1) The Government of Orissa have decided that State Government servants who have completed 28 years of service or who have less than 3 years to attain the age of superannuation may be permitted to make final withdrawals from the Provident Fund for

extensive repair or overhauling of motor cars owned by them subject to the following conditions.

- (i) The officers pay is Rs.1000/- or more (Pre-revised scale) or Rs.1400/- or more under the Orissa Revised scales of pay effective from 01.01.74.
 - (ii) The amount of withdrawal is limited to Rs.5000/- (with effect from 25.09.80) or 1/3rd of the amount standing to the credit of the subscriber or the actual amount of repairing/Overhauling, which ever is the least.
 - (iii) Not less than 5 years should have elapsed since the car was purchased by the officer concerned. In the case of a second hand car, the initial date of purchase by the first purchase, will be taken in to account.
 - (iv) Such withdrawal shall be allowed only once in the service career of the subscriber. In case of officers who have already withdrawn once earlier for this purpose will be allowed one more fresh withdrawal for the same purpose so long as the total of the two withdrawals does not exceed the present ceiling limit of Rs.5000/-
2. The authority competent to sanction such withdrawal details will be as in the case of other withdrawals.

[Based on G.O.F.D O.M No.-G.P.F-25/74 (Pt-II)-44887/F, dt.18.12.74 (Dy-FM-1-37-527 of 74-75, G.O.F.D No.-GPF-10/80-49588, dt.25.09.80, G.O.F.D O.M No.-GPF-10/30-64794/F dt.23.12.80 (Dy-FM-548)]

Note- The above decision of the Government of Orissa is based on the similar decision taken by the Government of India.

[Based on Government of India, Ministry of Finance (Department of Expenditure) O.M No.-10(1)-E.V-(B)/74 dt.20.09.74 (Dy.FM-1-10-581 of 74-75)]

703 The Government of India are of opinion that a subscriber cannot be considered to have quitted Government service finally when he resigns service under one State Government in order to accept an appointment under another State Government or the

Government of India or when he transfers his service from one branch of Government to another. Consequently they have decided that a subscriber to any Provident Fund is not entitled to the return of his deposits in such circumstances if the rules governing the Provident Fund in question do not permit of the final withdrawal of deposits until he has quitted Government service.

[Government of India, Finance Department No.-1009-F, dated the 11th May 1923.]

Government of India Decision-

It was not the intention that the balance standing to the credit of a Government servant should remain in the Fund when he quits service in which he was entitled to subscribe to the Fund in order to accept employment in which he is not eligible to subscribe to the Fund.

[Government of India, Finance Department No.-F-46(9)-R-II/44, dated the 24th October 1944 Dy.Fd-1-28-1542.]

704. Repayment of final withdrawal in the case of subscriber reinstated or recalled to duty- If the orders reinstating a dismissed Government servant or ordering the return to duty of a Government servant who proceeded on leave preparatory to retirement contain no instruction as to payments paid to him from the Fund, the Accounts Officer should raise the point and obtain orders.

[Government of India, Finance Department No.-F-22-XXXI.R.II-34, dated the 29th November 1934.]

Note- All such orders of the Executive Authorities should be communicated to the Fund section by the Accounting Sections concerned.

705. The Government of Orissa, in the Finance Department have given a ruling that Rule 31(i) (b) of the General Provident Fund (Orissa) Rules read with the definition of the term "FAMILY" in Rule 2(c) *ibid.* supersedes the personal law of succession,

inheritance, etc., applicable in respect of the Provident Fund money standing to the credit of a deceased subscriber. Therefore, notwithstanding the grant of a succession certificate in favour of any one or more of them, the members of the family of the deceased subscriber as specified in the rules read with the provision thereunder, referred to above, will be entitled to the Provident Fund money in equal shares.

In cases where any insurance policies have been assigned to the Governor of Orissa, there appears to be nothing in the above rules prohibiting their reassignment in favour of the legal heirs in terms of the succession certificate.

[Government of Orissa, Finance Department No.-1670-F, dated the 24th February 1939, Dy.Fd-2543 of 1938-39, on the case of the Late Babu Surendranath Ghosh Case No.-Fd-4-33/36-37.]

706. Will- The Fund is the result of an agreement between Government and its employees and the revenues derived there from must be distributed in accordance with the terms of that agreement. If the subscriber leaves the service of Government alive the sums at his credit in the Fund are handed over to him as his unconditional property. If the subscriber dies while in service the sum at his credit is handed over to such person (nominated by him or in the absence of nomination, selected by Government) as the Government consider should be protected from penury at the subscriber's death. In making this distribution the Government of India do not profess to follow any personal or other law and they have never considered that they are bound by such law.

[Government of India, Finance Department No.-90-F.D, dated the 10th January, 1912.]

707. It is clear from the above paragraph that the money deposited by a subscriber is not his absolute property unless and until it has actually been handed over to him on his retirement. So long,, as the Fund remains with the Government, a subscriber who desires to include the money at his credit in his "Will" can do so only on the condition that it must be left entirely for the benefit of his widow and children. It is therefore, incumbent on the Accounts Officer to see that the "Will" does not conflict with the principles of the

rules of the Fund. if a subscriber holds that his “Will” over rides the rules in respect of his Provident Fund money, he may be referred to the Government of India’s Orders.

[C.G.’s No.-1811-E-426-12, dated the 7th September 1912, Government of India, Finance Department No.-820-F.E, dated the 31st October 1912]

708. (i) The Government of India have ruled that there is nothing in the General Provident Fund Rules enjoining on an Accounts Officer the necessity of making enquiries about the existence of a “Will”, when a “Nomination” has been left by a deceased subscriber. It is the business of a beneficiary (or beneficiaries) under a “Will” to bring its existence to the notice of the Accounts Officer in time and if such intimation is not sent to the Accounts Officer he should forthwith proceed to make payment under the terms of the “Nomination” if it is otherwise in order.

(ii) In this connection the Government of India have cited the opinion recorded by the Advocate General, Bengal, on a case in which the issue raised was to what extent a “Will” left by a deceased subscriber to the General Provident Fund is a material factor in the disposal of a Provident Fund money. The Advocate General’s opinion is that the “Will” cannot over ride the provisions of the Provident Fund Act or the Rules because the subscriber’s right of disposition is controlled by the Act and the Rules and his testamentary power must be subject to the latter.

(iii) A “Will” made by a subscriber cannot in law revoke, supersede or rescind the nomination made by him.

709. The Government of India, have decided that no reference need be made to Government when the Audit Officer (after he has taken legal opinion, if necessary) is satisfied that the “Will” purports to divide the money in the Fund in the same manner as the nomination made under the Rules.

[Government of India, Finance Department No.-1921-F.E, dated the 18th September 1922.]

710. When a subscriber dies leaving no family as defined by Rule 2(i) (c) without having made any nomination under the Rules, the Accounts Officer may make payment after the advice of the Legal Remembrancer has been taken, without a reference to the Government of India to any person claiming on the authority of a “Will” of which Probate has been granted by a competent Court provided that where the amount involved does not exceed Rs.500/- no Probate need be insisted upon and the amount may be paid in terms of Rule 34 of the General Provident Fund (Central Services) Rules 1960.

[Government of India, Finance Department No.-D/3968-11/29, dated the 21st August, 1929.]

711. It has been decided by the State Government of Orissa that when a subscriber dies leaving no family as defined by Rule 2(1) (c) without having made any nomination under the rules and has only mother, father and a separated brother, mother being a nearer heir than the father or separated brother of the subscriber according to the Mitakshara School of Law relating to succession, is entitled to receive the Provident Fund money left by the subscriber under Rule 3 of Appendix ‘D’ to the General Provident Fund (Orissa) Rules.

[Finance Department No.-915-F, dated the 16th January, 1951, Dy.Fd-37-7179]

[Vide case File 4-21/49-50 of Late constable Raghunath Mohapatra, Account No.-3616P]

712. When final payment is proposed to be made under Section 4(1) of the Provident Fund Act, 1925 under the discretion vested in the Accounts Officer, the orders of the Accountant General should be obtained before the payment is actually authorised. The discretion vested in the Accountant General is, however, subject to the instructions of the Government from time to time.

[Based on Decision with reference to Rule 22 of GPF Bombay) Rules, in Chapter-V of the Manual of Fund Section of Accountant General, Bombay]

713. (i) A “Will” or a “Codicil” necessarily deals with property over which a testator has a disposable interest, but a subscriber cannot “Will” away the amount in his General Provident Fund which by the rules of the Fund vests in his family. A “Will” or “Codicil” is always revocable by another “Will” or “Codicil”. But under Section 5 of the Provident Fund Act, 1925, a nomination can only be revoked by another nomination. A made by a subscriber to a Provident Fund is not a “Codicil” or a “Will” previously made by a subscriber, simply because it is executed in the same manner as a “Will” or conforms to the requirements of a “Will”. While the Accounts Officer can be asked to give the names and addresses of the attesting witnesses to a nomination and if so asked, should supply the information, he cannot be required to obtain their affidavits. Such requests can, therefore, be refused.

(ii) When a declaration is required in a court of law it should be produced and if retained by the court a certified copy should be obtained from the court which for all practical purposes will be just as good as the original.

[Government of India, Finance Department No.-D/3862-R-II, dated the 20th June, 1929.]

714. A Muhamadan subscriber made a declaration on 5th October 1928 to the effect that in the event of his death, the amount at this credit in the General Provident Fund should be distributed among his wife and his adopted son in equal shares. The subscriber died on 26th December 1940 after his retirement on 1st December 1940 but before receiving the payment of General Provident Fund accumulations. Subsequently on 10th April 1941, his wife also died. It was decided by the Government of Orissa, that :-

- (i) That the nomination in favour of the adopted son was invalid as adoption is not recognised under Muhamadan Law.
- (ii) That the declaration made by the subscriber would not make the whole nomination null and void, but only the portion affecting the adopted son,

- (iii) That the share assigned to the adopted son should be paid in accordance with Rule 31(i) (b) of the General Provident Fund (Orissa) Rules, and
- (iv) That the share assigned to the wife should be paid to her legal heirs, because the wife acquired the title on the death of the subscriber.

[Government of Orissa, Finance Department No.-2725-F, dated the 15th June, 1942, Dy.Fd-939, Case Fd-5-114/40-41 Late Munshi Abul Aleem, Clerk, in the Registration Department]

715. (i) A Legal heirs of a woman prior to the introduction of Hindu Succession Act, 1956, i.e., prior to 17th June 1956, are her :-

- (a) Unmarried daughters,
 - (b) Married daughter,
 - (c) Daughter's daughter,
 - (d) Daughter's son and in the absence of the last- the sons.
- (ii) Legal heirs of a woman on or after 17th June 1956 under Hindu Succession Act, 1956 are :-
- (a) Firstly the son and daughters (including the children of predeceased son or daughter) and the husband.
 - (b) Secondly the heirs of the husband.
 - (c) The father and the mother.
 - (d) Fourthly the heirs of the father.
 - (e) The heirs of the mother.

[Based on Government of Orissa, Finance Department letter No.-4226/F, dated 12th February 1957, Dy.Fd(Ar.)-3392 in case of L.N.Bohidar File Fd.(Ar.)-Edn-5-109/50-51.]

Payment of Money due to Minors

716. (i) When the subscriber himself has not nominated a guardian to receive the Provident Fund money on behalf of minors, a guardian appointed by the Court to receive

payment on behalf of the minor should alone be recognised (Government of India, Finance Department No.-D/6079-R-II-28, dated 18th January, 1929.)

- (ii) To facilitate small payments the Government of India, however, in suppression of their Ministry of Finance Office Memorandum No.-28(30)-EV-58, dated 31.01.59, have decided that payment of Provident Fund money to the extent of Rs.5000/- (or the first Rs.5000/- where the amount payable exceeds Rs.5000/-) on behalf of the minor(s) can be made where no natural guardian exists, to the person considered fit by the Head of the Office to receive payment on behalf of minor(s) without requiring him to produce guardianship certificate. The person receiving payment on behalf of the minor(s) should, however, execute an indemnity bond with two sureties. The balance in excess of Rs.5000/-, if any, would be paid in accordance with normal rules.

Note-1- A specimen of the Indemnity Bond to be executed for the drawal of the Provident Fund money due to the minor child/children of a deceased subscriber etc., may be found in Appendix-‘O’ of this Manual.

[Based on G.I.M.F (DE) O.M No.-F-35(3)-EV/67, dt.29.07.68 received with C & A.G’s letter No.-1841-Tech-Admn-II/161-66 dated 08.08.68-Dy-CAG-1-10-38]

Note-2- The indemnity Bond mentioned in Note-1 above has been adopted by the State Government of Orissa.

[Based on G.O.F.D O.M No.-GPF-6/69-6167/F dt.26.02.69 Dy-FM-1-37-761]

Note-3- It has been decided by the Government of Orissa to enhance the existing limit from Rs.5000/- to Rs.15000/- (Fifteen thousand) to receive payment on behalf of minor(s) without requiring to produce guardianship certificate. Other conditions/procedure prescribed in G.O No.-41860-F dt.08.12.65 remain unaltered.

[Based on Government of Orissa, Finance Department, Office Memorandum No.-GPF-21/90/35205/F dated 20.10.90, Dy-FM-I/W-253 dt.25.10.90 File-FM-1-6/90-91]

Note-4- It has been decided by the Government of India that monetary limit for payment of minor's share of Provident Fund money to the guardian without production of guardianship certificate may be raised to Rs.10000/- from Rs.5000/-. The other conditions stipulated in the above mentioned orders will remain the same.

[Based on Government of India, Ministry of Personnel, P.G & Pensions (Department of Pension & P.W) O.M No.-20(27)-P & PW/89-E dated 23.03.1990-File-FM-1-6/90-91 Dy-FM-I/W-303 dated 30.11.1990]

(iii) In so far as the subscribers belonging to the Central Services are concerned, it has been decided that the stamp duty payable on the indemnity bond will be borne by the Government of India.

[Based on Government of India, Ministry of Finance (D.E), Office Memorandum No.-F-25(3)-EV/67 dt.11.07.67 received with Comptroller and Auditor General's letter No.-1842-Tech-Admn-II/161-66 dt.29.07.67 Dy-FM-CAG-29]

Note- It has been decided by the Government of Orissa that the stamp duty payable on the indemnity bond to be executed in cases relating to subscribers of the State Government will be borne by them.

[Based on G.O.F.D O.M No.-GPF-55/67-34721/F dt.21.10.67 Dy-GM-1-37-660]

(iv) It is essential, however, that in the absence of a natural guardian, there should be adequate prima facie grounds for making payment to the person claiming it. Such ground can exist only if he/she is shown by a sworn declaration to be de-facto guardian and his/her bona fides have been ascertained. Even if a guardian has not yet been appointed by the Court, if the minor and his property is in the custody of

some person, such person is in law a de-facto guardian. The authorities making payment should, therefore, enquire the person who comes forward to claim payment on behalf of the minor to satisfy them by an affidavit that he is in charge of the property of the minor and is looking after it or that if the minor has no property other than the Provident Fund money, the minor is in his custody and care.

- (v) The affidavit is to be produced in addition to the indemnity bond with suitable sureties (Government of India, Ministry of Finance (Department of Expenditure) Office Memorandum No.-F-25(2)-EV(B)/65, dated 14.05.65 received with CAG's letter No.-993-Tech.-Admn.-II/74-64, dated 31.05.65-Dy.FM-1-10-65/66-CAG-24).

Note-1- The above ruling is not applicable to the case of a Hindu widow with minor children. As their natural guardian, she is their legal guardian. When there is no guardian appointed by Court, payment may be made to a Hindu widow on behalf of her minor children (Government of India, Ministry of Finance No.-F-17-VIII-R-II/30, dated 24.10.1930.)

Note-2- Although, ordinarily, it may not be necessary to obtain an Indemnity Bond in the case of a natural guardian, as the revised heading of the form would show the same form may be used after suitably amending the heading, if in the event of a dispute, an Indemnity Bond is considered necessary (Government of India, Finance Department No.-4303-19-F, adted 27.04.1939-Fd-I-41-282).

Note-3- The decisions contained in Government of India, Ministry of Finance (Department of Expenditure) O.M. No.-F-25(2)-EV(B)/65, dated 14.05.1965 have been adopted by the Government of Orissa both in respect of their GPF and CPF subscribers.

[Based on Government of Orissa, Finance Department O.M. No.-P.F-111/65-41806/F, dated 08.12.1965-Dy.FM-1-37-65/66-3895.]

- (vi) The ruling in Paragraph 718 is applicable also in respect of payments of sums left to minors arising under the GPF (Central Services) Rules (Government of India, Finance Department No.-F-20-XXII-R-11-34, dated 1st July, 1934.)
- (vii) Payments may be made to a Hindu widow as the natural and legal guardian of her minor children. She should not be required to execute an indemnity bond unless the circumstances of any particular case justify such a precautionary measure. Otherwise payment may be made to the person considered fit by the Head of the Office to receive it on behalf of the minor(s) as per clause (a) above. If the Court has already appointed a guardian for a minor, the Provident Fund money is payable to such guardian on the minor's behalf and to the minor's widowed mother (Letter No.-99-NGE-451-38, dated 03.02.1939 from the Auditor General and letter No.-6143-F, dated 26.06.1939 from the Government of Orissa, Finance Department).

Note-1- Where a Hindu subscriber had nominated a minor son and had specified a guardian other than his wife for the nominee, payment has to be made to the person who may be appointed by the Court as the guardian of the minor, after the decease of the subscriber, provided that the Hindu widow of the subscriber is alive.

[Based on G.O.F.D letter No.-PF-88/61-18751 dated 01.05.62 (case of Sri Lakshmidhar Pradhan, A/C No.-3986 Edn(O). File-Fd-III-Edn-442-60-61)]

- (viii) According to the provisions of Rule-31(i) (b) of G.P.F (Orissa) Rules where the subscriber dies without making any nomination, a daughter who is unmarried at the time of the death of the subscriber is entitled to an equal share with other members of the family of the subscriber. A doubt has arisen as to whom the share of such a daughter who has married after the death of the subscriber shall be payable, it has been clarified that if the daughter is a minor at the time of payment, her share shall be payable to her husband as the guardian. If, however,

she has attained majority at the time of payment she is entitled to receive her share.

[Based on G.O.F.D O.M No.-Codes-111/71-46609/F dt.14.12.71 (Dy-FM-1-37-539)]

Payment of Provident Fund Money to a Hindu Widow/Widower on behalf of her/his Minor Children

717. (i) In respect of the payment of sums left to minors under the GPF (C.S) Rules, it has been recognised that a Hindu widow, being the natural guardian of her minor children is their legal guardian and as such no order of court is necessary to entitle her to receive her deceased husband's Provident Fund money on their behalf. Hence, where there is no guardian appointed by Court, payment may be made to a Hindu widow on behalf of her minor children without requiring her to execute an indemnity bond unless the circumstances of any particular case should justify such a precautionary measure.

(ii) The President has now been pleased to decide that the same position will hold good in respect of payment of sums left to minors under the C.P Fund Rules (India) and Workmen's Contributory Provident Fund Rules (Government of India, Ministry of Finance) (Department of Expenditure) O.M. No.-F-52-EV/60, dated 21.05.50 received with CAG's letter No.-471-A-301-59, dated 21.06.60 (Dy. CAG-20-File Fd-I-1-1-10).

Note-1-Where a Hindu subscriber had nominated a minor son and had specified a guardian other than his wife for the nominee, payment has to be made to the person who may be appointed by the court as the guardian of the minor, after the decease of the subscriber, provided that the Hindu widow of the subscriber is alive.

(Based on G OF D letter No.PF-88/61-18751 dated 1-5-62(case of Shri Lakshmidhar Pradhan account No.3986 Edn(O).File. Fd-III-Edn-442-60-61)

Note-2- Government of Orissa have adopted the procedure as laid down by the Government of India in Note-1 above, subject to the conditions that the Heads of Offices concerned should certify that the interest of the mother are adverse to those of children.

[Based on Government of Orissa, Finance Department Office Memorandum No.-G.P.F-50/66-43740/F dt.08.12.66 (Dy-FM-1-37-1465)]

717.A- The Government of India have decided that in cases where the natural guardian is Hindu widower, the payment of Provident Fund moneys on behalf of his minor children shall be made to him irrespective of the amount involved without production of the guardianship certificate or any indemnity bond unless there is anything concrete to show that the interests of the father are adverse to those of the minor children.

[Based on Government of India, Ministry of Finance (Department of Expenditure) Office Memorandum No.-F-35(3)-EV/68 dt.17.01.69 Dy-FM-1-10-CAG-76)-File No.-1-10-69/70 (P-16)]

Note- The above decision has been adopted by the Government of Orissa.

[Based on G.O.F.D O.M No.-G.P.F-20/69-20041/F dt.28.05.69 (Dy-FM-1-37-122)]

718. If the heir of a deceased subscriber to the General Provident Fund is a person domiciled in India, he will attain majority after completing 18 years, unless a guardian has been appointed by court of his person or property or both or the court of wards has assumed superintendence of his property before he attained the age of 18, in which case majority is attained on the minor's completing the age of 21 years. (Vide Appendix- D).

[Letter No.-170-LRR-0-14, dated the 23rd May 1934, from the Superintendent and Remembrancer of Legal Affairs, Bihar and Orissa]

Payment of Money due to a Subscriber who dies after Retirement but before Payment

719. (i) It has been decided that when a subscriber dies or disappears and his death is not established, the payment of his G.P Fund accumulation should be made only after the

lapse of seven years from the date of his death or disappearance, if he has not been heard of since that date..

[Based on G.O.F.D No.-13508/F dt.26.09.49-Dy-Fd-3449-File No.-Fd-5-37/49-50-F.P case of Sri Rahmat Khan, A/C No.-2964-Police]

(ii) It has been clarified by that the date of absconding should be take as the date of actual discharge as well as the date of death of a P.F subscriber who has disappeared and whose death has not been established and who has not been heard since that date. Final payments in such cases may be authorised to the family members or nominees of the subscriber in accordance with Rule-31 of G.P.F (O) Rules.

Interest up to a maximum period of six months only from the dare of actula discharge from Government Service may, however, be allowed in terms of Sub-Rule (4) of Rule-14 of G.P.F (O) Rules in these cases.

[Based on G.O.F.D letter No.-G.P.F-57/72-4076/F dt.29.01.73 (Dy-FM-1-37-(72-73)-661]

(iii) It has been held by the Supreme Court of India in Civil Appeal No.-132 of 1951 (the union of India versus Shrimati Hira Devi) that execution can not be sought against the Provident Fund money by way of appointment of a Receiver. The judgement of the Supreme Court will be found at Appendix- 'I'.

[Based on C & A.G's No.-992-A/80-53 dt.22.09.53]

Note-1- It has been held by the Supreme Court of India in Civil Appeal No.-132 of 1951 (the Union of India Versus Shrimati Hira Devi) that execution cannot be sought against the Provident Fund money by way of appointment of a Receiver. The judgement of the Supreme Court will be found at Appendix-Q.

[Comptroller and Auditor General's No.-992-A/80-53, dated the 22nd September 1953.]

Note-2- It has been decided that when a subscriber dies or disappears and his death is not established, the payment of his G.P. Fund accumulation should be made only after the lapse of seven years from the date of his death or disappearance, if he has not been heard of since that date.

[G.O.F.D No.-13508/F, dated 26th September 1949, Dy.Fd-3449, File No.-Fd-5-37/49-50 of (F.P case of Sri Rahmat Khan Account No.-2964-Police.)]

Payment in a case where the Declaration differed from the Succession Certificate

720. A subscriber to the General Provident Fund furnished a declaration as a married depositor making an adopted a son and the son's step-mother the nominees of his General Provident Fund money. It was assumed that the second nominee was the subscriber's wife and the declaration was not challenged. After the death of the subscriber it came to light that the second nominee was not his legal wife and that the adoption was not valid under the Mohammadan Law. On enquiry it was found that the depositor when furnishing his declaration was a widower with a married daughter whose husband was alive and that he did not marry afterwards. There being no widow or minor children to participate on the date the declaration was submitted, it was decided that the nominees were entitled to receive the General Provident Fund money. The married daughter of the subscriber, however, obtained a Succession Certificate to inherit the General Provident Fund money lying at the credit of her deceased father and claimed it and a Government Pleader suggested that it would be safe to make the payment to her as she had obtained a Succession Certificate. The question was referred to the Auditor General who referred the case to the Solicitor to the Government of India. The latter officer was of opinion that the request of the depositor who was in Government service at the time of his death, must be treated as effective and that the Succession Certificate obtained by the daughter of the deceased was altogether in operative and must be disregarded on the ground that Succession Certificate Act (VII of 1899), did not enable a Succession Certificate to be granted except in respect of a debt due or a security belonging to a deceased person and

that the sum in question was neither a debt due to the deceased (he having died in Government service) nor a security within the meaning of the Act.

[C.G.'s letter No.-3179-E-665-18, dated the 10th December 1918]

721. Claims of a posthumous child- (i) A posthumous child of subscriber is a member of his family at the time of his death and if born alive should be treated in the same way as a surviving child born before the subscriber's death.

(ii) If the existence (*en ventre de sa mere*) of a posthumous child is brought to the notice of the disbursing officer, the amount which will be due to the child in the event of its being born alive should be retained, and the balance distributed in the normal way under Rule 31 of the rules. If the child is born alive payment of the amount retained should be made as in the case of a minor child, but if no child is born or a child is still born the amount retained should be distributed among the family in accordance with Rule 31.

[Government of India, Finance Department No.-D/1333-R-II/29, dated the 9th May 1929.]

Claims of a Widow who subsequently remarries

722. The Government of India, held that the widow of a subscriber to the General Provident Fund who subsequently remarried and thus no longer constitutes the family of the deceased, should be regarded to be the legal heir and the payment should be made to her, as she was entitled to receive the money at the date of subscriber's death and that her subsequent marriage will not deprive her to the claim to the General Provident Fund money.

[Government of India, Finance Department No.-3135/2080, dated the 17th December 1929.]

A claims of children born of a marriage which is null and void.

722.A- The Government of Orissa in consultation with Law Department have clarified that :-

- (i) Second marriage solemnised after the commencement of the Hindu Marriage Act, 1955 (18.05.55) in contravention of Clause (i) of Section 8 of the said Act, is void. Under Law a Void Marriage is regarded as never having taken place and it confers no status of matrimony. The second wife, is therefore in above case, not entitled to get the share in G.P.F of deceased Government Servant.
- (ii) The amount deposited in the G.P.F account being the self acquisition of the deceased parent, the children born out of her void marriage are entitled to such amount as legitimate children of the deceased subscriber under Section 16 of Hindu Marriage Act.

[Based on G.O.F.D O.M No.-GPF-7/88/40072/F dated 25.10.88 File-FM-1-1- of 88-89]

Payment of Money due to an Insane Person

723. (i) The only person who can give a legal acquittance for the money payable to a subscriber who has become insane, is a manager appointed under the Lunacy Act, 1912.

[Government of India, Finance Department No.-1456-F.E, dated the 17th July, 1922.]

(ii) It has been decided by the Government of India in consultation with the Comptroller & Auditor General that if the person to whom under Rule 34(2) of G.P.F (C.S) payment is to be made is a lunatic for whose estate no manager has been appointed in this behalf as per provisions of India Lunacy Act to the persons having charge of the lunatic under the orders of the Collector. The disbursing officer has to pay only the amount, which he thinks fit, to the persons having charge of the lunatic and the balance, if any, or such part thereof as he thinks fit is to be paid for the maintenance of such members of the lunatic family as are dependent on him for maintenance. But before this

is done, the persons to whom the payment becomes payable under the rules, will have to be certified by a Magistrate as a Lunatic.

[Based on Government of India, Ministry of Finance (D.) No.-F-35(2)-EV/70 dt.23.02.1970 received with C & A.G's letter No.-299-Audit-30-69 dt.12.03.70 Dy-FM-1-10-CAG-70]

Note- The Government of India decision in Para 723 (ii) above has been adopted by the Government of Orissa in respect of their G.P.F and C.P.F subscribers.

[Based on G.O., F.D., O.M No.-GPF-24/70-18733/F dated 20.04.70-Dy-FM-1-10-106 dt.4/70.]

Procedure for the case of Final Withdrawals and Their Authorisation

724. No final withdrawal will be sanctioned without ascertaining the following particulars :-

- (i) The actual date, forenoon or afternoon, of retirement, death, resignation, discharge etc.
- (a) In case of resignation, it should be stated if the resignation has been accepted.
- (b) In case of discharge, the reason for the same should be stated.
- (ii) A certificate from the drawing authority referred to in Rule 12 of the General Provident Fund (Central Services) Rules, 1960 and Rule 15 of GPF (Orissa) Rules stating whether any advance from the Fund was granted to the subscriber during the previous twelve months, and if so, full particulars of the advance.

Note-1- In the case of officers governed by the General Provident Fund (Central Services) Rules, 1960 it will suffice if a single certificate regarding outstanding advances is obtained from the authority empowered to sanction advances under Rule 12 of the Rules in question.

[Government of India, Finance Department No.-F-20(30)-R-II/35, dated the 14th February 1935.]

Note-2- All applications from Gazetted officers or from the heirs of deceased Gazetted officers for final withdrawal from the Fund should be referred to the Head of the Department under whom the officer was serving at the time of retirement. The Head of the Department will dispose of such references by furnishing the required certificate regarding outstanding advances, except in the following cases in which he will send such applications of final withdrawal to Government in the Administrative Department, where, however, any difficulty or interpretation or rules is involved in any concrete case, the application may be referred to the Finance Department.

- (a) When the subscriber being a Gazetted officer applied for any advance during the past twelve months under Rule 15(3) (a) of the General Provident Fund (Orissa) Rules.
- (b) When the subscriber has elected to join the sterling accounts branch of the Provident Fund.

[Based on G.O.F.D O.M No.-G.P.F-19/69-25856/F dt.22.07.69- Dy-FM-1-37-308]

Note-3- For the purpose of Rule 15(3) (b) (1) of the General Provident Fund (Orissa) Rules, the Revenue Commissioner, Orissa, will be the Head of the Department in respect of Gazetted officers of the rank of the Orissa Administrative Service, and Orissa Subordinate Administrative Service, whether the officer is serving for the time being under the Revenue Commissioner or in any other Department. Application for advances will be forwarded by the Head of the Office or of the Department in which the officer is serving to the Revenue Commissioner who will grant the advance himself or send up the application to Government under Rule 15(3) (a) (i) of the rules. Similarly all applications from Deputy and Sub-Deputy Collectors or their nominees for final withdrawal from the General Provident Fund will be submitted to the Revenue Commissioner for necessary action.

[Government of Orissa, Finance Department No.-10043-F, dated the 25th September 1939, Dy.Fd-1/37-1499.]

Note-4- In respect of non-Gazetted Government servants the authority which has the power to grant an advance from the General Provident Fund will be the authority to grant the certificate. If the Government servant was transferred from another establishment within a period of 24 months from the date of his death, dismissal, retirement etc., the authority competent to grant the certificate should consult the Controlling authority of such other establishment before granting it, enquiring in particular whether any application of an advance was forwarded to a higher authority during that period. If it transpires that any such application was forwarded to a higher authority then that authority will be the authority competent to grant the certificate.

[Government Order No.-806-18-F, dated the 28th March 1941, Dy. Fd.-I-37 of 1938-40-3376.]

Note-5- It has been noticed by the Government of Orissa in certain cases that delay in making final payment of the Provident Fund balances to the subscriber on his quitting service or to his family in the event of his death, is occasioned by the fact that he had served in more than one office during the twelve months prior to his quitting service/death, and the information regarding any advances taken/final withdrawals made by him had to be collected by the Accounts Officers from the various offices concerned. To obviate such delays, it has been decided that in future the Head of Office/Department under whom the subscriber last served, shall collect the necessary information from the various Offices in which the subscriber served during the last twelve months before quitting service/death, and then furnish a certificate to the Accounts Officer concerned on behalf of all such Officers regarding any advances taken/withdrawals made by the subscriber.

[Based on G.O.F.D., O.M No.-PF-29/60-22290/F, dated 07.07.60, Dy. Fd-I-I-37-2580.]

- (iii) Amount of the last fund deductions with the number and date of the treasury voucher or the number of bill with date of its encashment from which it was deducted.
- (iv) Name of treasury at which payment is desired.
- (v) In the case of dismissal-
 - (a) Whether the officer has filed or intends to file an appeal if the appeal has been rejected, the date of its rejection.
 - (b) If no appeal has been filed yet, the date on which the period of his appeal will expire.
- (vi) The correct General Provident Fund Account Number verified from the statements furnished to the depositor by this office from year to year.
- (vii) Whether the subscriber married after the submission of his declaration in
- (viii) If no declaration was furnished by the subscriber, a list of his family members (as defined in Rule 2) who are entitled to participate in the Fund money together with their applications in original for the refund. In the case of minors, the applications should be from their legal guardians.

Note-1- When an officer of Civil Department is transferred to the Railway Department where he becomes a compulsory subscriber to the Railway Provident Fund, the balance at his credit in the General Provident Fund cannot be refunded to him. Interest will, however, be allowed on the amount at the proper rate.

[Government of India, Finance Department No.-78-FE, dated the 13th January 1922.]

Note-2- Final payment of Provident Fund dues can be authorised by an Accounts Officer only on receipt of the application for payment from the claimant.

[Based on CAG's letter No.-496-Admn.-11/52-63, dated 22.03.63 Dy. Fd-1-10-22.]

Note-3- The appropriate forms prescribed for the purpose may be found in the Book of Account Forms-New Forms No.-GPF-10(A), GPF-10(B) and GPF-10(C).

[Based on CAG's letter No.-1859-Admn-II/337-60, dated 04.11.1961 Dy. Fd-1-CAG-1-10-48.]

Note-4- To eliminate all avoidable delays in the payment of Provident Fund balances to subscriber nominees or other claimants, it is considered necessary to have a standard form containing the request of the person applying for final payment of the Provident Fund money as well as various particulars and certificates to be furnished by the Heads of Department/Offices. Separate forms have accordingly been prescribed by the Government of India, in consultation with the Comptroller and Auditor General, for use by Gazetted Officers, Non-Gazetted Officers and by nominees or other claimants. Request for payment of Provident Fund moneys should invariably be made by the claimants in the appropriate prescribed form.

(ix) In the case of death of a subscriber his religion is to be indicated in Column-I of the Form No.-OTC-80 (Form of application for final withdrawal of P.F accumulations) by the authority forwarding such applications to the Audit office in order to decide the eligibility of the widows to receive payment of the share/shares of their minor child/children.

[Based on G.O.F.D O.M No.-GPF-6/69-25859/F dt.22.07.69-Dy-FM-1-37-307]

725. In order to obviate difficulties experienced by Accounts Officer, it has been decided by the Government of India that the following certificate may also be furnished by the Heads of Office/Departments along with other certificates prescribed in Form 'A' and 'B' of the Government of India, Ministry of Finance (Department of Expenditure) O.M No.-F-28(22)-EV/58, dated 29.07.1961.

“Certified that he/she has not resigned Government service to take up appointment in another Department of the Central Government or under a State Government or under a body corporate, owned or controlled by Government”.

[Based on G.I.M.F. (D.E) O.M No.-F-28(22)-EV/58, dated 21.12.64 received with Comptroller and Auditor General’s letter No.-62-Tech-Admn.-II/287-Admn.-II/63, dated 15.01.65-Dy. T.M. 1-10-64/65-109.]

726. On receipt of intimation of deaths, retirements etc., of all officers whether Gazetted or Non-Gazetted who were subscribers to the General Provident Fund, preliminary enquiries regarding nominee, family, etc., should be made immediately but repayment should be made only after the schedules for the month in which the event takes place have been posted.

727. Procedure for registration of final payment cases in the Special/Pending

Register- (i) Immediately after information of death/retirement etc., of any subscriber is received, the case should be registered in Part-II of the S.P.R. and pursued regularly with a view to expediting the receipt of formal application for final withdrawal. The case is to be transferred to Part-I from art-II of S.P.R. only after the formal application is received in this office. The S.P.R. may accordingly be modified so as to exhibit :-

(a) Under Part-I- Cases wherein application for final withdrawals from claimants are received.

(b) Under Part-II- Intimation of death/retirement, etc., of a subscriber is received without formal application for final withdrawal.

(ii) As is being done, the S.P.R. will be closed monthly and submitted monthly to Deputy Accountant General on the 5th of every month. Both Part-I and Part-II may be closed separately.

[Based on Comptroller and Auditor General's letter Nos.-415-Admn.-11-52-63, dated 15.03.63 (Dy. Fd-1-Arr-Rep-Fp-1207) and No.-496-Admn.-71/52-53, dated 22.02.63) (Dy. Fd-I-1-10-22)]

Note- In addition to the S.P.R a register designated as "Register of F.P cases where no part of the balance was authorised" should be maintained to note down cases where even available balance could not be authorised. This register is to be submitted to Branch Officer each month on 2nd and Deputy Accountant General on 2-5, 2-8, 2-11 and 2-2 i.e., before submission of the quarterly report to Comptroller and Auditor General on outstanding F.P cases.

[Based on Comptroller and Auditor General's letter No.-2283-Tech-Admn-II/253-68 dt.19.09.68-Dy-FM-Arr-Rep-FP-45/68-69]

728.A- (i) Gazetted and Departmental audit sections and Pension Sections will report all cases of retirement or death to the Fund Section. On receipt of these reports, Fund Section will note only such cases as relate to officers subscribing to any of the Provident Funds and make preliminary enquiries as indicated in the preceding paragraphs to avoid delays in the final payment of the Fund money.

[Based on Auditor General's No.- 183-Admn-12-25 dated the 9th February 1925 and Circular No.-TM-I-77-1138 dt.04.12.68]

(ii) Government of India as well as the Government of Orissa have issued instructions to the effect that the Head of Office/Department promptly intimate to this office the death of a subscriber while in service to enable this office to initiate action for completion of the P.F account and to inform the Head of Office/Department, the details of nominations etc. made by the deceased subscriber. The Heads of Office/Department are required also to take action to get the application for final payment of P.F money from the nominee/Family members of the subscriber, for submission to this office without waiting for the legal heirs to initiate action.

[Based on Government of India Ministry of Finance (Department of Expenditure) O.M No.-F-35(5)-EV/69 dt.18.05.68 (Dy-FM-CAG-Arr-Rep-FP-20/68-69) and G.O Finance Department O.M No.-GPF-49/68-22107-F dt.17.06.69-Dy-FM-Arr-Rep-FP-210/69-70]

(iii) On receipt of the intimation about the death of a subscriber while in service from the Head of Office/Department the F.P section should bring the fact to the notice of the Pension Section immediately to enable that section also to keep watch on the timely receipt and quick finalisation of the Family Pension and /or D.C.R. Gratuity case in respect of such deceased officials.

[Based on C.A.G's letter No.-1316-Tech-Admn-II/51-68 dt.12.06.68-Dy-FM-Arr-Rep-FP-23/68-69]

728. (B)- It has been ordered by the Comptroller and Auditor General that cases of resignation/permanent absorption in public sector undertakings of Government servants coming to the notice of the G.A.D/T.A.D section should also be promptly communicated to the Provident Fund Section concerned so that the P.F section may initiate action and call for the Final Payment application on the appropriate authority under intimation to the employee concerned.

[Based on C.A.G's letter No.-1597-TA-II/396-70 dt.04.09.70 Dy-FM-1-10-1059 of October 1970]

729. In the case of a subscriber who has retired on his producing a certificate from the authority empowered to grant advance of the effect that no advance/ an advance of Rs..... was granted to the subscriber during the twelve months preceding his retirement, arrangement should immediately be made for payment of the balance shown in the ledger, less any advance taken, but not shown therein, and he should at the same time be informed that as soon as his account is finally settled he will receive a statement of his account and any balance that may be due to him.

[C.G.'s letter No.-829-E. 2-21, dated the 25th February, 1921]

730. The certificate prescribed in the preceding paragraph can be dispensed with by the Accountant General in cases in which, in his opinion, the final payment of the balance in the General Provident Fund can be safely made.

[Auditor General's letter No.-374-Admn.-6-24, dated the 7th March, 1924.]

731. As soon as the claim for the payment of the balance at the credit of a subscriber is established (a) all papers relating to the case should be chronologically arranged, if not already done, (b) his account should be closed, (c) the authority for the payment should be drawn in General Provident Fund Form No.-11 if payment is to be made through the head of the office or in Form GPF-11-A if the payment is to be made direct from the treasury, and (d) the reason for the closing of the account, the amount authorised and the number and date of the letter of authority should be noted in the Ledger Account. The Ledger Account and the letter of authority should then be submitted to the Gazetted Officer who if the case is in order should initial the entry and approve the letter of authority. It should be borne in mind that the Superintendent will be held responsible for any incorrectness in the matter.

Note-1- Final payment of Provident Fund Balances- The Comptroller & Auditor General desires that in cases where individual Fund accounts are not complete such portion of the deposits as can be paid off without any risk should be paid off as soon as possible and steps taken to ensure very early settlement of the balance.

[Auditor General's No.-620-Admn.-194-47, (Dy. Fd-1-10-851)]

Note-2- The Accountant General has decided that the Fund authorities for amounts over Rs.10000/- should be sent by Registered Post and those below Rs.10000/- under certificate of posting.

[Vide Accountant General's decision contained in Ranchi Office D.O Nos.-OE-2P-52, dated the 9th April, 1952 and OE-2P-372, dated the 7th May, 1952, Dy.Fd-5-174/51-52/33 and 77.]

Revalidation of Authorities for Payment

732. An authority for payment of Provident Fund money will remain current for 6 months from the date of its issue and will have to be revalidated by the (issuing) Accounts Officer if such payment is required to be made after this period. For this purpose, the original authority should be returned to the Accounts Officer with a certificate of non-payment both by the disbursing officer and the Treasury Officer.

[Based on Comptroller & Auditor General's letter No.-1740-Admn-II/275-55 dated 3/6-12-55]

Procedure for Preventing Fraudulent Use of Payment Authorities

733. In order to ensure that authorities for payment of the Provident Fund dues issued by Audit Officers reach the proper hands and that there are as few chances as possible for duplicating such authorities to obtain payment for a higher amount than actually to be paid, it has been decided that :-

- (i) A provision may be made in the forms of authorities G.P. Fund 11 and G.P Fund 11A) for requesting the disbursing officers to acknowledge the receipt of the letters of authority.
- (ii) That these forms should be supplied in bound books duly machine numbered.
- (iii) That they should be kept under the custody of responsible officials to ensure their use only for bona fide purposes, and
- (iv) That the authorities for payment are written up in the manner of cheques (vide rule 156 of C.T Rs., Vol-I) i.e., all such authorities should have written across them in words, a sum little in excess for which they are issued.

[Based on the CAG's letter No.-1996-Admn.-II/526-56, dated 17th September, 1957, Dy. Fd-I-10-6616]

Note- The provisions of the above para apply mutatis mutandis to the terms FM-1, FM-2 and FM-3 which are used for issuing authorities on account of non-refundable withdrawals from Provident Fund.

[Based on Orders of Accountant General, dt.17.06.69 in the File-FM-8-23-1968-69-70]

Procedure for Receipt, Custody and Issue of Bound Books of Authority Forms G.P Fund 11 and G.P Fund 11-A

734. (i) In pursuance of clause (iii) of para I of CAG's circular letter No.-1990-Admn.-II/526-56, dated 17th September, 1957, the following procedure should be followed with regard to the custody of bound books of authority forms of G.P Fund 11 and G.P Fund 11-A.

(ii) A stock register of receipt and issue of bound books of authority forms G.P Fund 11 and G.P Fund 11-A should be maintained in the following form :-

RECEIPTS

Opening Balance	Date of receipt	From whom received	No. of invoice with which books have been received	No. of books	No. of forms each book contains	Total No. of books	Initial of B.O
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

ISSUES

Date of issue	To whom issued	No. of book issued	No. of forms the book contains	Signature of recipient	Total No. of books issued	Closing balance	Initial of B.O
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

N.B- Separate folios should be set apart for forms GPF 11 and GPF 11-A.

- (iii) The register should be kept in the personal custody of Branch Officer, Fund Miscellaneous. Whenever there will be a change in personnel, the making over and taking over charge should be recorded in the stock Register after due verification just as in the case of Insurance Policies. There will be annual verification of stock during October every year. If there has been a verification on the change of the Branch Officer-in-charge, the next annual verification may be made one year after such verification.
- (iv) The Branch Officer, Fund Miscellaneous should maintain a Stock Register of bound books of authority forms GPF 11 and GPF 11-A. only one book at a time should be issued to each Superintendent/Accountant of Fund Section dealing with issue of authorities who will be personally held responsible for use of the forms for bonafide purpose only. The Librarian attached to Fund Miscellaneous Section will help the Branch Officer, F.M in this matter and for this purpose he will be in overall charge of these authority books and he should be responsible for the proper issue of the bound authority books and for maintaining the stock Register properly and up to date. As soon as a book is used up the Superintendent/Accountant of the concerned Fund Section will send the requisition through the Branch Officer to the Branch Officer, Fund Miscellaneous. The Superintendent/Accountant should also certify that the book (mentioning the Book No.) has been used up. On receipt of the requisition, the Branch Officer, Fund Miscellaneous will supply one fresh book making necessary entries in the respective columns of the Stock Register. Each Book should contain a certificate stating the No. of Forms it contains under the dated initial of the Branch Officer, Fund Miscellaneous.
- (v) The used up books should be kept in a separate almirah in Fund Section. No folio should be torn or left blank. If any form is cancelled due to some reason or other, it should be got attested by the Branch Officer.

734.A- It has further been clarified in pursuance of clause (iii) of Para-1 of C.A.G's Circular letter No.-1996-Admn-II/526-56 dt.17.09.57 that the bound books containing G.P.F withdrawal authority forms (G.P.F-11 and G.P.F-11-A) should be issued only to Superintendent/Accountants In-Charge of Fund Sections and they should be personally held responsible for the use of the forms for bonafide purposes only. For watching the disposal of the authority forms the Superintendent/Accountants should maintain a suitable register.

[Based on C.A.G's letter No.-1496-TA-II/127-68, dt.17.09.71 (Dy-FM-1-10-CAG-27 of 1971-72)]

Note- The provisions of the above para apply mutatis mutandis to the terms FM-1, FM-2 and FM-3 which are used for issuing authorities on account of non-refundable withdrawals from Provident Fund.

[Based on Orders of Accountant General, dt.17.06.69 in the File-FM-8-23-1968-69-70]

Date up to which Interest is payable in the case of Final Withdrawals

735. (i) In the case of payment by cash, the intention of the Government of India is that interest should be paid up to the month preceding that of the date to be entered by the Accounts Officer in the authorisation on or after which the treasury officer should make the payment and not up to the end of the month preceding that in which the authority for payment is issued.

(ii) The date on or after which the treasury officer should pay should be fixed by the Accounts Officer, after taking into account, the normal time which should expire before the presentation of the bill, on receipt of the authorisation.

[Auditor General's No.-317-NGE-580-33, dated the 9th March, 1934.]

736. A question has been raised about the date up to which the interest payable on the Provident Fund Deposits should be admitted in verifying the claims of Displaced persons.

It has been agreed between the Governments of India and Pakistan that in verifying the claims interest on the General Provident Fund balances of Government servants who have migrated to the other country may, on a reciprocal basis, be allowed for the period for which it is due but in no case beyond the end of the sixth month after the month in which the amount became payable due to the subscriber's quitting service or his death. The arrangement shall apply to the claim of all those employees to whom the General Provident Fund Rules apply.

[Comptroller & Auditor General's No.-252-Part/16-52, dated the 9th May, 1952. Dy. Fd-8-15-13]

Note- It has been decided in consultation with the Government of India that the arrangements referred to in the Comptroller & Auditor General's letter No.-252-Part/16/52, dated the 9th May, 1952, will also apply to other Provident Funds, e.g., "State Railway Provident Fund", "Contributory Provident Fund" (Transferred Railway personnel), "Defence savings Provident Fund", etc., where normally the rules permit the payment of interest up to a maximum period of 6 months as in the case of General Provident Fund. in verifying claims of Government servants who have migrated to the other country interest on the Fund balances standing to their credit maybe allowed for the period for which it is due but in no case beyond the end of the six month after the month in which the amount becomes payable.

[Comptroller & Auditor General's circular letter No.-59-Part/3-54, dated the 12th February, 1954, Dy. Fd-1-8-15-8845, received under Ranchi Office memo No.-TM-BO-Fd-5510, dated the 23rd February, 1954.]

Note-1- The interest should be recalculated as per instructions contained in the above sub-para in respect of the cases in which the interest has been allowed up to the date the subscribers concerned were on duty in India. It is, however, not necessary to issue fresh authorisations for the payment of the balances of interest. Such authorities may be issued as and when claims are received through the Central Claims Organisation.

[Comptroller & Auditor General's No.-394-Part/3-53-II, dated the 8th August, 1953, received with Ranchi Office No.-OE-10-2734, dated the 25th August, 1953, Dy. Fd-8-15-4148.]

Note- The Accountant General, Orissa, has decided that a period of ten days may be taken in this State as the normal time for the purpose of the above paragraph.

737. Rule 11(4) of the General Provident Fund (Central Services) Rules, 1960 and Rule 14(4) of the General Provident Fund (Orissa) Rules do not confer on a subscriber a right to receive interest on his deposits up to the end of the sixth month after the month in which he quits the service, if the Accounts Officer is ready to make payment at an earlier date. A subscriber must accept payment when it is tendered and no interest will be allowed thereafter. As regards the I.C.S Provident Fund however, the position is slightly different [Vide paragraph 739 (i)]

[(1) Government of India, No.-D/3473-R, 11, dated the 1st December, 1931, received with Auditor General's No.-461-Admn-II/135-33, dated the 18th July 1933, Bihar and Orissa Dy. Fd-1-1915]

[(2) Auditor General's No.-545-NGE/509-41, dated the 2nd April, 1942, to the Accountant General, Punjab, received with the former's Endorsement No.-541-NGE/509-41 of even date, Dy. Fd.-1-15-34.]

Note-1- The period of six months prescribed in Rule 11(4) of the General Provident Fund (Central Services) Rules 1960 up to which interest can be allowed beyond the date of retirement, etc., of a subscriber, is intended mainly to avoid hardship in cases where, for instance, a legal representative has to be determined by a Court of Law in the case of deceased officer and also to allow time to Accounts Officers to settle the accounts but it is definitely not intended that departmental authorities should delay supply of requisite information to audit. The Government of India have issued orders to the various Ministries and Heads of Departments that effective steps should be taken to ensure that as soon as a subscriber to the General Provident Fund (Central Services) has

“quitted” service, the fact is reported to Audit without loss of time and any supplementary information called for by that authority is also supplied to him with the utmost expedition so that payment of extra and unnecessary interest is reduced to the minimum.

[Government of India, Ministry of Finance, Office Memorandum No.-F-30(25)-EV/53, dated the 27th October, 1953, Dy. Fd-I-(GI)-1-10-57.]

Note-2- The Government of Orissa, have also issued similar orders 30(25)-EV/53, dated the 27th October, 1953, Dy. Fd-I(GI)-1-10-57.]

[Government of Orissa, Finance Department No.-8876-F/PF-72/53, dated the 19th April, 1954 (Dy. Fd-I-1-10-562)]

Note-3- When a subscriber retires on the afternoon of the last day of a month, the period of 6 months for the purpose of rule 11(4) of General Provident Fund (Central Services) Rules should be counted after excluding the immediate succeeding month, that is to say for instance when a subscriber’s last day of service is the 31st day of May, the period of 6 months should be completed from July to December and not from June to November.

[Based on Comptroller & Auditor General’s letter No.-1820-Admn.-II/52/NGE-11/56, Pt.-I, dated 21st August, 1957. Dy. Fd-I-1-10-11]

Note-4- In case of a contract officer and subscriber to CPF where his entire CPF accumulations (except his last credit) with state share on becoming payable on his resignation with effect from 27.12.1957 was paid in 1958, a doubt arose as to the period up to which interest would be admissible to his last credit for 12/57 which was recovered from his last pay bill drawn after preaudit in 6/61 for no fault of the officer and which was adjusted in his account in 11/61. It has been observed in this case that although the amount standing at the credit of a subscriber becomes payable when he quits service

according to Rule 23 of GPF (Orissa) Rules, an amount recovered after quitting service does not form part of the amount standing at the credit of the subscriber till, it is actually recovered and so cannot become payable earlier, i.e, in such cases the date of credit and the date of its becoming payable are simultaneous as the subscriber has already retired. It has been decided that the maximum period of six month up to which interest can be allowed under Rule II(4) ibid can reasonably be counted from the date of completion of the month in which the credit was actually recovered, viz., 6/61 in this case.

[Based on orders of the Accountant General in the CPF case of Sri R.L. Narayana, Ex-Chief Engineer, Electricity, Orissa, communicated in HAD section Memo No.-HA-6-14-369, dated 11.11.63, Dy. FD-I-37-5633.]

Note-5- A question has been raised as to how the period of six months should be reckoned in the case of a subscriber who dies in the forenoon of the last day of a month before retirement. It has been decided that as under Rule 233 of C.T.R., Vol-I and Rule 191 of the O.T. Code, Vol-I, the pay and allowances can be drawn for the day of a Government servant's death even though he may have died in the forenoon of that day, the day of death of the subscriber should be treated as the last day of his service and he should be deemed to have quit the service the following day. Therefore, in all such cases the period of six months should be reckoned from the second month following the month in which the subscriber dies.

[Based on the Comptroller and Auditor General's letter No.-1562-Tech-Admn-II/265-64, dated 26.09.1964 (Dy.CAG-1-10-61).]

Payment of Interest beyond a period of six months up to a period of One year

737.A-It has been decided in consultation with Accountant General, Tamilnadu, Maharashtra and Uttar Pradesh that interest in Final Payment cases should normally be allowed up to a maximum period of six months as envisaged in Rule-11(4) of G.P.F (CS) Rules 1960 and Rule-14(4) of G.P.F (Orissa) Rules. But in cases where the application for final payment is received long after the event necessitating final closure of the Provident Fund Account and the claim for interest beyond a period of six months is

supported by full explanation of Departmental Officers for administrative delay or (ii) for delay occurred by the circumstances beyond the control of the subscriber, the head of the accounts office may authorise interest beyond a period six month up to a period of one year after investigating in to the administrative delay and after taking suitable action therefor.

[Based on A.G., Tamilnadu's letter No.-Fd-I/GI/9-9/69-70/324 dt.18.02.70 (Dy-FM-1-10-287), A.G., U.P's letter No.-Fd-I-IX/57/921 dt.28.08.69 (Dy-FM-1-10-1115), A.G., Maharastra's letter No.-PF-I/Gen/C-113/3186 dt.21.08.69 (Dy-FM-1-10-480) and orders of Accountant General, Orissa dated 20.05.70]

737-B Govt. of Orissa decision on payment of interest on F P cases:-

Govt. of Orissa in their finance department letter No.24610 F/GPF-20/97 dt. 30.5.97 has intimated that the interest on GPF accumulation is admissible upto the date of issue of authorisation as per FD OM No.26331/F dated 18.7.91. Further it has been clarified that where the final payment is delayed due to some unavoidable circumstances for which subscriber is not responsible for such delay and in that case it is now clarified that the word authority includes revised/fresh authority vide letter No.GPF-18/2003/43901 dated 13 October 2003 of Finance Department Govt. of Orissa.

Receipt of the Payees' Acquittance and their Examination

738. (i) When authorising payments, the payees should be informed that he/she shall have to accept the amount when tendered and that no interest will be allowed thereafter.

(ii) Actual payees' receipts should be obtained in respect of all withdrawals from Provident Funds authorised by this office to gazetted officers but in the case of authorities issued to the heads of offices for disbursement to Non-Gazetted Officers certificates of disbursement may be obtained. Non-Gazetted Officers who draw the amount themselves from the Treasury should give their acknowledgement on the bill presented to the Treasury for the purpose.

[Based on Senior Deputy Accountant General's order, dated 27.08.65, Dy.FM-1-37-1935 and para 402 of M.S.O. (Tech.), Vol-I]

739. (i) In cases where the Accounts Officer concerned intimates direct to the subscriber concerned or his agent the exact date on which he is prepared to make payment interest may be allowed up to the month preceding that date. In other cases where the Accounts Officer concerned can not himself issue the payment order on a Treasury where the subscriber or his agent desired to receive payment but has to get the authority issued by another Accounts Officer, interest should be paid up to the month preceding the month in which payment is actually made, provided the delay is not due to any reason for which the subscriber could be held responsible.

(ii) It should be ensured that final payments of provident fund balances are effected as soon as they fall due.

[Based on Government of India, Ministry of Finance letter No. F.22 (2)- EV/48, dated 29.7.49. (Dy. Fund-I-1-10-108)]

Place of payment

740. On receipt of applications through the heads of offices payment may be made to the subscribers or their nominees in the case of deceased subscribers or to the person on behalf of such of the nominees as are minors from the treasuries nearest to the places where they are residing, whether such treasuries are within or outside the jurisdiction of this office.

[Auditor General's letter No.-3816-E, 78-26, dated the 3rd August, 1926, vide paragraph 20, Chapter-VI, Central Provinces Manual]

741. The procedure referred to above may be extended also to final payments of General Provident Fund balances of non-Gazetted Officers at sub-treasuries having currency chests. The order authorising the final payment should, however, be addressed to the Treasury Officer who may issue a cash order on the sub-treasury concerned in favour of

the claimant and also forward to the Sub-Treasury Officers the necessary documents for identifying the claimant.

[Auditor General's letter No.-1446-NGE-4183-4, dated the 14th October, 1934]

Payment outside the State

742. In view of the insertion of Rule 607-A of Compilation of Treasury Rules Volume-I and Sub-Rule 669-A of Orissa Treasury Code, Volume-I it has been clarified that the payment of the legal heirs/nominees of the subscribers outside the jurisdiction of the Accountant General authorising payment is also to be made through crossed Bank draft under the procedure laid down in Rule 607-A of C.T.R, Vol.-I and S.R-669-A of O.T.C Vol.-I.

[Based on C.A.G's letter No.-1110-TA-II/259-70 dt.22.07.74- Dy-FM-CAG-1-10-12 of 74-75]

Letters of Authorisation to Certain States to be in Duplicate

743. Deleted vide C.S. No. 174 dated 24.08.1974

Payment of Provident Fund balances in One Dominion arising in the Other

744. (i) Payment on account of the dues of the Provincial Government servants of the undivided Provinces should be made by the Accounts Officers of the Provinces in which the Government servants are residing on the authorities issued by the Accounts Officers in the other dominion ; the payment being recovered in the normal course from the Province liable for them. Payments of Fund balances in all cases should be made by bank drafts which should be crossed.

(ii) The above procedure has been accepted by the Government of Orissa.

[Auditor General's letter No.-788-Part/9-48, dated the 16th April, 1949 and Government of Orissa, Finance Department No.-7199/F, dated the 25th May, 1949, Dy. Fd-1-10-381 and 1076.]

Payment in the United Kingdom

745. In the case of Rupee Branch Subscribers governed by the General Provident Fund (Central Services) Rules 1960, who are on leave preparatory to retirement in England and who are not able to receive payment of their Fund accumulations in India as required by Rule 34(3) of the General Provident Fund Rules, owing to their not having any banking account in India, the payment may be made by means of sterling draft, provided the officer concerned agrees to bear the bank charges, which should be deducted from the amount to be remitted. When any such payment has to be made through the Reserve Bank of India, and in places where there is no branch of the Reserve Bank, the State Bank of India should be informed of the name and address of the payee and the amount in question and it should be asked to remit the money direct after deducting therefrom the bank charges. The Bank will then instruct its London office to forward a receipt to the payee and to inform him that payment will be made on return of the receipt, duly completed. The receipt thus obtained will be transmitted by the Bank to the Accounts Officer concerned in the usual course. The Bank will at the time of remitting raise rupee debit against the Government Account for the amount remitted. This procedure is also applicable in the case of a Rupee Branch subscriber governed by the Contributory Provident Fund Rules (India) under the same circumstances and conditions.

[Based on para 37 of Chapter-V of the Bengal Manual and para 99 of the U.P Manual, G.I Finance Department letter No.-Fd-40(34)-R-II/35, dated 31.10.35 and No.-F-40(18)-R-II/26, dated 06.10.36 in page 48 of File Fd-II-5-213/51-52.]

Note-1- Payments in the United Kingdom- Payments on account of General Provident Fund money may be made to subscribers in England by sterling bills in anticipation of a formal receipt, stamped, if necessary. But crossed drafts may be issued in cases in which this course may be considered advisable.

[C.G's No.-1993-E/562, dated the 2nd October, 1916]

Note-2- The Government of Orissa have adopted the above procedure.

[Government of Orissa, Finance Department letter No.-18582/F, dated 07.09.54. (Dy.Fd-1-37-5131).]

Payments to Banks

746. Deleted vide C.S-122

Identification of Payees

747. When payments are made direct from treasuries specimen signatures of the payees or if they are non-Gazetted Government servants, or nominees of a deceased subscriber or the persons on behalf of the minor nominees their left hand thumb and finger impressions and marks of identification should also be supplied along with the letters of authority to the treasury officers concerned. In short, the same rules of procedure as are observed in the case of the payment of gratuities, should be followed in these cases.

[Auditor General's No.-3816-E-78-26, dated the 3rd August, 1926.]

Note-1- It has been decided by the Comptroller & Auditor General in consultation with the Government of India, Ministry of Finance that for the identification of payees of Provident Fund accumulations the practice of obtaining finger and thumb impressions may be dispensed with in the case of payees who are literate and attested copies of whose photographs are supplied to the Treasury Officers for the purpose of identification. A payee who desires payment of his Provident Fund money through a scheduled Bank need not be required to send his photograph. In case of illiterate persons, however, the present procedure of obtaining finger and thumb impressions may continue.

[Authority :- CAG's letter No.-317-Admn.-III/196-Aud-I/59, dated NIL received with Main Office letter No.-TM-BO-FD-2250, dated 01.01.1960.]

748.The rules in the previous paragraphs do not apply when payments are made through heads of offices to subscribers who are non-Gazetted Government servants.

749.The following special procedure for the identification of payee which has been prescribed by the Finance Department of the Government of India with the concurrence of the Auditor General should be followed in regard to payments to Pardahnashin ladies :-

- (i) If the pardah lady does appear in person at the place of payment her left thumb mark should be taken on the receipt in the Treasury Officer's presence and compared with that obtained by the head of the office who must be assumed to have satisfied himself personally that she is the proper payee.
- (ii) If she does not appear in person at the place of payment, she must first be identified by two responsible neighbors before an authority competent to give a life certificate and affix her left thumb mark on the documents in his presence. She must at the same time place and affix her mark on the receipt and have it authenticated as hers by the same authority and endorse it for collection by an agent she should nominate in writing.

Note- The Government of Orissa have adopted the above decision in respect of employees working under them.

[Based on G.O.F.D O.M No.-G.P.F-22/67-36014/F dated 02.11.67 Dy-FM-1-37-738]

750. The agent should be a person known to or capable of being identified before the Treasury Officer. If payment is made through a recognised bank this procedure can be dispensed with if the bank produces a Power of Attorney.

[Pay and Accounts Officer, Secretariat, New Delhi, Circular letter No.-F.D-22-27-D.S-498, dated the 24th September, 1928.]

Payment of Provident Fund Money to a Subscriber undergoing Imprisonment

751. (i) It has been decided by the Government of Orissa that when a subscriber is undergoing imprisonment, his Provident Fund Money will be authorised in his favour but the amount will be placed in the custody of the Jailor till the date of his release or if he dies while in prison, it will be paid to the surviving family members of the deceased according to existing P.F Rules.

[Based on G.O.F.D letter No.-7187/F dt.06.03.68 received with G.P.F 14/67 (Pt)-9607 dt.26.03.68 Dy.FM-1-37-3]

(ii) In partial modification of the instructions contained in Finance Department letter No.-7187/F dated 06.03.1968 it has been decided that a prisoner while undergoing imprisonment may be allowed to spend his Provident Fund Money for the welfare of his family members, if he so desires.

[Based on Government of Orissa Finance Department letter No.-G.P.F-2/90/36567/F dated 31.10.1990, Dy-FM-I/W-255 dated 07.11.1990, File-1-6/90-91]

Advance Posting of Ledger Account

752. It has been decided by the Comptroller and Auditor General that the authorisation of the whole or any part of the Provident Fund balances should not be delayed merely because the posting work is in arrear or is not yet due. The recoveries and withdrawals made during the last few months of the subscriber's service should on receipt of the application for final payment be posted even before the normal work of posting for these months is taken up. Attention in this connection is invited to them form of application for final payment of Provident Fund balances which provides for the indication of the month of last fund deduction and advances drawn during the last twelve months before retirement etc. This information is itself intended, interalia, for helping the Accounts Officer to complete the account in advance of the closing of accounts.

- 2) The following procedure should be followed in cases where credits and debits are posted in advance of the closing of accounts.
- (i) Hand Posting Method:- The posting should be made in the relevant columns of the ledger account against the months to which the credits or debits pertain. Suitable notes should at the same time be recorded in 'Remarks' column of the ledger account and on the Provident Fund schedule in order to avoid double posting. The entries made in the ledger account and schedule should be attested by the Superintendent.
- (ii) Machine Posting Method:- The posting should be made in pencil in the relevant columns of the ledger card against the months to which the credits pertain. Simultaneously suitable notes should be recorded in the remarks column of the ledger card as well as in the Provident Fund schedule under attestation by the Superintendent to indicate that the credits are being refunded as final payment. These credits and debits should again be posted by machine when the normal work of posting for the month concerned is taken up to bring them on to the master card/Audit sheet for monthly proving of accounts. It is to be ensured that all transactions posted by hand are actually posted by machine subsequently. For this purpose a register of 'Head posted Credits/Debits' should be maintained in the enclosed form columns 1 to 7 of the register should be filled in at the time when hand posting is made and column 8 after the Credits/Debits have been posted by machine. This register should be closed monthly.

[Based on C.A.G's Memo No.-787-T-Admn-II/140-70 dt.06.05.70 Dy-FM-Arr-Rep-F.P-CAG-7]

Chapter 8

Withdrawals for Payment of Premia, etc.

Procedure for withdrawal for payment of premia.

801. Withdrawals from the Fund are permissible for payment of premia on a life insurance policy of a subscriber duly assigned to the President of the Republic of India, or Government of Orissa as the case may be, under the terms of the Fund rules. Withdrawals on the first occasion are made under the authority of this office. Subsequent withdrawals may be made from the Treasuries as and when required by heads of offices for their subordinates on their own authority. Gazetted Officers may also draw the amount required for their own policies in a similar manner and under similar conditions. A Stock Register in G.P. Fund form No.-6 is maintained in the section by the Examiner/Dealing Assistant for recording the names, designations and account numbers of subscribers, whose life insurance policies have been assigned to Government and delivered to this office for safe custody. The register also contains columns for noting the numbers of the policies, the dates of their receipt and registration of assignment and the amount of premia to be paid. The assigned policies remain with the Gazetted Officer-in-charge of the Fund Section.

Note-1- Wherever there is a change in the incumbency of the Gazetted Officer-in-charge of the G.P. Fund Section, a certificate of handing and taking over charge of the policies should be signed in the Stock Register of Insurance Policies by the relieved and the relieving Officers.

[C.C.A.'s letter No.-209/Admn.-1/328-28, dated the 12th February, 1929.]

Note-2- The Insurance Policies should be verified annually. If, however, there has been a verification on the change of the Gazetted Officer-in-charge of the G.P Fund Section, the next verification may be made one year after such verification.

[Para-401 of M.S.O. (Technical), Volume-I]

Note-3- A certificate of verification of the stock of policies should be recorded in the policy stock register.

Note-4- It has been decided that the verification of Insurance Policies should be invariably be done by a gazetted officer other than the officer-in-charge of Fund Sections to be selected by Accountant General.

The verification should be taken up on 15th March, every year.

[Based on Comptroller & Auditor General's letter No.-1809-Admn.-II/99-58, dated 8/58 (Dy. Fd-1-1-10-95) and DAG's order on notes dated 18.10.58, vide File No.-Fd-1-10 of 58-59, Volume-II]

Government of India's Decision No.-1

It has been decided by the Government of India that the withdrawals from the Provident Funds may be permitted as heretofore up to and including the 21st June, 1954, by which date it should be possible for all the subscribers concerned to change the mode of payment from monthly, quarterly, or half-yearly to yearly basis. No withdrawals should, however, be allowed beyond the 21st June, 1954, until the mode of payment of premium is changed in accordance with the rules.

[Government of India, Ministry of Finance No.-F-30(9)-E.V./53, dated 28.01.1954, Dy. Fd-(G.I)-110-66]

Government of India's Decision No.-2

There is no objection to a Marriage Endowment policy being financed from the G.P Fund in the same way and under the same conditions as an educational endowment policy referred to in the second proviso to Rule-17(b) of the G.P Fund (Superior Civil Services) and (Central Services) Rules.

[G.I.F.D. letter No.-F-21(4)-R.II/40, dated 1st April 1940, Dy. Fd-1-6-11386]

Government of India's Decision No.-3

It has been decided that the quarterly premiums falling due between 21st June, 1954 and the date from which the mode of payment of premia is changed to yearly basis should be paid by the subscribers from his own pocket.

[Govt. of India, Ministry of Finance No.-F-30(9)-E.V/53, dated 11.08.1954, Dy. Fd-1(G.D)-1-10-26]

C.A.G.'s Decision No.-1

On a question raised as to the procedure that should be followed under the scheme of departmentalisation of accounts for withdrawals from Provident Fund accounts for payment of Insurance premia in respect of Policies, financed from Provident Fund it has been decided that in order to avoid inconvenience to the subscribers, such payments should be arranged by the Accounts Officer (Pay and Accounts Officer in the case of departments equipped with Pay and Accounts Officer) under whose jurisdiction, the subscriber is serving at the moment even though his Provident Fund accounts are maintained by some other officer. The authority for payment of the first premium in the case of Gazetted Officers, contemplated in Note-2(ii) below Central Treasury Rule-606(2) (a) and para-398 of M.S.O. (Technical), Volume-I will be sent by the Accounts Officer, who is maintaining Provident Fund accounts to the Pay and Accounts Officer under whose jurisdiction the Officer is serving and vice versa.

[C.A.G.'s letter No.-295/SAA/38-56, dated 7th July, 1956 to the Pay and Accounts Officer, Ministry of Works, Housing and Supply, New Delhi/Calcutta/Bombay, etc. Dy. Fd-1-6(c)-3300]

C.A.G.'s Decision No.-2

A question was raised whether the extra premium on account of accident benefit and extended disability benefit should also be allowed to be financed from the Fund Account. After careful consideration in consultation with the Ministry of Finance it has

been decided that the extra premium in such cases should not be allowed to be financed out of the G.P Fund Account of a subscriber.

[Based on CAG's letter No.-1487-Admn-III/304-61, dated 16.09.61 received with A.H, Orissa No.-OE-GPF-10-800-801, dated 3.10.61, Dy. Fd-III-2130]

Government of India's Decision No.-4

Doubts have been raised from time to time as to exact scope of Rule-30 of the General Provident Fund (Central Services) Rules, 1960 which restricts the concession regarding financing of insurance policies to subscribers who before the date of publication of the rules (viz., 17th December, 1960) have been substituting in whole or in part, payments towards policies of life insurance for subscriptions to the Fund or making withdrawals from the Fund for such payments.

It is accordingly clarified for the information of all concerned that the facility should be continued only in regard to policies in respect of which at best one withdrawal has been made from the General Provident Fund before the 17th December, 1960.

However, there may be cases in which the first withdrawal might have been made in respect of new policy after the 17th December, 1960, but before the receipt of the revised rules in various offices. In such cases, the Administrative Ministries may allow the concession, as a special case in relaxation of the orders without reference to the Ministry of Finance.

The Comptroller and Auditor General will exercise the power of an Administrative Ministry in respect of personnel of the Indian Audit and Accounts Department.

In other cases where the amounts were withdrawn after the 17th December, 1960 that amount together with interest thereon should be recovered from the subscribers in a

lump sum or in monthly installments, not exceeding twelve and policies if already assigned to the President, should be reassigned to the subscribers thereafter.

[Based on Government of India, Ministry of Finance (Department of Expenditure) letter No.-F-7(1)-EV(B)/61, dated 30.09.1961 received with Comptroller & Auditor General's letter No.-515-Audit-1/28-61, dated NIL (Dy. Fd-III-G1 and CAG-3]

Government of India's Decision No.-5

Doubts have been expressed by the Accountant General, Central Revenues and Accountant General, Madras as to whether the provisions of the Rule-30 of GPF (Central Services) Rules, 1960 apply to other Central Provident Fund, i.e, Contributory Provident Fund of India, All India Service and I.C.S. Provident Funds, I.C.S. (N.E.M.) Provident Fund etc.

It has been decided by the Government of India that the withdrawal of the facility of financing insurance policies from the Provident Fund is confined to GPF (Central Services) for the present, and the existing position would continue in respect of other Provident Funds.

[Based on Government of India, Ministry of Finance (Department of Expenditure) letter No.-F-7(1)-EV(B)-61, dated 13.04.61. Copy received with A.G, Madras letter No.-Fds-VI-C-111-1543, dated 22.01.63]

Classification of the Provisions contained in Rule-30 of the General Provident Fund (Central Services) Rules, 1960

802 It has been decided that for the purpose of Para-5 of Government of India, Ministry of Finance (Department of Expenditure) O.M. No.-F-7(1)-EV-(B)/61, dated 30.09.1961, the authorities competent to sanction an advance for the grant of which special reasons are required under Sub-Rule-2 of Rule-12 of GPF (Central Services) Rules 1960, should exercise the necessary powers.

[Based on Government of India, Ministry of Finance (Department of Expenditure) letter No.-F-7(1)-EV(B)/61, dated 31.01.1962 received with Comptroller & Auditor General's No.-71-Audit-1/28-61, dated 13.02.1962.]

Withdrawals for Payment of Premia through the High Commissioner

803 All deposits in Civil Provident Funds are rupee deposits and are payable in India, in rupees. Applications for advances and withdrawals from these funds for payment of premium on insurance through the High Commissioner should be rejected.

[Government of India, Finance Department No.-D/2851-R-11-31, dated 03.11.1931]

Withdrawals for Payments in Advance

804 The amount which may be withdrawn under G.P. Fund Rules is the amount immediately required to pay a single premium which on receipt by the insurance company at once becomes the property of the company. A subscriber may not withdraw an amount from the Fund with view to depositing it with an insurance company on the understanding that the company may draw on it periodically to meet premium as they become due.

[G.I.F.D. No.-D/2724 R-II, dated the 21st September, 1931, incorporated in paragraph 104 of N.W.F.P Manual]

805 (i) As withdrawal from General Provident Fund Central/State is permitted for financing Life Insurance Policies within three/six months before the due date of premium or in reimbursement of the amount already paid to the Life Insurance Corporation towards premium within three/twelve months after the due date of premium, on production of the receipts of Payment, Government of India/Orissa have decided that due date for the purpose of payment of the premium should be regarded as the date up to which payment can be made viz. including the grace period allowed by the Life Insurance Corporation.

(ii) The orders are equally applicable to the policies financed from the Contributory Fund (India).

[Based on letter No.-F-26(2)-EV(B)/64, dated 25.03.1964 of Government of India, Ministry of Finance received with Comptroller & Auditor General's letter No.-549-Tech.-Admn.-II/81-64, dated 7.4.64, Dy. CAG-9-64-65 and letter No.-PF-48/64-36156/F, dated 1-12-64 of the Finance Department of the Government of Orissa, Dy. Fund-Misc-4835/64-65]

(iii) In order to enable audit to exercise a check over observing the limit of three months as prescribed in clauses (2) and (3) to first proviso to Rule-17 of General Provident Fund (C.S) rules, 1960 and clauses (2) and (3) to first proviso to Rule-19 of Contributory Provident Fund (India) Rules, 1962 the following certificate is to be recorded on the bill presented for drawl of amount for financing Life Insurance Policy from Provident Fund.

“Certified that the presentation of this claim/application for withdrawal of this amount was made within three months from the date of payment to the Life Insurance Corporation”.

The certificate should be given by the Head of office in case of Non-Gazetted subscribers, and in case of Gazetted officers, the certificate will be given by themselves.

[Government of India, Ministry of Finance Office Memorandum No.-F(M)-(1)-EV(B)/61, dated 01.07.63 read with their Memorandum No.-F-7(1)-EV(B)/61, dated 11.08.63 received with FM-DY-69 (C.A.G) of Sept. 1965.]

806 (i) Some insurance concerns give the holders of their policies the option of paying any or all the premia payable on a policy and in consideration of having received payment in advance such concerns allow discount on the premia so paid. In the event of death of the policy holder before all the premia paid in advance fall due the insurance

company in such cases pays in addition to the sum due on the policy the balance of the premia paid in advance for the years subsequent to that in which death occurs.

(ii) The Government of India have decided that any subscriber to the Indian Civil Service Provident Fund the Indian Civil Service (Non-European Members) Provident Fund, the G.P. Fund and the Contributory Provident Fund (India), may be permitted to withdraw an amount from his deposits for the payment of advance premia in the circumstance described above, provided that the Accounts Officer is satisfied that the amount withdrawn for this purpose does not exceed the discounted cost of the premium so paid.

[G.I.F.D. No.-F-21-VIII-R-II-34, dated 17th April, 1934]

Check of the Rate of Subscription when Payment to Policies is substituted.

807 In the case of subscription the following check should be exercised :-

- (i) Periodical inspection of the receipts granted by the insurance company to see that the policy is being kept alive.
- (ii) Annual examination of the pay due on the 31st March (drawn in April following) to see that the monthly amount paid on account of premia is not less than the subscription at the minimum rate recoverable from the subscriber. If the difference is recovered from the subscriber when the premia paid falls short of the subscription at the minimum rate payable and is credited to the Fund account.

Adjustment in case of Payment to Pension Funds, etc.

808. (i) Subscriptions to a recognised pension fund or payments on account of a postal insurance policy substituted for subscriptions to the G.P Fund should be adjusted to the credit of the pension fund concerned and the Postal Department respectively.

(ii) Period for which difference referred to in Rule 18(1) of the G.P Fund (Central Services) Rules 1960 should be calculated for the purpose of effecting the recovery should be one financial year and that subscriptions to a Family Pension Fund or payments towards a policy of life insurance in excess of the minimum amount of subscriptions

payable in to G.P Fund in any financial year should not be set off against any difference payable under the rule quoted above in respect of any other financial year.

[G.I.F.D letter No.-F-21(5)-R-II/36, dated 18.03.1936.]

Adjustment in cases when P.L.I Premia are paid from G.P Fund

809 The Government of India have decided that :-

- (i) If a subscriber to the G.P Fund desires to pay his monthly premium on a postal insurance policy from his subscription to the Fund there is no objection to the Accounts Officer making the necessary adjustment through the pay bill : and
- (ii) In a case when the monthly premium on a postal life insurance is not fully covered by the amount of monthly subscription to the Fund the balance of the premium may at the request of the subscriber be adjusted monthly by the Accounts Officer against the accumulation in the Fund through the bill. The actual procedure in such cases should be as follows :-

- (a) If the subscription to the G.P Fund be more than the amount of monthly premium :-

Say, G.P. Fund Rs.50.00 and Postal Life Insurance Rs.40.00 Column-9 of the (Estt.) pay bill will show Rs.50.00 as monthly subscription less Rs.40.00 deduction on account of Postal Life Insurance. Rs.10/- net amount to be credited to G.P Fund.

- (b) If the subscription to the G.P Fund be less than the amount of the monthly premium :-

Say, G.P Fund Rs.30.00 and Postal Life Insurance Rs.45.00 Column-9 of the (Estt.) pay bill will show Rs.30/- as monthly subscription less Rs.45/- deduction on account of Postal Life Insurance. Minus Rs.15/- net amount to be debited to G.P Fund.

- (iii) Similar information should also be given in the G.P Fund schedules. In the Gazetted Officer's pay bills the information should be given in the same manner.
- (iv) In cases falling under (b) (ii) above, a certificate to the effect that the balance at the credit of the subscriber on the date of withdrawal covers the sum drawn on the

bill should be furnished in the regular monthly bill in which the adjustment in question is effected.

[Ar. GI's letter No.-T-1109-NGE/235-33, dated the 7th September, 1933.]

Note-1- Postal Insurance Policies if assigned to the President of India (or the Governor as the case may be) are required to be sent to the Postmaster General of the Circle to which the Policies were issued for registering the assignment in the records of his office under the Postal Insurance Rules.

Note-2- Payments of premia on account of postal insurance policy substituted for subscriptions to the G.P Fund should be adjusted monthly to the credit of the Postal Department. The fact of such payment together with the amounts paid should be noted in the ledger accounts of the individuals concerned.

Government of India's Decision

It has been decided that subscribers whose P.L.I Policies are financed from the Provident Fund should pay the premia towards such policies in substitution for subscriptions to the Fund by deduction from their salary bills and withdrawal from the Provident Fund for payment in cash to the Postal Life Insurance authorities should not be made.

[Government of India, Ministry of Finance O.M. No.-F-30(9)-E.V/53, dated 07.11.55 (Dy. Fd-1-10-29).]

Transfer from G.P Fund for Payment to S.S.(I) F.P. Fund

810. Transfer from the G.P Fund for the payment of monthly subscriptions to the Superior Services (India) Family Pension Fund, may be made by Accounts Officers, on the application of the subscribers, without the specific consent of the Government of India in each case.

[Vide G.I. F.D letter No.-D-4621-R-II, dated the 26th July, 1929.]

Procedure for the Maintenance of the Premium Receipt Register

811. (i) A register in the form noted below should be maintained for the purpose of watching the receipt of policies and premium receipts from Gazetted Government servants who finance their policies from the G.P Fund, Contributory Provident Fund (India), or any other Fund and also for auditing the bills of withdrawal, one page being allotted to each such subscriber.

Premium Receipt Register

Name Account No.....

Stock Register Number	Policy Number	Amount of premium	When due	Remarks	Premium withdrawn
					Amount Month
1	2	3	4	5	6

Premium	Receipt	Received
Reference to Serial No. in Column-2	Pperiod covered	Dated initial of the Superintendent
(a)	(b)	(c)

Note- The receipt of policies in respect of non-gazetted Government servants who finance their policies from their P.F balances may be watched in the following from setting apart separate folios of the Register for the purpose.

Serial No.	Account Number	Name of Subscriber	Amount of premium authorised	Number & date of authority issued	Date of receipt of Policy & reference to S.R No.	Date of issue of reminders
1	2	3	4	5	6	7

- (ii) Soon as a policy is accepted the name of the policy holder should be entered in the register and the fact of acceptance of the policy should be noted in the remarks column (of the register) when the policy duly assigned to Government is received, it should be entered in the Stock Register and after acceptance by the Gazetted Officer-in-charge, necessary entries should be made in columns 1 to 4 of the register prescribed above.
- (iii) The premium receipts of Life Insurance Policies in respect of gazetted officers (Central and Orissa Government) should be scrutinised by this office and encased in accordance with the procedure indicated in items (6), (7), (8) and (9) below.
- (iv) The premium receipts in respect of non-gazetted officer of the Central or Orissa Government should be scrutinised by the Disbursing Officers concerned. But in the case of subscribers, on foreign service, premium receipts should be scrutinised in this office.

The Heads of Officers, should, at the time of withdrawal of premium for non-gazetted subscribers, furnish the following certificates on the bill for withdrawal of premiums :-

“Certified that I have satisfied myself that the amount previously withdrawn for payment of Life Insurance Policy/Policies of the non-gazetted subscribers of the Central or Orissa Government has been utilised for the purpose for which it was intended and that the

necessary premium receipt has been duly enfacd with the endorsement “ No abutment of Indian Income Tax is admissible”.

- (v) In the case of transfer of a subscriber from one Office to another, the subscriber should, at the time of withdrawal of next premium, be asked by new Head of Office to produce the premium receipt in respect of previous withdrawal. This receipt should normally show the enfacement made by the previous Head of Office, if this had been done, otherwise, the new Head of Office may himself enface the receipt at that time and furnish the certificate as indicated in item (iv) above.

[Item (iv) and (v) based on Government Of India, Ministry of Finance Department of Expenditure) letter No.-F-53(5)-EV/60, dated 12.10.60 received with CAG’s No.-2140-Admn., III/339-60dated 02.11.60. Dy. Fd.-I-GI-6-48 and G.P.F.D O.M No.-FP-43/61-172/F, dated 01.01.62, Dy. Fd. III-5096.]

- (vi) Premium receipts of Gazetted subscribers should be scrutinised with reference to entries in columns 1 to 5 of the register and returned after entry in column 7 with the following endorsement :-

“No abatement of Indian Income-Tax is admissible”.

- (vii) The amounts of all debit vouchers relating to Gazetted subscribers, should be entered in Column-6, the numbers of vouchers and dates of payment being noted against them.
- (viii) Reminders for the premium receipt or policies or both in respect of Gazetted subscribers should be issued if wanting at the time of auditing of bills.

[Vide Form No.-1 in Annexure of this Manual.]

- (ix) The Premium Receipt Register of Gazetted Officers referred to in item (i) and Policy Receipt Register of Non-Gazetted Officers referred to in note below item (i) should be scrutinised once a year, in August, and the objections noticed in the course of scrutiny should be entered in the sub-joined form to be attached at the beginning of the register.

For want of premium receipts	For want of policies	No. & date of objection Memo	No. & date of reminders	Removal of objection	Initials	Remarks
1	2	3	4	5	6	7

- (x) After the objections are entered as above, the register should be submitted to the Gazetted Officer-in-charge on the 10th of September. The outstanding list should thereafter be submitted to Gazetted Officer-in-charge on the 10th of every month till all the objections have been finally settled.

Note:- The question of amending rule 20(2) (c) of the General Provident Fund (Central Services) Rules 1960 does not arise as necessary powers are conferred on the Auditor General of India by rule 2(1) (a) *ibid* : and that an order issued by the Auditor General of India authorising the transfer of the duty of scrutinising the premium receipts in respect of non-Gazetted Government servants to Heads of the offices is valid as an order appointing the Heads of the offices concerned to the Accounts Officers for the particular purpose.

[Auditor General's No.-807-NGE/184-41, dated 25th August 1941, to the Comptroller, N.W.F.P received with the former's Endorsement No.-T-808-NGE/184-41, dated 25th August 1941.]

Policies which are acceptable

812 (i) No Insurance Policies may be accepted unless it is a life policy on the subscriber's own life, or if an endowment policy, it involves the insurance company in a pecuniary risk which will materialise if the assured dies before the maturity of the policy.

Withdrawals are permissible to finance single payment endowment policies and not merely whole life policies, and there is no objection to the acceptance of a policy on the joint lives of a subscriber and his wife. A policy can not be rejected merely because:-

- (a) There is a difference between the amount payable at maturity and at prior death, or because
 - (b) The assured is unable to say what amount precisely will be payable at maturity, or because
 - (c) The insurance company did not require that the assured should be medically examined, or because
 - (d) The amount withdrawn goes to meet premium due on more than one policy, if each policy is otherwise acceptable.
- (ii) If any feature of an insurance policy comes to notice which is not covered by the fund rules or by the above instructions and gives rise to a definite doubt as to the acceptability of the policy it should be referred to the Government of India before the policy is rejected.

[G.I.F.D No.-D/2724-R-II, dated 21.09.1931, incorporated in paragraph 97 of the Fund Manual of N.W.F.P.]

Check and Enquiries to be made by Accounts Officers on Receipt of Policies financed from Provident Funds.

813 (i) In the case of policies financed from Provident Funds other than the Indian Civil Service Provident Fund, the Accounts Officer should enquire from the company at the time the policy is delivered to him :-

- (a) Whether there is any prior assignment of the Policy

[C.F rule 22(2) of the G.P. Fund (Central Services) Rules 1960]

- (b) Whether the policy is otherwise encumbered.

- (ii) If a policy is merely deposited with the Accounts Officer (and is not assigned), the Accounts Officer should as a matter of precaution inform the company that the policy has been so deposited and ask that any dealing involving it should be communicated to him (even though the company might refuse to accept such a notice).

[Vide letter No.-812 Tech. Admn.-II/94-64, dated 14.05.65 of the CAG of India received with Dy. FM-DY.CAG-181965-66]

- (iii) In the case of policies financed from the Indian Civil Service Provident Fund the check prescribed in rule 8(2) of the Indian Civil Service Provident Fund Rules should continue to be applied by the Accounts Officer about once a year even after the premia are no longer financed from the fund until it has been ascertained that a policy has matured or lapsed, that is to say, when premia on a policy are once financed from the fund and the Officer subsequently discontinues doing so, the Accounts Officer should either obtain once a year any receipts or certified copies of the receipts showing that necessary payments have been made by the officer himself to the company, or failing the production of such receipts he should require the officer to furnish a certificate from the company either that the policy has matured or lapsed or that the premia need not be paid. This check will be applied only against the lapsing of a policy. No check is required to ascertain from time to time whether a policy once financed from the Indian Civil Service Provident Fund is unencumbered as subscribers to this fund can raise a loan on the security of policy.

[Auditor General's letter No.-525-NGE/469-35, dated the 28th March, 1936, Dy. Fd-1-238 of 1936-37 vide also paragraph 216 of Audit Manual.]

Verification of Prior Assignment

814 (i) It is not possible for an Insurance Company to certify that no prior assignment of a policy exists, since it is not incumbent on an insurer or the person to whom he has

transferred his interest to disclose this fact to the company. Under the English policies of Assurance Act, 1867, however, it is necessary for an assignee before he can make his title perfect to give the insurance office notice of the date and purport of the document.

- (ii) The Accounts Officer should, therefore, see that the subscriber himself furnishes the “No prior assignment” certificate and should have this corroborated by making an independent enquiry from the insurance company whether it has received notice of any prior assignment of the policy.

[G.I.F.D letter No.-D-2729-R-II, dated the 4th October, 1932, incorporated in paragraph 118 of Fund Manual of N.W.F.P and paragraph 88 of Fund Manual of Assam.]

Annual Review of Policies to see if they are alive.

815. Rules 27 and 22(4) of the GPF (C.S) Rules, 1960 and Rule 26 and 2 of the GPF (Orissa) Rules, prescribe that if an Insurance Policy is financed from the Provident Fund lapses or charged or encumbered, the amount withdrawn from the Fund deposits with interest thereon is required to be repaid to the fund by the subscriber or in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber.

In order to ensure that the amount withdrawn from the Provident Fund with interest thereon is repaid by or recovered from the subscriber in time immediately after the above Insurance Policy is lapsed, charged or encumbered, the Accounts Officer must have the timely information about the policies which have lapsed or have been charged or encumbered. Under Para 811(iii) and (iv) of the Manual, this officers required to scrutinise (i) all premium receipts of L.I Policies in respect of gazetted Officers and non-gazetted Officers on foreign Service through the premium Receipt Register and (ii) Certificates of Utilisation of amount withdrawn for payment of L.I Policies recorded by the Heads of offices on all bills for withdrawal of premia for other non-Gazetted officers, through the Policy Receipt Register referred to in Note below Para 811(i) *ibid*. If these premium receipts and certificates are regularly received in this office, it is to be presumed that premia are being paid regularly and the policies are kept alive. But in respect of P.F

accounts where the withdrawals for L.I Policies are irregular, it is the responsibility of the Accounts Officer to verify from the L.I Corporation that the policies are alive. For this purpose an annual review of the P.F accounts is to be conducted through the Premium Receipt Register and the Policy Receipt Register in the manner mentioned in Para 811 (ix) ibid and lists (in duplicate) of such policies financed from Provident Fund should be prepared and furnished to the respective Divisional Officers of the L.I Corporation as indicated in the Policies. On receipt of the information necessary action is to be taken as required in the GPF Rules quoted above. These lists should be sent to the respective Divisional Officers by 31st October every year. The date should be noted in the calendar of returns.

[Based on CAG's letter No.-1238/Tech/Admn-II/94-64, dt.07.07.65 (Dy-FM-CAG-35/1965-66) and No.-1162-Admn-II/320-69, dt.27.06.70 (Dy.-Fd-XIV-1125 of 70-71)]

Procedure in cases where Different Options are allowed by Insurance Companies in respect of Bonuses

- 816.** (i) Some insurance companies offer their policy holders four options, noted below, in respect of bonuses declared on life insurance policies, viz :-
- (a) Purchase of paid up addition to the sum assured :
 - (b) Reduction of future premia :
 - (c) Cash payment of bonus : and
 - (d) Deposit of cash value of the accrued bonuses with the company to accumulate at interest.
- (ii) The Government of India have decided that subscribers who finance their policies from the Provident Fund Accounts may be allowed to avail themselves of options Nos. (a) and (b) only. Option No. (c) is prohibited under the rules of the General Provident Fund, and No. (d) should not be allowed.
- (iii) In case, if any, in which option No. (d) has already been availed of the insurance companies concerned should be asked to convert the cash value of the bonuses

which have accumulated on the policy under that option in to paid up additions to the sum assured as under option No. (a).

[Vide G.I. F.D No.-F-21(10)R-II/36, dated 22.05.1936. Dy. Fd-1-288 of 1936-37]

Note:- In cases where it would be difficult to convert the cash values of the bonuses in to paid up additions to the sums assured the policy holders may be allowed to utilise the funds accumulated under option No. (d) for the reduction of the immediately ensuing premium or premia provided that no withholding of subscription or withdrawal from the fund is allowed till the whole of the accumulated cash value of the bonus deposited under option No. (d) is wiped off.

[Finance Officer, Posts and Telegraphs No.-59-PT/36, dated 16th January 1937, Dy. Fd-I-1778 of 1936-37]

817. There is no objection to accept under rule 8 of the Indian Civil Services Provident Fund Rules, rule 18 of the Contributory Provident Fund Rules and rule 21 of the G.P Fund (Central Services) Rules 1960 a policy in which the insurance company undertakes to pay to the assured a definite sum on the attainment of a certain age or in the event of his prior death to repay to his estate the premia paid on the policy plus whatever profits may have been declared in the meantime.

Policies on “Term Assurance” Scheme

818. The Government of India have decided that the policies on the “Term Assurance” scheme, some of the features of which are detailed below, should not be accepted under the G.P Fund (Central Services) Rules as such policies partake, in essential, of the features of the “Extended Term” policies :-

- (i) If the assured dies within the specified period, assurance money becomes payable, but if he outlives that period no payment is made.
- (ii) No surrender value is allowed at any time.

- (iii) The policy holder is given the option during the currency of the policy of taking out a fresh policy under any other plan issued by the company concerned. This is restricted to endowment assurance policies in certain companies, without being required to pass a medical examination. The premium payable and the other conditions attaching to the new policies, however, are the same as for a fresh entrant at his age at the time of exercising the option, the only tangible benefit obtained being that the company is bound to issue him a policy irrespective of the state of his health.

[G.I.F.D letter No.-F-21(20)-R-II/36, dated 29th April, 1937. Dy. Fd-I-448.]

Policies which confer only Contingent Interest

819. Policies of Insurance which confer only a contingent interest on the life of the assured although conforming to the provisions of “Married Women’s Property Act” are not legally assignable to Government Substitution of payment towards such policies for subscriptions to the G.P Fund should not be permitted.

[G.I.F.D letter No.-6815-R-II, dated 4th February 1930, vide paragraph 117 of the Fund Manual of N.W.F.P]

Attachment of Contingent Annuity Policies

820. The concession provided for in the G.P Fund Rules can not be allowed on a Contingent Annuity Policy which is liable to attachment and which lapse at the death of the beneficiary.

[Ar. Gl’s letter No.-383-E/63-19, dated 4th February, 1919 para 145 (U.P. Manual)]

Attachment of Premia paid from the Provident Fund

821. Subscriptions withdrawn from the G.P Fund for payment of premia towards a policy of insurance taken out by a subscriber under the G.P Fund Rules are not “compulsory deposits” and as such are not protected from attachment by a Court of Law. Such

subscriptions are not, therefore, deposits at the credit of the subscriber in the Fund, and the latter can not, therefore, be allowed to secure an advance from an Insurance Company on the security of a policy which has been assigned by him to the Government under the G.P Fund Rules.

[Paragraph 140 of Fund Section Manual, A.G, Uttar Pradesh]

Adjustment of Amount recovered after Renewal of Lapsed Policies

822.When an assigned policy is allowed to lapse and amounts withdrawn from time to time from the G.P Fund for paying premia thereon are ordered to be recovered under rule 27 of the G.P Fund (Central Services) Rules 1960 and if the policy is subsequently converted into a paid up policy and sent to the Accounts Officer for custody or when money is withdrawn from the Provident Fund for payment of premium on a policy and the premium is duly paid to the company, but the subscriber concerned fails to assign the policy to the President of India in time and the amount thus withdrawn from the G.P Fund is ordered to be recovered under rule 22(4) *ibid.* and if the policy is subsequently assigned to the President of India and sent to the Accounts Officer for custody., the Government of India have decided that further recoveries may be stopped in such cases but no refund of the amounts already recovered should be allowed.

[Government of India, Finance Department No.-F-18/(1) R-II/40, dated 14.02.40, to the A.G, P.T, copy received with endorsement of the same number and date. Dy. Fd-I-11-2493, incorporated as paragraph 151 of Uttar Pradesh Manual]

823.The question of disposal of policies of subscribers whose whereabouts are not known has been considered by the Government of India and it has been decided that the Policies in question which would have become paid-up as a result of non-payment of premia should be kept by the Accounts Officers concerned for seven years from the date of disappearance and disposed of at the end of seven years under the relevant provisions applicable to officers during before quitting service, of Provident Fund Rules concerned presuming their death under section 108 of the Indian Evidence Act. However, the

proceeds of policies which mature and become payable during this period of seven years should be collected by the Accounts Officer concerned and credited to the Provident Fund account of the missing subscriber.

[Based on Government of India, Ministry of Finance letter No.-F-7(8)-EV(B)/63, dated 28.12.63 received with Comptroller & Auditor General's letter No.-59-Admn.-II/78-Admn.-III/62, dated 15.01.64, Fund-I-Dy. 8069/63-64]

Note:- The provisions of para above have been adopted by the Government of Orissa vide their Memo No.-P.F.47/64-31362/F, dated 22.10.1964 (Dy. Fund-Misc-4233/64-65)]

824.In the cases of deceased subscribers where no legal heir(s)/claimant(s) come(s) forwarded to claim the policy, assigned to the President of India/Governor of Orissa by the deceased subscriber, it has been decided that after the expiry of two years from the date of death of the subscriber, the Accounts Officer shall issue a public notice through the leading dailies asking the legal heir(s)/claimant(s), if any, to submit their claims within a period of three months from the date of issue of the said notice. If no claim is received within the said period, the Accounts Officer shall realise the proceeds of the policy and credit the same to the Provident Fund Account of the deceased subscriber, the subsequent disposal of the amount being regulated in accordance with the rules on the subject. This procedure is applicable both in the case of Central and State subscribers.

The expenditure on the issue of such Public notices will be borne and debited to this office contingencies.

[Based on (1) Government of India, Ministry of Finance Office Memorandum No.-F-7(8)-EV(B)/63, dated 31.12.64 received with Comptroller & Auditor General's letter No.-68-T/Admn.-II/79-64, dated 14.01.65 (Dy. FM-108/CAG/64-65), (2) O.M No.-P.F-53/65-30046/F, dated 20.08.65 of Finance Department of Government of Orissa (Dy-FM-2191/64-65), (3) Comptroller & Auditor General's letter No.-810-Tech.-Admn.-II/79-64, dated 07.05.65 received vide FM-Dy-16-CAG 1965-66]

Procedure for audit and filling of vouchers for withdrawal from Provident Fund to finance Life Insurance Policies.

825.Sub-para-(i) and (vii) of Para-811 of this require that for auditing bills of withdrawal of premium by Gazetted Subscribers, a premium Receipt Register is to be maintained and Column-6 of the Register is to be filled in with reference to all debit vouchers for withdrawal of premium. Under Para-811(iv) *ibid*, Heads of Offices are required to record a certificate of Utilisation of premium previously withdrawn to finance a policy relating to a non-Gazetted subscriber in all bills for withdrawal of premium. Audit is therefore, to ensure that these certificates are actually recorded by the Heads of offices on all sub bills.

In order to enable the P.F Section dealing with Policy matters to exercise *inter alia* the above to function of audit, other P.F Sections should send all such Gazetted and non-Gazetted vouchers for withdrawal of premium to the above P.F Section every month with a covering list of vouchers so sent indicating the T.V Nos. & date and amount of the vouchers, immediately after the vouchers have been posted in the Ledger Accounts and debit entries in the Ledgers have been duly attested by the Superintendent of these sections. It will be the responsibility of the auditor of the Policy seat to audit these vouchers carefully and to note the withdrawals in premium Receipt Register (for Gazetted subscribers) as in Para-811(i) *ibid* and in the Register of payment of premium (now to be maintained for non-Gazetted subscriber) in the same form premium Receipt Register with an addition col.-17 whether V.C for previous premium has been received. One page of this Register should be allotted for each subscriber. Proper maintenance of these two Registers will enable the P.F Section to have an up to date information about drawl of premium by each Gazetted/non-Gazetted subscriber and to finalise all Policy cases early without any reference to the Ledger accounts of the subscribers. After completion of audit, the auditor will put up the vouchers with the above two registers of review of these vouchers will be the same as other P.F vouchers. Selection Register for B.O and Review Register for Superintendent and the B.O should be maintained by the Section In-Charge of Policy matters as usual. The vouchers should be filled in the Section after audit and review.

The premium Receipt Register for Gazetted subscriber and the Register of Payment of premium for non-Gazetted subscribers should be scrutinised after completion of audit of vouchers for March to ascertain if any policy has been kept alive or has lapsed or has become charged or encumbered and necessary action taken as required in para 815 of the Manual.

The above procedure of audit and filling of Premium vouchers will take effect from the year 1970-71. All debit vouchers relating to L.I premium from 4/70 should be sent to the P.F Section-In-Charge of Policy matters for necessary action and their despatch should be watched monthly through the sectional calendar of Returns.

[Based on A.G, Orissa Order dated 06.01.71 in file-Fd-19-6-P-1969-71]

Chapter- 9

Assignments and Re-assignments

901. Mode of recording an assignment on the Policy:- Where the rules of a Provident Fund require a subscriber borrowing money from the fund for payment of insurance premium to assign his policy to the President of India or Governor of Orissa, he may execute the prescribed form of assignment on the policy itself either in his own handwriting or type, or alternatively, paste on the blank space provided for the purpose on the policy a typed or printed slip containing the endorsement. A typed or printed endorsement must be duly signed and , if pasted on the policy, initialled across all four margins.

[Government of India, Finance Department No.-D/2120-R-II, dated 5th August, 1932.]

Procedure to be followed in connection with Defective Assignments of Insurance Policies which a Subscriber proposes to finance from Provident Fund.

902 (i) Government of India have had under consideration the question of evolving a suitable procedure for dealing with the defective assignment of an Insurance Policy by which a subscriber to a Provident Fund purports to assign it in favour of the President of India in order to enable him to finance the policy out of his contributions to the Provident Fund.

(ii) An assignment is not complete unless it is accepted for and on behalf of the President by a person duly authorised in this regard under Article 299 of the Constitution. The defective assignment is strictly speaking, not an assignment at all and in conveys no title to the assignee, particularly when it has not been accepted.

(iii) Hence, an incomplete or a defective assignment may be cancelled by the assignor himself, and it is open to the assignor, by an endorsement, to cancel the assignment which he had earlier purported to make. In strict law, the consent of the President is not necessary for effecting the cancellation of such an assignment. The permission of the President is necessary only as a measure of caution in case this is insisted upon by the Life Insurance Corporation or any insurance company.

- (iv) In the case of a defective assignment where no interest has accrued to the President under the assignment, the Accounts Officer need not concern himself with the cancellation of the purported assignment by the subscriber. If, however, the Life Insurance Corporation ask for the express consent of the assignee in writing, it would be open in these special cases for the requisite orders authorising the cancellation to be issued by a person authorised in this behalf under article 77 of the Constitution, once the correct facts are reported to him by the Accounts Officer.
- (v) In cases where an interest has already accrued to the President under the defective assignment, it is open to the Accounts Officer to reassign the insurance policy under the powers already vested in him by virtue of the notification issued by the Ministry of Law under article 299 of the Constitution.

[Based on G.I.M.F (Deptt. of Expenditure) No.-F-7(14)-EV(b)/62, dated 04.01.63, Dy. Fd-III-6(G)-7394]

Note:- The power to accept an assignment in favour of the President, on a Policy being financed from the Provident Fund has been delegated to the “Accounts Officer of the Fund” as defined in the rules of the Fund.

[Based on Government of India, Ministry of Law Notification, dated 08.01.64 copy received with CAG’s letter No.-543-Tech.-Admn. 11-345-Adm. 11/63, dated 06.04.64 (CAG Dy-Fund, 1-8 64-65)]

Whether a Life Insurance Policy in which no Beneficiary is mentioned is assignable

903 A life insurance policy in which no beneficiary is mentioned is legally assignable under the General Provident Fund Rules.

[Government of India, Finance Department No.-958F.E, dated 28th July, 1914]

Assignment of Endowment Policies

904 (i) It has been decided by the Government of India that the Endowment Policies of the usual type being solely for the benefit of the assured, they, by their terms, are not

affected by Section-6 of the “Married Women’s Property Act (vide Appendix- C)”. Such policies, if financed from the Provident Fund, should, therefore, be assigned by the assured subscribers alone (neither the wife nor any children even if mentioned in the policies being made parties to make assignments) to the President in Council or the Governor of Orissa as the case may be, in the first form of assignment laid down in the rules of the General Provident Funds, Indian Civil Service (Non-European Members) Provident Fund and Contributory Provident Funds.

(ii) Under sub-section (2) of section 6 of the “Married Women’s Property Act”, the Act applies to Hindus also so far as policies of insurance are concerned.

[Government of India, Finance Department No.-Fd-21-(ii)-R-II/35, dated the 20th June, 1935.]

Necessity for getting the Policies registered by the Companies

905 (i) As assignment has no value unless the assignee is recognised by the Insurance Company, and is in a position to recover the value of the policy under rule 22 of the General Provident Fund Rules 1960. It is, therefore, necessary to conform to the rules and requirements of the insurance company and to have policies registered in their offices or to send them notice of registration as they may require.

(ii) The bonus of registering should be thrown on the subscriber who should comply with all formalities before depositing his policy with Government.

[C.G’s No.-2027-E/641-13, dated 26.09.1913 received with Government of India Finance Department No.-1348-F.E, dated 06.11.1913]

Note:- The letter of the insurance company accepting the assignment of the policy should be obtained in original from the subscriber and field along with his assigned policy.

Notice of Assignments and Re-assignments-Necessity of-and the Fees thereof to be paid by

906 (i) So far as re-assignments are concerned, rule 24(i) of the G.P Fund (Central services) Rules 1960 requires that a notice of re-assignment shall be sent by Government

to an Insurance Company : it does not prescribe that an acknowledgement for such notice shall be obtained from the company. The reason for this is that Government is divesting itself of its title in the policy by means of a re-assignment and it is not its concern but the insurer's (or of his heir or legal representative) to obtain an acknowledgement of that notice to make his title to the policy perfect. If the insurer or the party in whose favour the re-assignment is made wants such an acknowledgement he should negotiate it as a private transaction with the company and himself pay any fees exigible by the company for the acknowledgment. When, therefore, an Accounts Officer is required to re-assign a policy on any of the specified occasions he should sign and make over with the policy a notice of the re-assignment addressed to the insurance company concerned. It is for the party in whose favour the re-assignment is made to send this notice along with the policy and re-assignment, for record in the company's books, and he should be advised to take this step as being in his own interest.

- (ii) As regards assignments the position is that it is incumbent on Government to make its title perfect to a policy which has been assigned to it by obtaining an acknowledgment from the insurance company of receipt of the notice of assignment of the policy to Government and this is in fact provided for in rule 22(5) of the General Provident Fund (Central Services) Rules 1960. When a fee is demanded by an insurance company for such acknowledgement the Government of India have decided that the fees should be paid by the subscriber himself to the insurance company. The fact of its payment should be reported by the subscriber to Government in forwarding the company's acknowledgement of the receipt of the notice of the assignment.

[Government of India, Finance Department No.-F-20XXXIV-R-II-32, dated 02.12.1932 incorporated in paragraph 122 of Fund Manual of N.W.F.P.]

Whether a Policy which has been assigned by a Subscriber to His Wife can be accepted

907 It has been decided by the Government of India that a policy on the life of a subscriber which is not expressed on the face of it to be for the benefit of his wife or his wife and children or any of them and which has been assigned to his wife may be

accepted under rule 22(1) (a) of the General Provident Fund (Central Services) Rules 1960 provided that the wife joins in the assignment in favour of Government. The assignment in this case should be made out in form (2) of the forms in the third Schedule to the Rules, the words "THE JOINT ASSURED" in that form being omitted. The "NO PRIOR ASSIGNMENT" certificate in such cases should be furnished by the subscriber.

[Government of India, Finance Department No.-F-21-XXXV-R-II-34, dated 08.01.1935.]

Note:- On a reference as to whom the policy of the kind referred to above should be re-assigned, if the assured dies before the date of maturity of the policy and before his retirement, the Government of India remarked that it is not possible to give a general ruling for application in all cases of this kind as the difference in the policies and the assignments, and the circumstances surrounding those, may alter the legal aspect. It has, therefore, been decided that such cases, together with the policies, should be referred to them for orders as and when they arise.

[Government of India, Finance Department No.-F-21(1)-R-II/35, dated 05.02.1935 vide paragraph 118 C of B. & O. Fund Manual and paragraph 112 of Fund Manual of N.W.F.P.]

908 The Government of Orissa have decided in consultation with Law Department that under Rule 21(1) of the G.P Fund (Orissa) Rules a subscriber may assign his policy, financed from the G.P Fund, to a major son or daughter and thus have the policy reassigned to the Governor of Orissa jointly by himself and the son or daughter.

[G.O., F.D No.-13749/PF-24/54/F, dated 22.06.54, Dy-Fd-I-6-2208]

Forms of assignment in cases where the Policy is already assigned to Subscriber's Wife

909 Representations have been received from subscribers to the various Provident Funds mentioned below that assignments of insurance policies to Government in form (3) of the Third Schedule of the General Provident Fund (Central Services) 1960 and (Superior

Civil Services) Rules and the Contributory Provident Fund Rules (India) would in the majority of cases have the effect of lying (vide Government of India, Finance Department letter No.-F-21(8) R-II/37, dated the 26th August 1937. Dy. Fund-I-II-1312) the family of a subscriber who had taken out an insurance policy financed from the fund, open to the necessity in the event of the death of the subscriber before the maturity of the Policy and retirement of the subscriber, of producing legal authority as prescribed in rule 23 of the General Provident Fund (Central Services) and (Superior Civil Services) Rules and rule 20 of the Contributory Provident Fund Rules (India) a requirement which is not necessary under the provisions of form (2) of assignment under which the wife or other member of the family is entitled to have the policy reassigned to her as the surviving co-assignor. The Central Government have been advised that while legal representation would in case of an assignment in form (3) not generally be necessary in cases where the widow is entitled to the rest of the Provident Fund money and where no prior assignment or rival claim has been received by the Accounts Officer concerned, in the majority of cases an assignment in form (3) to Government would have the effect of laying the widow or other beneficiary open to the necessity of producing legal representation which might involve the claimants of policies in expensive and vexatious proceedings in the Court of Law. The Central Government have also been advised that the families of deceased subscribers could be saved this inconvenience if in cases where the policy has been assigned to the wife in the first instance, the original assignment in favour of the wife is cancelled and a fresh assignment in favour of the subscriber and his wife as joint tenants is executed in the form specified below :-

I(here state name and description of the assured) do hereby assign and transfer the benefit of the within policy and all moneys receivable thereunder or in respect thereof to myself and my (here state relationship and name) TO HOLD the same unto myself and the said or survivor or survivors as joint tenants and I declare that on the death of one or more of us the receipt of the survivors or survivor shall be a sufficient discharge to the insurance company within named.

Dated the Day of

Witnesses :

1.
2.

Signature

After this assignment is executed the subscriber and his wife should then be required to execute a further assignment in form (2) of the Third Schedule in favour of Government. In using form (2) however, for this purpose the words in brackets namely “the Joint Assured” should be omitted. This procedure would, while protecting the interests of Government, also, entitle the wife in the event of her husband’s death while in service and before maturity of the policy to receive the policy by virtue of her right as the surviving co-assignor without the necessity of producing legal authority.

- (2) This procedure may be followed in cases in which subscribers desire assignment of their policies in form (2) or where subscribers whose policies have already been assigned to Government in form (3) of the Third Schedule desire re-assignment of their policies with a view to their assignment to Government in Form (2).
- (3) These orders should not be construed as requiring Accounts Officers to re-assign policies already assigned by subscribers in form (3) but that the procedure outlined above should be followed only with regard to such cases in which subscribers originally request assignment in form (2) or where subscribers request assignment in form (2) or where subscribers request re-assignment to them of policies already assigned in form (3) to Government, for assignment in accordance with the provisions of form (2) with the intention of saving their families the necessity of producing legal representation in the event of their death before the maturity of the policy and before retirement from Government service.

[Government of India, Finance Department letter No.-F-21-(8)-R-11/37, dated 16.08.1937 and No.-F-21(8)-R-11/37, dated 26.08.1937. Dy. Fd. 1-11-1261 and Dy. Fd-1-11-1312. Government of India, Finance Department No.-F-21(1)-E-11/41, dated 08.07.1941, Dy. Fd. 1-10-986.]

Note:- So far as the General Provident Fund (Central Services) Rules 1960 are concerned there would be no objection to a subscriber mentioning one or more members of his family e.g., his wife, son or daughter, as the “Joint tenant” in the “Joint tenant” assignment form, provided the wife, daughter or son has attained her/his legal majority. The Government of India would be opposed to the mention of a minor child or a minor wife since it might lead to complications about minorities and other difficulties.

[Government of India, Finance Department No.-F-21(1)-R-II/41, dated 08.07.1941, Dy-Fd-1-10-986.]

Assignment of Policy-Validity or Legal Effect of the Form of Assignment

910 An Insurance Policy was in the first instance assigned by the Insurant in favour of his minor sons. Subsequently the insurant assigned the policy in favour of the Governor of Orissa with a view to finance it from his G.P Fund accumulations. As the second assignment was not executed in proper form and a prior assignment in favour of the minor sons already existed, the insurant was asked to execute a fresh assignment in favour of the Governor of Orissa in the proper form. The insurant cancelled the two assignments by writing the words “The assignment is cancelled” over his dated signature and made a third assignment in the proper form in favour of the Governor of Orissa. All the three assignments were duly recorded in the books of the Insurance Company. The question arise whether the first and the second assignments were null and void and the third assignment became valid. In view of the complications due to several assignments the case was referred to the Government of Orissa for obtaining the Legal Remembrancer’s opinion in the matter. The opinion of the Legal Remembrancer, Orissa, is as follows :-

“The first endorsement on the policy is in favour of the two minor sons of the Insurant. The two sons are still minors and are alive. The assignment has been duly intimated to the Insurance Company and recorded in their books. The assignment thus became complete and effectual and operative. In view of it no title or interest in the policy continued to subsist with the Insurant. Therefore, there was nothing for him to assign and the second and third assignments are accordingly void and ineffective. He no doubt

purported to cancel the first two assignments but section 38 of the Insurance Act which authorises assignments does not provide for cancellation of assignments. It is noteworthy that section 39 which enables a holder of a policy of life insurance to nominate persons expressly provides for cancellation or change by an endorsement or a “Will”, etc. The cancellation is, therefore, invalid. In the present case, the position is complicated by the existence of minors also. The re-assignment by the holder of the policy on behalf of the minors in his own favour will have to be proved to be binding on the minors. The result is the first endorsement on the policy is valid and the second and the third are void. As the first assignment continues to be valid, in spite of the cancellation the third assignment can not be accepted as valid. Under Rule 21(2) of the General Provident Fund Rules it is essential that no prior assignment of the policy exist”.

[Government of Orissa, Finance Department No.-5325/F, dated 09.08.44 Dy. Fd-6-986.]

Reassignment of Policy to Subscriber on His Refunding Advances Taken by Him

911 There is no objection to the reassignment of the policy to subscriber on his refunding in installments, instead of in one lump sum, any advances taken from the fund for the purpose of paying premia thereon with full interest.

Reassignment of Policy on Complete Repayment of Amounts withdrawn or withheld from GPF for financing Life Insurance Policies

912 Re-assignment of Policies under rule 24(i) (d) of the GPF (Central Services) Rules 1960 shall be made by the Accounts Officer concerned only after complete repayment of the amount withdrawn or withheld from the Fund together with interest thereon, in one or such number of convenient installments as may be settled between the subscriber and the Accounts Officer.

[Based on Govt. of India, Ministry of Finance (Deptt. of Expenditure) office Memorandum No.-F-41(2)-EV(B)/59, dated 03.07.1959. Dy.-Fd-1-6-4059.]

Note:- The above decision of the Government of India will also apply to cases governed by Rule 23(d) of the All India Services (Provident Fund) Rules 1955 and the

corresponding rules of I.C.S (N.E.M) and Secretary of State Services Provident Fund Rules.

[Vide Govt. of India, Min. of Home Affairs No.-5/23/59-A.I.S(II), dated 03.10.1959]

Reassignment of Insurance Policy to the Heirs of a Deceased Subscriber

913 It has been decided by the Government of India that the procedure laid down in paragraph 13 of the Memorandum explanatory of the G.P Fund Vis-à-vis the law on the subject, viz., to hand over the policy without a formal deed of re-assignment and without insisting on a succession certificate, should normally be followed in all cases provided the amount of the policy does not exceed Rs.5000/-. If in any case the sum insured exceeds that figures the orders of Government of India should be taken.

[Govt. of India, Finance Department No.-F-21-#-R-II/39, dated 7th June 1939, Dy. Fd-1-11-529, vide also rule 13 of Appendix- 12 of the General Financial Rules, Volume-II.]

Procedure to be observed in the Execution of Assignment or Re-assignment of Policies

914 As the (assignment or) re-assignment of policies financed from the various Provident Funds is in the name of the President of India or the Governor of Orissa as the case may be, it should be specified by the officer who executes the (assignment or) re-assignment that it has been assigned for and on behalf of that authority, and further that the signature of that officer should be attested by a witness. It has accordingly been decided that the following procedure should, in future, be observed in the execution of (assignment or) re-assignment of policies financed from the following Provident Funds :-

- 1) The General Provident Fund (Superior Civil Services).
 - 2) The General Provident Fund (Central Services Rules, 1960).
 - 3) The Contributory Provident Fund (India).
 - 4) The Indian Civil Services (Non-European Members) Provident Fund.
- (i) At the end of each form of (assignment or) re-assignment, the following entry should be made namely :-

Dated this day of 20.....

Executed by Accounts Officer of the Fund for and on behalf of the President of India or the Governor of Orissa in the presence of

YZ

(one witness who should add his designation and address.)

(ii) The Officer's name in full should be inserted in type or clear and legible handwriting and he should then merely sign his ordinary signature on the right hand side where the letters XY are written and a witness should sign where letters YZ are written adding his address and designation below :-

(iii) The following entry should be made at the end of each form of assignment above the space left for the signature of the subscriber, etc.

“Dated this day of20.....”

In View of the entries to be made above, the entry “Dated 20.....”, which exists in the forms of assignment and re-assignment may be deleted.

[Govt. of India letter No.-F-21(18)-R-II/36, dated 8th October, 1936, Dy. Fd-1-1277 and Orissa Government Notification No.-484-F, dated 18.01.1939 copy received with letter No.-1079-F, dated 28.02.42m Dy. Fd./37-2816]

Note:- The President hereby directs that instruments relating to the re-assignment of insurance policies which are assigned to the Governor General before the 26th January 1950 and the President on or after that date in accordance with the rules regulating to the Provident Fund from which the policy is financed, may be executed on his behalf by the Accounts Officer of the Fund, as defined in the rules of the Fund.

[G.I., Ministry of Law's notification No.-S.R.O. 3442, dated 2nd November 1955 incorporated as O.O No.-A-1920, dated 19th March, 1956, Dy. Fd.-I-6-137.]

Government of India Decision No.-1

Authorities competent to re-assign the Insurance policies financed from Government Provident Funds in the altered situation brought about by the partition of the country.

The Government of India in consultation with the Government of Pakistan have decided that the Insurance policies that are financed by the Central and State Government servants from their Provident Fund Accounts and were before the 15th August 1947 assigned to the Secretary of State-in-Council, the Governor General-in-Council or the Governor of the Province concerned as the case may be, should be re-assignment in the manner indicated below :-

- (a) In respect of Policies of Central Government servants assigned either to the Secretary of State-in-Council or the Governor General-in-Council, the policies should be re-assigned by the President of India in case of those who adopt for service in India and by the President of Pakistan in the case of those who opted for Pakistan. Where the insurant did not exercise any option or had retired or proceeded on leave pending retirement from the service of the undivided Government of India before the 15th August 1947 or failed for any reason whatsoever to exercise an option, the re-assignment shall be made by the President of India.
- (b) In respect of Policies of Provincial Government servants of the undivided Province now located in either country the Governor or the Province concerned shall re-assign the policy irrespective of whether it was originally assigned to the Secretary of State-in-Council or to the Governor of the Province.
- (c) In respect of the Policies of the Provincial Government servants of undivided Provinces of Assam, Bengal and Punjab, the Governor of the Province for which the Government servant has opted shall re-assign the Policy, where the insurant Policy, where the insurant did not opt or had retired or proceeded on leave pending retirement from the service of the Province, before the 15th August 1947 or failed for any reason whatsoever to exercise an option the re-assignment shall be made by the Governor of the residuary Province viz., Assam, East Bengal and Punjab (P).

The procedure indicated above shall apply also to postal life insurance policies.

[Based on G.I.M.F Department of Expenditure Office Memorandum No.-F-44/(1)/EV/57, dated 25th October 1957, Dy. Fd. I-GI-6-161]

915 (i) A question was raised whether in the case of an insurance policy financed from the Provident Fund, which has been assigned to the President of India in Joint tenant form and is required to be re-assigned during the life time of the subscriber, the Accounts Officer should before re-assigning the policy to the subscriber and co-assignee, verify whether the co-assigned was alive.

(ii) It has been decided by the Government of India, in consultation with the Law Ministry, that in such cases, it will be necessary for an Accounts Officer to verify at the time of re-assignment of a policy, whether the co-assignor is alive or not and to re-assign the policy to the subscriber or to the subscriber and the surviving co-assignors as the case may be.

[Based on Comptroller & Auditor General's letter No.-389-Admn.-II/213-63, dated 08.03.63 received with Main Office letter No.-Control-II-Fund-586, dated 21.03.63, Dy. Fd.-III-6(G)-8396.]

Procedure for Converting a policy into a Paid-up Policy or to Surrender such Policy

916 (i) (a) When a subscriber proposes to convert a policy which has been assigned to the President of India or the Governor of Orissa into a paid-up policy, it should first be ascertained whether the insurance company intends to issue a new document. If it does, the policy should be re-assigned to the subscriber in the following form, namely :-

“I Accountant General, Orissa acting on behalf of the President of Republic of India (or the Governor of Orissa) hereby re-assign unto the within policy of assurance”.

(b) The new policy should be assigned to the President of India (or Governor of Orissa) and handed over to the Accounts Officer.

(c) If the company proposes to convert the policy in to a paid up one by means of an endorsement thereon to that effect, the policy should either be handed to the subscriber for transmission to the insurance company or be sent direct by the Accounts Officer, but in either case with a request that the policy when so

endorsed by the company may be returned direct to the Accounts Officer. If there is thereby a radical change in the benefits derivable under the policy, a memorandum may be required to be endorsed and signed by the Accounts Officer as well as the subscriber acknowledging the altered position.

- (ii) In the case of paid-up policies it is necessary to see that the paid-up value of the policy is not less than the amount of the premia diverted from the fund. The amount of interest which would have accrued on such premia had they been left on the fund should not be taken into account in the calculation. If the paid-up value is less than the total of the sums withdrawn from fund for premium payments, not including interest, the subscriber should forthwith be required to pay the difference into the policy up to the date of its conversion, should, however, be taken into account in calculating the difference, only if the company is prepared to guarantee the profits by making an entry on the policy.
- (iii) A policy assigned to the President of India or the Governor of Orissa, which a subscriber wants to surrender, may be re-assigned to the subscriber for the purpose of the surrender, on condition that he pays the surrender value of the policy into his fund account and if the surrender value be less than the total of the sums diverted from the fund for premium payments and interest thereon, that he also repays the difference into the fund. In other words, such cases should be treated like those of lapsed policies and the fund account has to be restored to what it would have been had the premium not been paid out of it.
- (iv) In the case both of paid-up and surrendered policies in which it is considered that the recovery in a single installment of the Department may, with the concurrence of the Accounts hardship to the individual concerned, recovery should be effected in such number of installments, not exceeding 24 as the Head of the Department may, with the concurrence of the Accounts Officer, decide. If recovery is made in installments, interest will not be charged in the case of paid-up policies even for the period of actual recovery but interest at the usual rate will be charged for the period in the case of surrendered policies.

[Government of India Finance Department F-21(3)-R-II/36, dated 30th June 1936, Dy. Fd-I-ii-514.]

Note:- The procedure prescribed above should also be followed in the case of Government servants under the rule making control of the Orissa Government.

[Government of Orissa Finance Department No.-8869-F, dated 6th September 1940, Dy. Fd-1-11-1313.]

917 Procedure to be adopted in regard to Policies financed from Provident Funds in the event of an Insurance Company going into liquidation :-

It has been decided that in the event of an insurance company going into liquidation, the procedure, laid down in rule 35 of the G.P Fund (central Services) Rules, 1960 or the corresponding rule in the rules of the other Provident Funds, should be followed by the Accounts Officers, the expression “amount assured” together with the amount of any accrued bonuses occurring therein being taken to mean the amount payable by the liquidation company to the insured. In cases where the policies required to be re-assigned to the Subscriber, the necessary re-assignment should be made in the normal manner and a notice of re-assignment sent to the Insurer. In the case of a company under liquidation, the liquidator takes the place of the management for all practical purposes and these powers include the power to receive such notices.

[G.I.M.F No.-F-27(4)-EV/54, dated 18th May 1954, Dy. Fd-I(G.I)-1-10-9]

Note-1- The above procedure has been adopted by the Government of Orissa.

[Government of Orissa Finance Department No.-16727(34)F/P.F-41/54, dated 1st June 1956.]

918.(i) It has been decided by the Government of India that in all cases where policies financed from Provident Funds have lapsed, the provisions of rule 27 of the GPF (C.S) Rules, 1960 would apply and the Accounts Officers can recover the GPF advance under

sub-rule 4 of rule 22 of the said rules and re-assigned or make over the policy in terms of rule 24, *ibid*. There is no necessity for such cases to be referred by the Accounts Officers to Government.

- (iv) In cases where under the operation of the non-forfeiture clause of a policy, premia within the limits of surrender value are advanced by the Insurance Companies to keep policies in force, the Accounts Officer after receiving notice of the encumbrance arising out of the advance of the premium shall, in terms of rule 27 read with rule 22(4) of the GPF (C.S) Rules, 1960 proceed to recover the General Provident Fund advance.

Then one of the following three events may happen and the procedure indicated against each may be followed in that event :-

- (a) If the recovery is complete before the policy becomes a claim by maturity or death the Accounts Officer shall re-assign or make over the policy as in para-1 above without referring the matter to the Government.
- (b) If the policy matures before the completion of the process of recovery, the Accounts Officer shall, without referring the matter to the Government proceed in the following manner :-
 - (1) When the net proceeds under the policy (i.e, claim amount payable by the Insurance Company minus the accumulated premia advanced by the Company) exceed the un-recovered advance given from the GPF, the Accounts Officer shall re-assign the policy or make it over to the subscriber and then ask for repayment of the un-recovered GPF Advance.
 - (2) If the net proceeds under the policy as explained above fall short of the un-recovered GPF Advance the Accounts Officer shall realise the net proceeds and then try to recover the balance out of the un-recovered GPF advance from the subscriber.
- (c) If the policy becomes a claim by death before the completion of the process of recovery, the Accounts Officer shall, without referring the matter to the Government re-assign or make over the policy as in rule 24(2) of the GPF (C.S) Rules, 1960.

- (v) Thus cases of encumbrance arising out of the operation of the non-forfeiture clause of a policy would not come within the purview of rule 28 of the GPF (C.S) Rules, 1960, but rule 27 would continue to apply to such cases.

[Based on G.I M.F. Department of Expenditure O.M No.-F-41(11)-EV/59, dated 3rd March 1960, Dy. Fd-I-6-1393 of 6/60.]

Procedure for replacing one policy by a better one

919.A holder of a policy assigned to Government who desires to improve his position by replacing one policy by a better one should be permitted to do so, subject to the following conditions being observed :-

- (i) The new policy should carry the same or larger amount of insurance ;
- (ii) The premium in respect of the new policy should not be more than the premium paid in respect of the old policy ;
- (iii) The new policy should mature within the same year as the old policy ;
- (iv) The new policy should be in force on the date on which the original policy is surrendered.

[Government of India Finance Department No.-F-21(7)-R-II/37, dated 22nd April 1937, Dy. Fd-I-297.]

Note-1- When it is to the advantage of a policy holder to replace his policy by a policy in another and better office, the policy which is to be replaced may not be entirely surrendered. Insurance Companies allow, as an alternative to surrender of the existing policy, a fully paid-up policy for a reduced sum insured as a 'quid pro quo' for premia paid prior to discontinuance of further premia. The existing policy thus remains in force as a paid-up policy and constitutes part insurance cover in addition to the sum insured under the new policy. Thus as a result of the replacement transaction the policy holder holds insurance in two offices partly in the old and partly in the new office. The Government of India have decided that if the total amount of insurance cover given by the two policies be the same or larger than the amount of insurance given by the old

policy prior to the discontinuance of premia thereunder, the first of the conditions set out in the paragraph above should be regarded as satisfied.

[Government of India Finance Department No.-F-21(7)-R-II/37, dated 24th July, 1937, Dy. Fd-1-11-1125.]

Note-2- A doubt has been raised whether the provisions of Rule 30 of GPF (C.S) Rules, 1960 prohibited the replacement of the existing policy by a better one subject to the condition embodied in para 919 above.

The position was reviewed and the President has been pleased to decide that since the change of the Policy is permissible under sub-rule 3) of rule 22 of the said Rules, there would be no objection to permit withdrawals for financing of such policies provided the conditions specified in para 919 are satisfied.

These orders shall also apply in the case of subscribers to C.P.F. (India).

[Based on Government of India, Ministry of Finance No.-7(15)-EV(B)-61, dated 31st January 1962, Dy. Fd-III-6(g)-7]

Note-3- So far as the General Provident Fund (Central Services) Rules, 1960 and Contributory Provident Fund (India) Rules are concerned it has been decided that clear cases of exchange of policies covered by the orders of the Government of India referred to in para 919 above may be decided by the Accounts Officer concerned. Doubtful cases, not covered by the above para, and cases involving attentions in terms of policies should be referred to the Government of India for their being examined on merits.

[Government of India, Ministry of Finance (Department of Expenditure) No.-F-7(5)-EV-(B)/63, dated 11th March 1964 received with Comptroller & Auditor General's No.-548-Audit/115-GI/61, dated 1st April, 1964, Dy. Fd-I-CAG5.]

919A. A holder of a policy assigned to Government, who desires to improve his position by replacing one policy by a better one should be permitted to do so, subject to the fulfillment of the following conditions :-

- (a) The new policy should carry the same or a larger amount of insurance ;
- (b) The premium in respect of the new policy should not be more than the premium paid in respect of the old policy ;
- (c) The new policy should mature on the same date as the old policy ;
- (d) The new policy should be in force on the date on which the original policy is surrendered.

Clear cases of exchange of policies which are covered by the conditions specified above may be decided by the Accounts Officer concerned. Cases which are doubtful and are not covered by the aforesaid para and cases involving alternations in the terms of policies should be referred to the State Government for examination on merits. Decision of the State Government shall be final in such matters.

[Based on G.O.F.D Office Memorandum No.-P.F-19/65-41915/F, dated 9th December 1965 received with Dy.-FM-Sn-4017/1965-66.]

Deposit with the company at maturity proceeds inadmissible while a subscriber is in service

920 If the terms of an endowment insurance policy held by a subscriber paying premia from his Provident Fund deposit allow an option to deposit its proceeds at maturity with the insurance company at interest until he wishes to draw the money, he should be warned that he will not be permitted to exercise that option if the policy matures before he quits the service.

[Government of India Finance Department No. D/2633-R-II, dated 8th September 1931, paragraph 135 of Fund manual of NWFP]

Conversion of a policy into “an extended term” policy

921 The Government of India have decided that the conversion of a policy of life insurance which is financed from the G.P Fund (Central Services) into an extended term policy should not be permitted in future.

[Government of India Finance Department letter No.-F-21(15)-R-II/36, dated 10th July 1936, Dy. F.D-1-665.]

Note:- A policy of life insurance may be converted into an extended term policy in the following circumstances. A person who has taken out a policy of life insurance may find after payment of premium for a certain number of years that he is unable to continue further payments. In such an event certain insurance companies allow an option to the assured to convert the policy into a extend term policy on terms and conditions which are generally laid down at the back of the policy. The features peculiar to such an extended term policy are :-

- (i) That the assured is covered for a specified period beyond the date from which he ceases to pay premia ;
- (ii) That the company foregoes all future premia on this policy ;
- (iii) That the company undertakes to pay the assured the full amount of the policy only in the event of his death within the extended period ;
- (iv) That if the assured survives that period he is entitled to receive nothing from the company ; in certain circumstances, only a very nominal amount.

[Government of India Finance Department No.-F-21(15)-R-II/36, dated 27th October 1936, Dy. Fd-I-1315.]

Action to be taken by an Accounts Officer when a policy of insurance matures

922 The Accounts Officer should at the time when a policy of insurance matures, put himself in communication with the subscriber to the G.P Fund and ask him whether he prefers to draw the money himself or agrees to the money being drawn by Government and placed t his credit in the fund.

[Government of India Finance Department No.-D/2679-F.E, dated 6th November 1924.]

Note:- In order to enable this office to verify the date of maturity the Auditor General has ordered that this date should invariably be noted in the Register of Life Insurance Policies assigned.

{ Ar. GI's No.-1304-Admn.-103-26, dated 21st December 1926.}

Note-2- In order to avoid delay in the realisation of the money of the assigned policy and the consequential loss of interest to the subscriber, action should be taken three months before the date of maturity of the assigned policy. With a view to see that this is done the register of policies should be submitted to the Gazetted Officer on the last day of each quarter with a certificate that the dates of maturity noted in the remarks column of the register have been examined and action has been taken where necessary.

923 For the purpose of watching the maturity of life insurance policies financed from the Provident Fund and of taking timely action for realisation of money due on maturity of the policies, two check registers (1) Registers of dates of maturity of policies and (2) Check Register of realisation of money due on maturity of policies should be maintained.

1) Register of dates of maturity of policies :-

The Register should be in the following form :-

- (i) The pages should be allotted for each calendar year in which the policies mature.
- (ii) Each page will have the following columns :-
 - (a) Serial No.
 - (b) Serial No. of the S.R.
 - (c) Name and Account No.
 - (d) Policy No.
 - (e) Date of maturity.
 - (f) Serial No. of the register of realisation of money due on maturity of policies.
 - (g) Initials of Auditor.
 - (h) Initials of Superintendent.

The entries in columns (a) to (e) should be filled in at the time of accepting a policy for being financed from the Provident Fund and the entries in column (e) should be intialled by the Superintendent.

Action should be taken three months before a policy actually matures, e.g, when a policy matures for payment in March 1958, action should be taken on 1st January 1958. When so taking action the entries in columns (i) to (v) in the check register of realisation of money due on maturity on policy should be filled in and serial number of entry in that register should be noted in column (f) of this register and initiated by the auditor and the Superintendent in columns (g) and (h).

- (2) Check register of realisation of money on the maturity of policies will have the following columns :
- (i) Serial No.
 - (ii) Serial No. of S.R.
 - (iii) Name/ Account No.
 - (iv) Policy No./Date of maturity.
 - (v) Actions taken.
 - (vi) Matured value.
 - (vii) Amount to be recovered from whom.
 - (viii) Policy taken out-Initials of :-
 - (a) The Auditor.
 - (b) The Branch Officer.
 - (ix) When Policy sent to the Insurance Company or the subscriber.
 - (x) When cheque received.
 - When sent to the Treasury Officer.
 - When deposited in the Treasury.
 - (xi) No. and date of Challan.
 - (xii) When posted in the Ledger.
 - (xiii) Whether details of the credit with the No. and date of the challan have been noted in the ledger under the initials of the Superintendent.
 - (xiv) When case cleared.

(xv) Initials of the Superintendent.

When issuing memos to insurance companies asking for matured value with accrued bonus, column (v) should be initialed by the Superintendent with date. The No. and date of the letter should be noted in column (v) when it has been issued. All the other columns except column (viii) should be initialed by Superintendent as and when necessary.

Both registers should be submitted to the Branch Officer on the 1st Monday of every month.

[Based on CAG's letter No.-391-Admn-I/56,63, dated 13th March 1963, Dy. Fd.-III-8368 of 1962-63]

Procedure for releasing a policy coming under the scope of Married Women's Property Act

924 When the time comes to release a policy which comes or may come within the scope of section 6 of the Married Women's Property Act (vide Appendix- C) and which has an assignment endorsed on it in favour of the President or the Governor of Orissa, the Accounts Officer should execute a formal re-assignment in favour of the assured (the subscriber) or if the policy has been Jointly assigned by the assured and his wife in favour of the President of India, or the Governor of Orissa in favour of the assured and his wife and make it over to the assured. If in any case the subscriber while still in service desires that the policy should be re-assigned this should be done but the policy should be retained 'on deposit' until it is due for release in the ordinary course. If the policy required to be released by reason of the assured's death in service it should be formally re-assigned to the beneficiaries named therein or otherwise to the persons entitled to claim the policy moneys and handed over to them the re-assignment being made in the following form :-

The above named having died on the day of and of and of having become entitled to the within policy of assurance in consequence of his death the

President of India (or the Governor of Orissa) both hereby assign the within policy of assurance to the said Dated 19.....

Whether Restoration of the amount withdrawn is necessary in the case of a Policy mentioned in Rule 252) of the G.P Fund (Central Services) Rules

925 In regard to policies of a sole beneficiary type financed from the G.P Fund and maturing before a subscriber quits service there is no obligation on his part under rule 25(2) of the G.P Fund (Central Services) Rules, 1960 to restore the amounts withdrawn to his G.P Fund Account. As the proceeds of such a policy can not be squandered by the subscriber or diverted from the dependants save by a fraudulent transaction for the prevention of which the ordinary civil and criminal law is available, the proceeds can not be made payable to the fund.

[Government of India Finance Department letter No.-F-22-XXXI-R-II/34, dated 29th November 1934.]

Chapter- 10

MISCELLANEOUS

Attachment of Provident Money

1001. (i) Protection for attachment- In no circumstances should an Accountant General ignore an order of attachment of court, even though the order is correctly understood by him to be bad in Law. He must maintain the attachment until the order is either withdrawn by the court which imposed it or cancelled by a superior court.

(ii) Whenever, therefore, an attachment order is received from a court of law against the deposits of a subscriber in the General Provident Fund, action should at once be taken to move the court concerned to have its attachment order set aside quoting the judgement, dated the 15th June, 1922, passed by the Calcuttal High Court in the case of Secretary of State for India in Council versus Rajkumar Mukherjee and others (Civil Revision Case No.-196 of 1922) in which it has been decided that all “Compulsory Deposits” in Government Provident Fund are protected by Section 4 of the Provident Fund Act, 1897 (New section 3 of Provident Fund Act, 1925) from attachment by a Court of Law whether before or after they fall due for repayment to the depositor till such time as they are actually handed over to time.

[Government of India Finance Department No.-2620-F.E, adted 20th December, 1921 and Government of India, Finance Department No.-2328-F.E, dated 10th November, 1922.]

Note- It has been decided by the Government of India that the accumulation in the non-Contributory Provident Funds and subscriber’s portion with interest thereon in the Contributory Provident Funds should be paid to Government servants soon after they quit service notwithstanding any Government dues outstanding against them.

Excepting in the cases of the type indicated below : “No-demand” certificate should not be insisted upon as a condition for release of the balances in the Provident Fund.

- (1) The Provident Fund balances resting in a dependant are liable to attachment for debts incurred by the dependant after the subscriber's death and where such debts are due to the Government by whom such balances are payable they could be set off against. Such balances under the general law relating to the setting off of claims and counter claims between the two parties.

[G.I.M.F. DRE-O.M. No.-F-30(2)-EV/53, dt.28.05.53.]

(2) Persons who become entitled to P.F money but are not dependants (C.F para-3 f Memo Explanatory of Govt. Provident Fund Rules, vis-à-vis the law on the subject).

(3) Dependants other than the widow or children of a subscriber, where the payment of Provident Fund money is subject to any assignment or charge made prior to commencement of the Provident Fund Act, 1925.

[Based on G.I.M.F DE-O.M. No.-18(7)-E.V(B)/65, Part-IX, dt.27.07.66, received with CAG's letter No.-1739-Tech-Admn-II/578-65, dt.06.08.66, Dy. CAG-1-10-26 of 66-67]

Explanation of the term “Compulsory Deposit”

1002. (i) “Compulsory Deposit” means a subscription or deposit which is not repayable on the demand or at the option of the subscriber or depositor, and includes any contribution which may have been credited in respect of, and any interest or increment which may have occurred on, such subscription or deposit under the rules of the fund.

[Government of India, Finance Department No.-1043-F.E, dated the 17th May, 1923.]

(ii) The transfer of the balance at credit of a subscriber in the G.P Fund to “Deposits” does not alter its character as a “Compulsory Deposit” and such money is still immune from attachment under Section 3(1) of the Provident Fund Act, XIX of 1925.

[Government of India, Finance Department No.-D/331-R-II, dated 26th April, 1930.]

Advance of pay cannot be deducted from Fund Accumulations

1003. Money due to Government by a deceased officer on account of an advance of pay can not legally be deducted from any amount standing to the credit of such officer in a Provident Fund.

[Government of India, Finance Department No.-99-E.A, dated 10th March 1913.]

Embezzlement irrecoverable from Fund accumulations

1004. It has been ruled by the Government of India that a sum of money found after the death of an officer to have been embezzled by him during his life time cannot legally be recovered by deduction from the amount standing to his credit in the General Provident Fund.

[Government of India, Finance Department No.-302-F.E, dated the 10th April, 1916.]

Over payments not recoverable from fund Balances

1005. (i) The Government of India have decided that it is inconsistent with section 3(1) of the Provident Funds Act, 1925, for Government to deduct any amount due to them by a subscriber from his accumulations in the G.P Funds at the time of his retirement, or from un-disbursed G.P Fund accumulations payable to a subscriber's Nominee in the event of the subscriber's death in service or after retirement as the case may be even though the consent of the subscriber or nominee may have been obtained.

Where the subscriber or nominee is willing to repay the amount due to Government the best course would be to treat the repayment as a second transaction. The

whole of the money should first be paid intact and without any compulsion. After there the payee may be called upon to make good the Government dues.

[Government of India, Finance Department No.-F-20(2)-R-II/45, dated the 28th February, 1945, Dy. D-I-22-27.]

- (ii) A question arose whether the decision contained in para 1005(I) above would apply also to any liability incurred by the nominee or other beneficiary after the death of the subscriber or depositor, i.e., whether the sum which is vested in a dependant under section 3(2) of the Provident Fund Act, 1925, is free from any debt or liability incurred by the dependant after the death of the subscriber. The matter has been carefully considered and the conclusion reached is that the immunity provided by section 3(1) of the Provident Funds Act against deduction from accumulations in a Provident Fund of any debt incurred or liability owned does not extend the liabilities incurred by the subscriber's nominee after the subscriber's death. This is because the express provision in section 3 of the Act referred to that the balances in the Fund shall be free from any liability incurred by the subscriber or the dependant before the death of the subscriber, may be taken to imply that it is not free from a liability incurred after the death. Had the intention been to ensure payment to the dependant, without any deduction of any kind whatever, the Act could very well have expressly provided so. In the circumstances the Government of India are of the view that the Provident Fund balances vesting in a dependant are liable to attachment for debts incurred by the dependant after the subscriber's death, and where such debts are due to the Government by whom the balances are payable they could be set off against such balances under the general law relating to the setting off of claims and counter claims between the two parties.

[Government of India, Ministry of Finance No.-F-30(2)-EV/53, dated the 28th May, 1953, Dy. Fd-10-125]

Note- The Government of Orissa have also adopted the above decision of the Government of India for payment of the deposits in the State Provident Fund.

[Government of Orissa, Finance Department No.-13153 (55)-F, dated the 16th July, 1953, Dy. Fd-1-10-2921]

Fines and defalcations irrecoverable from fund deposits

1006. The deposits at the credit of subscribers in the General Provident Fund are not to be confiscated in satisfaction of a fine, imposed on a subscriber by a criminal court or in recoupment of defalcations of Public money committed by him. It has been recognised throughout that any statutory power given to Government to make good their losses from the deposits of a subscriber to his fund would be inconsistent with the principles of a Provident Fund.

[Government of India, Finance Department No.-F-11-11-F.E-27, dated the 19th September 1927.]

Calculations of interest on the subscription to the Fund

1007. Interest at the prescribed rate is allowed for each calendar month upon the minimum balance of the depositor's account between the close of the fourth day and the end of the month. In calculating interest subscription paid by deduction from salary bills will be considered as paid in to the fund on the first day of the month in which the bills affording the credits are actually encashed.

[Government of India, Finance Department No.-F-19(3)-R-II/40, dated the 11th January 1941, Dy. Fd-1-10-3020]

Note-1- Deductions made from pay paid in advance owing to transfer or long leave out of India should be considered as having been made on the date on which an officer is relieved of his duties or on the date the Account Office paid up the officer prior to his embarkation.

Note-2- Deduction made from pay paid in arrears in consequence of an officer's promotions with retrospective effect should be considered as having been made on the first of the month in which the arrears are actually drawn.

Note-3- When any subscription is paid in cash after the 4th of the month no interest will be allowed thereon for that month.

Note-4- No interest should be allowed on the amount recovered on account of the General Provident Fund subscription in excess of the actual amount due.

[C.G.'s letter No.-1753-E-390-15, dated the 15th October 1915.]

Note-5- When the excess payment of subscription in any month is adjusted by short payment in subsequent months interest should be allowed for these months on the full amount due and not only on the amount actually paid, the balance having already been received in the former months.

Note-6- Subscriptions coming through book adjustment will be treated as having been paid in the month in which they were actually credited in the treasury either by deduction from the bill or by cash payment.

Note-7- Interest is added to the deposit of a subscriber at the end of the year except when his account is finally closed before the end of the year.

Note-8- The interpretation given by the Government of India in their letter No.-F-19(3)-R-II-40, dated the 11th January 1941 (vide Paragraph 165 above) in respect of rule 14(3) of the G.P Fund (Central Services) Rules, applies also to Rule 14(3) of the G.P Fund (Orissa) Rules.

[Government of Orissa, Finance Department letter No.-1806-F, dated the 8th April, 1941, Dy.Fd-1-10-129.]

Note-9- Interest is payable only on amounts duly subscribed under the rules and deductions un-authorisedly made cannot be deemed to be subscriptions to the Fund nor is there a case in equity for the payment of the interest on these deposits. The Government of India have accordingly decided that no interest should be allowed on un-authorised deductions in such cases. Interest will not be payable on deductions made before account numbers are allotted.

[Government of India, Ministry of Finance Memorandum No.-F-25(4)-E-V/50, dated the 28th July, 1950.]

Note-10- The State Government of Orissa have adopted the decision embodied in the Government of India, Ministry of Finance Memorandum No.-F-25(4)-EV/50, dated the 28th July, 1950.

[Vide Note-9 as inserted by C.S No.-37 to the Fund Manual]

[State Government of Orissa Finance Department No.-15155(35)-F, dated 31st October, 1950, received with letter No.-5504-F, dated the 31st March, 1951, Dy.Fd-1-10-307.]

Note-11- Subscriptions which fall short of the prescribed minimum rate need not be treated as unauthorised for purpose of calculation of interest due, as the money realised even in such cases is always with the Government.

[Based on Government of India Finance Ministry (Department of Expenditure) letter No.-D-998-EV(B)/62, dated 11th April, 1962 & G.O., F.D letter No.-PF-1/62-22909, dated the 26th May 1962.]

Recovery on interest on arrears of subscriptions to Provident Fund

1008-A. (I) The question of the procedure for the recovery of interest on arrears of subscriptions to a Provident Fund which may be permitted to be paid in easy

monthly installments has been under consideration for some time. The object of recovering the arrear subscriptions and interest thereon is to restore the Provident Fund account to the position which it would have attained had the subscriptions been credited to the account from month to month as they fell due for payment. While the recovery of interest on such arrears paid in lump sum presents no difficulty where recovery is effected in easy installments, calculation of the amount of additional interest on the diminishing amount of arrears gives rise to practical difficulties owing inter-alia to the change in the rate of interest from year to year. In order to remove these difficulties it has now been decided that the additional amount of interest on the diminishing amounts of arrears payable in monthly installments should be calculated by determining the amount of interest which the subscriber concerned would have earned, had he paid the arrears in lump sum (during the period of the recovery of arrears in installments) and diminishing from it the amount of interest earned on the amount of arrear installments, paid from month to month till the full recovery of arrears.

- (ii) At present the adjustment of arrear Government contributions and interest thereon in the case of a Contributory Provident Fund is made proportionately to the recovery of arrears of employees subscription with interest thereon, made in installments during a year. In cases where additional interest is recovered on the arrears of subscriptions paid in installments additional amount of interest on Government contribution (which a Government servant would have earned had the Government contribution been credited to his account in the usual manner) will be credited to his account, after full recovery of arrears has been affected in accordance with the above sub-para. No such additional interest on Government contribution will be paid in cases where no additional recovery of interest on diminishing amounts of arrears is made.
- (iii) The decision in the first sub-paragraph above will apply in all cases of recovery in installments of arrear subscriptions to a Provident Fund, contributory as well as non-contributory. Past cases in which arrear subscriptions have already been recovered without interest on diminishing amounts of arrears need not be

reopened, but it will apply in cases in which arrear subscriptions are still to be recovered or are under recovery on the date of issue of the orders.

- (iv) The orders contained in the late Government of India, Industries and Labour Department letter No.-A-204, dated 10th June, 1932 and Labour Department letter No.-A-204, dated 2nd July, 1943 which regulate the recovery of arrear subscriptions from the Government of India Press employees will be deemed to have been superseded by these orders from the date of issue of the letter.

[Based on the G.I., M.F (Department of Expenditure) letter No.-F-25(3)-EV/57, dated 4th December, 1957.]

Government of India Decision No.-1

Adjustment of Government contribution should be made in proportion to the recovery of arrears of subscription in a year even though no element of interest is included in the installments already recovered and even in cases where it may not be possible to complete the recovery of arrears of subscription or any portion of interest on such arrears due to death, retirement, etc. Interest may also be allowed on the arrears of subscription as and when they recovered and it is not necessary that the arrears of subscription and interest thereon should be recovered completely before any interest is allowed thereon.

[Based on Government of India, Ministry of Finance (Department of Expenditure) Memo No.-F-25(3)-EV/57, dated the 23rd April, 1959, Dy. Fd-I-1-1-10-37.]

Short Subscription to GPF Recovery thereof.

1008-B. According to the provisions of Rule 10(3) of GPF (CS) Rules 1960 if a subscriber fails to subscribe with effect from the date he is required to give the fund or is

in default in any month or months during the course of a year, otherwise than as provided in Rule 7, the total amount due to the fund on account of arrears of subscription shall with interest thereon at the rate provided in Rule 11 forthwith be paid by the subscriber to the fund etc.

A question was raised whether such recoveries should also be made in cases where recoveries of subscriptions have been made regularly but at a rate less than the prescribed minimum. It has been clarified in consultation with the Ministry of Finance that arrear subscription will have to be recovered in all cases. As the object of recovering arrear subscription is to restore the P.F account to the position which it would have attained had the subscription at the prescribed rate been credited to the account month to month as they fell due for payment, interest in such cases will also have to be recovered. This can be done in the manner as laid down in Para-1008-A of Manual of Fund Department.

[Based on C.A.G's letter No.-1118-TA-II/308-69/dated 24.07.71 (Dy.-FM-1-10-16)]

Explanation of term “All subscribers” occurring in Rule 11(I)

1009. Under the proviso to rule 11(1) of the General Provident Fund (Central Services) Rules, 1960 interest at 4 per cent per annum is admissible to all subscribers to the fund in the year preceding that for which the rate has for the first time been fixed at less than 4 per cent. The term “all subscribers” should be interpreted in the following manner :-

Admission of a person to the G.P Fund involves the following four processes :-

- (i) Submission of application for admission, acceptance of the application, allotment of an account number, deduction of subscription from pay bill and crediting the amount to the account in the fund.
- (ii) A person becomes a “Subscriber” when all these processes are complete. The term “all subscribers” should, therefore, be interpreted to mean the persons in whose cases all the above processes were complete before 1st April, 1938 (the date from which the reduced rate came into force).

[Government of India, Finance Department No.-F-30(2)-R-II/38, dated the 26th August, 1938 and F-30(2)-R-II/38, dated the 15th July, 1939, Dy. Fd-1-15-1338 and 833.]

Government of India Decision: - The Government of India have decided that the protected rate of interest of 4 per cent, shall be allowed on the Provident Fund balances of those Government servants who were subscribers to the State Railway Provident Fund prior to 1st April, 1938 and whose balances in that fund have since been transferred to the G.P Fund (C.S).

[Comptroller & Auditor General's letter No.-580-Admn.-II/379-53, dated the 26th May, 1956, Dy.Fd-I(GI)-1-10-6]

Admissibility of protected Rate of Interest on General Provident Fund to a Government servant re-instated after dismissal

1010. (i) A question has been raised, as to what rate of interest should be allowed to a subscriber, to the General Provident Fund who was re-instated after dismissal and who, before dismissal was eligible for the protected rate of interest of 4 per cent. Under rule 11 of the General Provident Fund (Central Services) Rules, 1960.

(ii) The conclusion reached after careful consideration of the question is that the re-instatement of a Government Servant after dismissal has the effect of vacating the original order of dismissal on the score of its being either illegal or not wholly justified. The period of break in such cases has to be regularised in such manner as is deemed expedient and the continuity in the service of the Government servant thereby remains intact. The re-instatement in such case is not therefore to be treated as a fresh appointment for the purposes of the General Provident Fund. The Government servant would continue to be treated as subscriber under rule 11 of the General Provident Fund (Central Services) Rules, 1960 and to be entitled to the protected rate of interest even after re-instatement. Even where the recovery of the arrears of subscription to the General Provident Fund may be waived by the competent authority in any particular case the entitlement of the subscriber to the said rate of interest would not be prejudiced.

[Based on Government of India, Ministry of Finance, Department of Expenditure, Office Memorandum No.-F-28(13)-EV/58, dated the 15th July, 1958, Dy. FD_I-10-82.]

Note- The provisions of para 1010 are applicable mutatis mutandis to the subscribers under G.P Fund (Orissa) Rules.

[Based on Government of Orissa, Finance Department O.M No.-PF-62/60-26298/F, dated the 19th August 1960, Dy. Fd-1-37-3420.]

Rate of interest on Provident Fund accumulations of subscribers who are transferred from State Services to the Government of India

1011. (i) A question has been raised as to whether a subscriber to a General or a Contributory Provident Fund or a State Government who was entitled to the privileged rate of interest at 4 per cent in accordance with the rules of the State Provident Fund to which he was previously subscribing should continue to be entitled to the same protected rate of interest from the date he became a member of the General Provident Fund (C.S) on transfer to the Government of India.

(ii) It has been decided by the Government of India that in such cases of transfers of State Provident Fund balances to the GPF (C.S) the subscriber is not entitled to the protected rate of interest from the date he is permanently absorbed in the service of the Central Government even though the actual transfer of Fund balances may not take place simultaneously. It may be pointed out that the provision regarding the continuation of the benefit of the protected rate of interest made in further proviso to sub-rule (1) of rule 11 of the General Provident Fund (C.S) Rules, 1960 are applicable only in cases of transfer of balances from a Central Provident Fund to the General Provident Fund (C.S) and not from a State Provident Fund to the General Provident Fund (C.S).

- (iii) Procedure of recovery of write off of the excess payment of interest as laid down in the C.A.G's circular letter, dated the 27th January 1959 (i.e paragraph 1412 as inserted by C.S No.-132) regarding IAS/IPS officers referred to above will also apply in toto in the case of all State subscribers, who have been absorbed under the Central Government and have been incorrectly paid excess amount of interest in the light of the orders contained in paragraph 1 above.

[Based on Comptroller & Auditor General letter No.-1207-AII/112-59, dated the 3rd September, 1959, Dy. Fd-I-CAG-1-10-66.]

Calculation of interest in the case of refund of sums withdrawn for the payment of Life Insurance Premia

1012. The interest to be recovered on sums withdrawn should be calculated in the same manner as interest is calculated for credit to a subscriber Provident Fund account under the General Provident Fund Rules and at the actual rate or rates which obtained during the period the subscriber was paying premia on his policy of insurance, instead of the rate prevalent on the date of refund.

[Government of India, Finance Department No.-D-5022-R/II-28, dated the 4th October, 1928.]

Note- The different rates that prevailed from time to time are shown in Appendix-B to this Manual.

Calculation of interest in the case of temporary advance

1013. It has been explained by the Government of Orissa that the intention of rule 16(4) of G.P Fund (Orissa) Rules is that for the purpose of calculating interest the principal should be deemed to be in tact though it is reduced every month by repayments of installments.

Adjustment of interest

1014. (i) **Calculation of Interest on P.F Accounts not closed within the year :-**

Interest at the approved rate percent calculated at the approved method of calculation will be noted in the ledger account of the subscriber in the space provided in the annual closing cage at the close of the year. Interest as posted in the ledger will be copied in to the ‘Interest’ Column of the Broad Sheet against the respective P.F account number.

(ii) **Calculation of Interest on P.F Accounts closed finally during the course of the year and its adjustment :-**

(a) It was decided by the Comptroller and Auditor General in his letter No.-1499-AC/131-59 dated 24.10.59 that, when a fund account is closed finally during the course of a year the interest charges should be taken to the final head “16-interest on Debt and other obligation etc.” before making actual payment to the subscriber. It was further decided by the Comptroller and Auditor General in his letter No.-209-AC-9-68 dated 20.02.69 that the above adjustment of interest should be made monthly. Interest in these cases is to be calculated at the approved rate by following the approved method of calculation. It was further decided by the Comptroller and Auditor General in his letter No.-1449-T.A-II/74-70 dated 11.08.70 that the interest paid on closed accounts, either on account of final payment or on account of transfer of P.F account to other Accounts Officer during a month should be noted in a Register called “Interest Adjustment Register” as and when final payment is made or account is transferred. The Interest Adjustment Register should be maintained in the following form.

Name of Group

For the month of Year

Sl.No.	Name of the subscriber	P.F Account No.	Amount of interest payable	Dated initial of Supdt. Attesting the T.E	Remarks
(1)	(2)	(3)	(4)	(5)	(6)

- (b) At the end of the month the Register should be closed by adding the interest column and the total interest charges as noted in the month should be taken to the final head "2049-Interest Payment" by a transfer entry by credit to "Provident Fund" and a note should be kept in the Interest Adjustment Register below the monthly closing indicating the T.E No. & date and the total amount for which the T.E has been made over the dated initials of the superintendent. This Register should be submitted to the Branch Officer, every month and the submission should be watched through the Sectional Calendar of Returns.
- (c) When the adjustment of interest charges is done monthly the amount of interest should be posted against "Interest" Column in the cage provided for annual closing with reference to the entries in the "Interest Adjustment Register". Posting of interest, so adjusted in the "Interest" Column of Unit Broad Sheet should be omitted. These interest figures should be copied in the "Interest" Column of the Broad Sheet only annually from the ledger along with other annual interest charges as indicated in sub para (i) above. For the purpose of closing Provident Fund Account every month, the total of the interest adjusted every month as available from the "Interest Adjustment Register" should be posted in the Unit Broad Sheet in lumps against the item "interest adjusted on closed Account" in the closing page of the Broad Sheet and should be added with the total credit for the month to arrive at the grand total of Provident Fund Credit for that month in respect of a particulars Unit Broad Sheet.
- (d) Under this procedure, the Interest Adjustment Register will itself be an auxiliary Broad Sheet for getting the details of interest adjusted.
- (iii) Annual Adjustment of Interest Charges :- At the time of annual closing interest figures noted in the "Interest" Column of the P.F ledgers including these relating to P.F accounts closed during the course of the year should be copied in to the "Interest" Column of the Unit Broad Sheet and the total of this column worked out. At the time of making adjustment for interest during the annual closing the total of interest adjusted in all the months through the "Interest Adjustment Register" should be deducted from the grand total of interest in the balance

compilation Sheet and the annual adjustment under “16-Interest etc.” should be carried out for the remaining amount only.

- (iv) Interest is credited to the P.F account in whole rupees. Amount of 50 paise and above are taken as one rupee and amount of less than 50 paise are negated.
- (v) Please see note below and paragraph 1022.

[(i) Based on G.I.M.F No.-562-P.F dated 27.03.22 and Ar.Gl's. letter No.-T-342-Admn-I/1802-35 dated 12.06.36 and No.-998-AC-1131-59 dated 03.07.59.]

[(ii) C.A.G's letter No.-1499-AC/131-59 dated 24.10.59, and No.- 1449/TA-II/374-70 dated 11.08.70]

Note-1- In the case of a Government servant from Central (Civil) to Defence P & T or Railway and vice-versa, a question has arisen as to the Civil/Defence/P&T/Railways Accounts Officers who should adjust the interest on the Provident Fund Account for the period subsequent to transfer when the Provident Fund Account is not transferred to the new Accounts Officer simultaneously with the transfer of the Government servant. In this connection, it is stated that the provision for interest charges on all Provident Funds whether pertaining to Central (Civil), Defence, P&T or Railways is made in the Civil Budget Estimates and, therefore, no question of apportionment of the interest charges between Civil/Defence/P&T, Railways is involved. It has, therefore, been decided in consultation with the Ministry of Finance that in such cases the interest should be adjusted by the Accounts Officer, who maintains the accounts of the subscriber.

It has also been decided that in such cases if the Government servant is confirmed with retrospective effect in the Department to which he is transferred the General Provident Fund Account of the subscriber should continue to be maintained by the Accounts Officer of the Department from which the Government servant is being permanently transferred (the interest charges should also be recorded in his books) till the same is actually transferred to the Accounts Officer of the Department in which the Government servant is permanently absorbed.

[Based on CAG's Memo No.-1363-Admn-III/581-Admn-II/58, dated the 12th July, 1960, received with A.G, Orissa, Bhubaneswar letter No.-TM-BO-FD-1106-07, dated the 2nd August, 1960, Dy. Fund-I-10-3016]

Annual Closing of Ledger Accounts

1015. (i) The work of Annual closing of the Provident Fund Accounts should be arranged so as not to interfere with the posting of the regular monthly Provident Fund Accounts. The following procedure should be adopted. In this regard drill to be followed has been prescribed in Appendix-'P' in this Manual.

(ii) Every year, two months, i.e., about 45 working days should be set aside for Annual closing work including interest calculation and checking and filling up the closing memos in each ledger account, preparation and checking of the Annual Accounts statements, posting of March (Final) and March (Supplementary) accounts and the annual agreement of balances. This would leave only 10 months in the year for the 12 months accounts.

(iii) For the purpose, the programme of work approved by the Comptroller and Auditor General is as follows :-

(a) Monthly Accounts :-

Month	Schedule/vouchers to be received in Fund Section by	Commencement of posting	Completion
1	2	3	4
April	1 st of the second succeeding month	21 st July	17 th August
May	1 st of the second succeeding month	18 th August	9 th September
June	1 st of the second succeeding month	10 th September	2 nd October
July	1 st of the second succeeding month	3 rd October	27 th October

August	1 st of the second succeeding month	28 th October	21 st November
September	1 st of the second succeeding month	22 nd November	16 th December
October	1 st of the second succeeding month	17 th December	10 th January
November	1 st of the second succeeding month	11 th January	4 th February
December	1 st of the second succeeding month	5 th February	1 st March
January	20 th February	2 nd March	26 th March
February	20 th March	27 th March	19 th April
March	15 th April	20 th April	14 th May

(b) The due date for despatch of annual accounts of the Provident Fund should be 31st August each year both in cases involving exchange account transactions and in cases not involving such transactions. To adhere to this date, the following programme of work shall be adopted.

14th May- Completion of March postings.

15th to 21st May- Monthly verification of balances. Interest calculation to be done from April 27th (one week) after commencement of March postings to May 21st.

2 Months- For arranging the cards serially typing the balance Compilation statement and Annual agreement, i.e., up to 21st July. The despatch of the Accounts slips can then be started and completed during a period of 3 weeks.

Note- In case where the treasury accounts are received very late and consequently, in actual practice, it becomes impossible to adhere to the programme for posting of P.F Accounts and apprise the Headquarters of the changes and the circumstances which necessitated such changes.

[Based on Head Quarters letter No.-1540-T.A-II/205-80 dt.24.11.80 (Dy-FM-CAG-7)]

(iv) The revised dates should be observed strictly. They also apply to offices where posting is done manually.

- (v) A report about the completion of the despatch of the Annual Account slip should be submitted to the Comptroller and Auditor General so as to reach him positively by 8th August each year, giving information regarding the following :-
1. Total No. of Accounts involved.
 2. (a) Number of Accounts despatched by the due date.
(b) Percentage which the number at 2(a) bears to the total number of accounts.
 3. (a) Number of Accounts which could not be despatched by the due date.
(b) Percentage which the number at 3(B) bears to the total number of accounts.
 4. Reasons for the delay in the despatch of accounts mentioned at (3) above and the date/dates by which they are expected to be despatched.

[Based on CAG's letter No.-155-Admn.-II/407-58, dated the 20th January, 1959 (Dy.Fd-I-1-10-212) read with CAG's No.-647-A-I/407-Admn.-II/58, dated the 16th April, 1959 (Dy.Fd-I-1-10-30) and CAG's letter No.-1172-Admn-III/60-61, dated the 28th July 1961, copy received with A.G, Orissa's letter No.-TM-BO-FD-990, dated the 21st August, 1961 (Dy.Fd-I-1-10-3948) and CAG's No.-54-Tech-Admn-II/314-65, dated the 7th January 1966 (Dy.FM-1-10-CAG-99).]

- (vi) A certificate of agreement between the individual closing balances in the Unit Broad Sheets with those in the ledgers (as required in the last sentence of para 426 of M.S.O. Tech.-I) indicating the difference between broad sheet and ledger, if any and the action taken to settle the same maybe sent to the Comptroller and Auditor General along with the Report on the despatch of Annual Account Statements.

[Based on CAG's No.-1921-Tech-Admn-II/343-65, dated the 18th September, 1955 (Dy.Fd-XI-Review-65-66-CAG-2)]

- (vii) It has been decided that the census of Ledger folios under the hand posting system may also be conducted at the time of carrying forward the individual closing balances in the District Broad Sheets to the new years Broad Sheet as opening balance in terms of the

last sentence of Para-426 of M.S.O (T) Vol-I and a certificate to this effect furnished in the report on the despatch of Annual Accounts statements to the Provident Fund subscribers as prescribed in sub-para (v) above.

[Based on CAG's letter No.-3181-T.A-II/227-75, dated 27.12.1975 (Dy-FM-8-14-48)]

Note- In future, the heading of the report contemplated in clause (v) above should be 'Report on the despatch of Annual statements of Provident Fund Accounts for the year _____'.

[CAG's letter No.-2822-T.Admn.-II/558-65, dated the 3rd January 1966, Dy.FM-Arr.Rep.MC-100.]

1016. To work out the interest creditable to an account it is not necessary to fill in the progressive total of the 12 monthly columns in all cases. If the 12 monthly credits are all equal the amount on which monthly interest is to be credited will be arrived at by filling in the progressive totals in the first and the last columns and multiplying the sum of the two figures by 6. But if the subscriptions are unequal or any of the monthly columns is blank the progressive total should be worked out by filling in all the monthly columns as usual.

1017. (i) Before taking up the calculation of interest the Assistant entrusted with the duty of calculation of interest should review the ledger minutely and note in the remarks column of the ledger (against the closing abstract of the year) the details of the wanting credits (e.g., credit for Rs.8 for and refund of withdrawal of Rs.20 fo ...). He should then proceed to calculate the interest.

(ii) After calculating the interest with the help of the printed tables, the balance at the credit of each subscriber is worked out in the Ledger as well as in the broad sheet by adding the interest for the year and deducting the withdrawals, if any, vide also instructions given in paragraph 426 of M.S.O (Tech.) Vol-I. Then a statement of his account is prepared in Form No.-80 and 81 of the deposits during the year, the interest accrued, the withdrawals and the closing balance. In the case of

incomplete accounts he should copy in the accounts slips the details of wanting credit also in the following form.

Incomplete Account

Credits for/Refunds for the month of at Rs..... are wanting Details of the Recoveries may be furnished early.

(iii) As soon as a volume is completed the Superintendent will arrange for the check of the statements and the calculations in the Ledger Accounts by a person different from that who closed the Account. The person entrusted with this work will also examine each individual account to see that the details of wanting credits have been correctly recorded in the ledger and copied in the account slip in the prescribed form.

1018. This examination should be an intelligent review of the year's record. The intention is to detect all irregularities passed off unnoticed by the posters in the course of the closing, besides testing accuracy of the statements. The poster who closes the annual accounts and the assistant who checks them should both affix their initials in the statements as well as in the ledger.

1019. The Auditor General has approved the following as uniform rates of honorarium throughout India for the annual work of calculating and checking interests on Provident Fund Accounts when such calculations are done on a task work basis by clerks in addition to their own duties outside the normal office hours instead of entertaining temporary clerks for the purpose.

Note- The different rates of honorarium approved by the Comptroller and Auditor General from time to time are shown in Appendix- L of this manual.

[Based on orders of the Deputy Accountant General on Notes, dated 5th August 1960 and Comptroller & Auditor General's letter No.-228-NGE-I-174-58, dated 5th February 1960. Dy.Fd-I-I-10-11482.]

1020. (i) After check of the Annual statement of Provident Fund Account by the Checker in the manner detailed in Paras 1017 and 1018 above the statements along with the ledgers should be submitted to the Sectional Heads/Superintendent for his cent percent check. In token of this check the Sectional Heads/Superintendent should initial the Account statements in addition to his attestation of closing balances in the ledger accounts of the year to which the Account statements relate. As this check by the Sectional Heads/Superintendent falls within their normal duties, Sectional Heads/Superintendents are not entitled to honorarium to the check of Accounts statements.

[Based on CAG's letter No.-1511-TA-II/241-68 dated 05.07.68-Dy-FM-CAG-29 of 68-69 File No.-FM-8-14 and his letter No.-1704-NGE-1/49-70 dt.01.08.70 Dy-FM-CAG-29 of 70-71 FM-8-14]

- (ii) (a) Annual statements of Provident Fund accounts should be issued over facsimile rubber stamp signatures of the Section Officer In-Charge of Fund Sections after being checked by the Superintendents, when necessary, in accordance with the instructions contained in Comptroller and Auditor General's Circular letter No.-1826-Admn-III-145-61 dated 29.11.1961.
- (b) The facsimile rubber stamp should be kept under safe custody of the Branch Officer-In-Charge, Fund Sections and the rubber stamp signatures on the account statements affixed in his presence.
- (c) The annual Account Statements pertaining to members of the I.C.S, All India Service Officers, High Court Judges, Members of the Orissa Public Service Commission and Heads of Departments who are non-cadre officers like Director of Health Services, Director of Public Instruction, Chief Conservator of Forests, Chief Engineers etc. may be issued over the signature of the Section Officer of Fund Section.

[Based on CAG's letter No.-3932-Tech-Admn-II-314-66 dated 24.12.66 (Dy-FM-8-14-CAG-65) and orders of the Accountant General]

- (d) Although the Account statements are issued over the facsimile signature of the section officers, the Branch Officer should ensure that such signatures are not affixed on blank forms which are filled up later. He should check a few ledger folios at random to check whether the accounts statements have been duly filled in and facsimile stamps affixed only after they are filled in. as a token of such check the Branch Officer will initial on the concerned ledger card.

[Based on C & A.G's letter No.-849-T.A-II/302-78-1, dt.16.07.79 Dy-FM-CAG-9]

Note- The attestation of the closing balance in the ledger is done simultaneously with the signing of the statement of account sent to the subscriber. The figures in that statement are agreed with the figures shown in the ledger at the time of attestation which is not in token of check of the accounts themselves.

[Ar.Gl's letter No.-1011-Adm/262-42, dated 29th September 1942 to the Accountant General, C.P and Berar, received with endorsement No.-1012-Admn/262-42 of even date.]

Note-2- As regards offices where the Fund accounts are maintained by hand method agreement between the balance shown in the account slip with that in the ledger is absolutely necessary and as such the procedure of (cent percent) attestation of the ledger balances in token of this agreements should continue as laid down in Memorandum of Instruction regarding the extent of audit issued by Accountant General.

[Vide CAG's letter No.-1823-Admn.-III/145-61, dated 29th November 1961, Dy. Fund-I-CAG]

Despatch of annual accounts statements

1021. (i) As soon as the annual closing is over, Annual Account Statement should be despatched to the subscribers. The statements relating to Gazetted Government servants should be prepared in M.S.O (T) form No.-80 which contains a slip for the purpose of acknowledging the receipt and for communicating acceptance of balance shown therein. These statements should be sent direct to their current addresses. The receipt of the statement is required to be acknowledged individually by each Gazetted Officer. The statement relating to the non-gazetted officers should be prepared in M.S.O (T) form No.-81 and sent collectively to the Heads of Offices under which the Subscribers are working with a forwarding Memo in G.P.F form No.-17. The Heads of Offices are required to return the memo acknowledging the receipt of the statements and furnishing a certificate to the effect that these have been made over to the subscribers listed therein. He is also required to intimate that all of them (except subscribers whose name and account Nos. should be detailed) accept the balances shown in the respective statements as correct. The subscribers, who do not accept the balance, should be required to communicate their reasons for non-acceptance to this office through their Heads of Offices, with necessary particulars in support of their contention.
- (ii) Fund Sections are responsible for seeing that all the Annual Statements are duly despatched and a note of despatch of the statements is kept in a separate "Despatch Register". They should also keep a strict watch over the receipt of acknowledgements (individually for gazetted subscribers and in a consolidated form for non-gazetted subscribers) and watch receipt of acknowledgements/certificates through the Despatch Register.

This Register should be maintained, one for each unit and also separately for Gazetted and non-gazetted subscribers.

- (iii) It has been decided by the Comptroller and Auditor General that the receipt of acceptances of balances need not be watched in Accountant General's offices beyond the

period stipulated in the rules and orders of the Provident Fund within which the subscribers should send the acceptances of balances or point out errors or omissions in their respective Account Statements. Accordingly, receipt of acceptances need not be watched in the Fund Sections of this office beyond a period of three months which is the period stipulated in the P.F Rules.

[Based on CAG's letter No.-1199-T-Admn-II/249-66 dt.07.06.69 Dy-FM-8-14-14/69-70]

(iv) The acknowledgements/certificates should on receipt should be filed carefully by Account Numbers and Departments after keeping a note in the Despatch Register. The fact of acceptance of balance should be noted in the respective Ledger accounts.

Note-1- In the annual account slips (M.S.O.T.(T) Form-80-81) note 3 should be underlined in red ink.

[Ar.Gl.'s No.-285/Admn/22-47, dated 20th March 1947/Dy.Fd.4573]

Note-2- The closing balance in the Annual Account Statement should also be written in words.

[Based on C & A.G's letter No.-436-T.A-II/91-82, dt.01.05.82 Dy.-FM-CAG-3 dt.10.05.82]

Note-3- The Accounts slips which are held up for want of addresses of the subscribers are to be dealt as below.

- (i) In the case of non-gazetted officers, the annual statements of Fund Accounts can be forwarded to the Heads of Departments for distribution.
- (ii) In regard to the Gazetted Officers the following methods may be adopted for ascertaining their addresses.
 - (a) By consulting the G.A.D. Sections.
 - (b) Asking the Heads of Departments to give the whereabouts of the officers ; and
 - (c) Sending the slips to the Heads of Departments for distribution.

[Based on CAG's letter No.-287-Admn.-III/90-61, dated 20.02.61-Received in Fund Section with No.-TM-BO-FD-3881, dated 02.03.61, Dy. Fd-I-10-12581.]

Transfer of Accounts when an Officer is transferred to another Audit Circle

1022. (i) It has been decided by the Government of India in consultation with all the State Governments that where permanent transfers of officers are made from one Government to another the transferring Government should bear interest charges on the officer's Provident Fund balances to the end of the month preceding that in which such balances are transferred. This decision will take effect from the 19th July, 1941, but any adjustments already made in accordance with this principle or otherwise in the past, need not be distributed. In cases of temporary transfers and of transfer of officers of Joint Cadres, the balances may continue to be kept by the parent Government or the Government to which this officer permanently belongs.

(ii) The interest should be credited by the transferring Government to the transferred Government along with Balance at the credit of the subscriber concerned and should be shown as a separate entry. This interim interest should be kept under "Suspense" in the books of the receiving Accounts Office, pending its addition to the Fund Accounts balance of the subscriber at the end of the year.

[Government of India, Finance Department No.-D-6652-F/41, dated 19.07.41, to Financial Secretaries of all Provincial Governments. Dy.No.-Fd-1-10-1946.]

Note-1- It has been clarified by the Comptroller & Auditor General that in the accounts of the transferring Government the interest adjusted under this paragraph should be debited to the final head viz., "16-Interest on Debts and Other Obligations" but in the accounts of receiving Government the interest received has to be kept under the head "Interest Suspense Account" under "S-Unfunded Debt" which can be cleared only at the close of the year by contra credit of the Fund Account of the subscriber concerned. But in the event of such an account being closed before the end of the year the head "Interest Suspense" should be cleared by per contra credit to the Fund Account of the subscriber before making actual payment.

[Comptroller & Auditor General's letter No.-998-A-AC/131-59, dated the 3rd July, 1959 and CAG's letter No.-1499-AC/131-59, dated the 24th October, 1959, Dy.Fd-1-1-10-9077]

Note-2- Maintenance and transfer of Provident Fund Accounts :- Para 405 of the M.S.O (T) Vol.-I provides that when a subscriber is transferred permanently to another Government with transfer of his permanent lien the balances at his credit in the Provident Fund Accounts are also passed on to the latter Government. A similar procedure is also followed in the case of transfer of a subscriber from one audit circle to another under the Central Government when the transfer is for a period exceeding one year.

It has been decided that the Government servant himself (if he is a gazetted officer) and the Head of his office (in the case of non gazetted officers) should inform the old Audit Officer as well as the new Audit Officer concerned after his transfer giving the following information :-

- (i) Provident Fund Account No. of the previous office.
- (ii) Whether the subscriber has been permanently transferred or transferred for a exceeding one year.
- (iii) In the case of temporary transfer where the period of transfer is not known at the time of transfer, the information should be sent to the Audit Officer as soon as it is known that the subscriber is likely to remain in the new Audit Circle for more than a year.
- (iv) For the sake of facility, a statement showing the Fund deductions Treasury voucher numbers, etc. since the date of transfer may also be furnished to the new Audit Officer.

[Based on Government of India, Office Memorandum No.-F-52(5)-EV/60, dated 3rd June, 1960 received with CAG's letter No.-1143-Admn-III/KW-361-Admn-II/58, dated 04.07.60 (Dy.Fd-I-CAG-21, File No.-Fd-1-1-10.)]

Note-3- In order to avoid maintenance of more than two Account numbers simultaneously in respect of a subscriber whose balance has been agreed to be transferred to the other Accounts Officer it has been ordered by Comptroller & Auditor General that the transfer of the Provident Fund accounts of such subscriber may be effected as early as possible, and as a general rule, within two months after acceptance of the transfer thereof by the new Accounts Officer. The Accounts to be transferred should before their transfer to the new Accounts Officer, be completed in all respect as far as possible up to the month preceding that from which the credits are to be accounted for in the new circle. Where, however, delay is apprehended in the completion of such accounts, they may be transferred within the period stipulated above after indicating the full particulars regarding missing credits/debits therein.

[Based on CAG's letter No.-293-Tech-Admn.-II/37-66, dated 05.02.66-Dy-FM-1-10-CAG-114.]

Note-4- It has been decided by the Govt. of India that Central Government employees recruited through U.P.S.C. & Railway Service Commission, etc., in Railway Services but who are not taken on deputation terms and who are ultimately to get absorbed in Railway services, may be permitted to subscribe to the State Railway Provident Fund from the date of joining Railway service and the amount standing to their credit in the G.P. Fund transferred to their new State Railway Provident Fund Account.

[Govt. of India, Ministry of Finance, Department of Expenditure O.M No.-F-27(17)-EV(B)/65, dated 05.01.66 received with CAG's letter No.-297-BA-I/4-4-/65, dated 1st February 1966 (Dy-FM-1-10-CAG-113).]

Note-5- It has been decided by the Comptroller and Auditor General of India that in cases where credits in respect of the Provident Fund Account of a subscriber have started appearing through Exchange/settlement account but no information in regard to the nature and duration of the transfer of the subscriber to the other circle of account has been received from the subscriber/Head of Office. The Accountant General maintaining the Provident Fund account of that subscriber should immediately initiate action to obtain

the necessary information from the subscriber/Head of Office concerned and transfer, if necessary, the account of the subscriber to the new Accounts Officer within two months after acceptance if the transfer by the latter as laid down in Note-2 above.

Note-6- It has been decided by the Government of India that the Credit balance in the GPF account of Civil Government Servants who have been granted permanent regular commission in the Indian Army/Navy/Air Force will be transferred to D.S.O.P Fund Account together with interest.

[Based on Government of India, Ministry of Defence letter No.-A/38437/AG/P-53(C)/2885/D(Pay/Services) received with C.A.G's letter No.-1339-TA-II/26-70 dt.24.08.71 (Dy-FM-1-10-CAG-19)]

Note-7- With a view of ensure speedy action in regard to the nature and duration of transfer of subscribers from one circle of account to another, it has been decided by the Comptroller and Auditor General of India that the Accounts Officer of the Circle to which the officer has been transferred should also initiate action for obtaining the requisite information in the following manner.

On receipt of the first salary bill of a Gazetted Officer coming on transfer from another audit Circle, or on receipt of his L.P.C from the Accountant General of that Circle duly countersigned by the latter which ever is earlier, as also on receipt of the Establishment Pay Bill in which the salary of a non-gazetted Government servant transferred from another Circle of audit is drawn for first time in the new audit Circle, the G.A.D or the D.A section concerned as the case may be should immediately initiate action to obtain the necessary information regarding the likely period of transfer from the appropriate departmental authority explaining the purpose of this enquiry, i.e., to arrange for the transfer of the P.F account from the previous circle of account in the interest of efficiency. If the information received from the department shows that the transfer has been made for a period which would justify the transfer of Provident Fund account also the Audit section concerned should promptly take up the matter with the previous Audit

officer for the purpose. Till, however, the matter in regard to the transfer of account is settled with the previous audit officer, the credits and debits on account of General Provident Fund Transaction pertaining to the account in question should continue to be passed on the Audit Officer maintaining the Provident Fund account.

[Based on C.A.G's letter No.-1339-TA-II/142-68 dt.15.06.68 copy received with C.A.G's letter No.-923-TA-II/167-72 dt.02.06.72 (Dy-FM-I-10-73)]

Transfer of the account of a subscriber on his transfer to a corporate body owned or controlled by Government

1023. (i) When a subscriber is transferred, without any break to the service under a body corporate, owned or controlled by Government, as per Explanation II below rule 31 of GPF (CS) Rules 1960 the amount of subscription and the Government contribution, if any, together with interest thereon is not paid to him, but is transferred with the consent of that body, to his new P.F account under that body.

(ii) A question has been raised in regard to the period up to which interest in such cases should be allowed. It has been decided that interest in such cases should be allowed in accordance with the provisions of Rule 11(4) or of the GPF (CS) Rules, as if the Government servant concerned has quitted service. It is, therefore, emphasised on the Administrative Authorities, Accounts Officers that transfer of Provident Fund Balances in such cases should be effected as early as possible within a period of six months of the transfer of the person concerned.

[Based on Government of India, Ministry of Finance (Department of Expenditure) Office Memorandum No.-F-8(12)-EV/B/63-1, dated 19th September 1963 received with Comptroller & Auditor General's letter No.-1754-Admn.-II/245-62, dated 1st October 1963, Dy.Fd-I-1-1026.]

Govt. of India Decision-1

The Government of India have decided that in cases where the corporate bodies do not have any Provident Fund Scheme or whose Provident Fund Rules do not provide

for the acceptance of balances from other Provident Funds, the amount in question should be finally paid to the person concerned at the time of his permanent transfer to such a body.

In cases where the Provident Fund money is accepted by the corporate body subject to fulfillment of certain conditions viz :- that the Government servant should complete the probationary period with them or that he should be confirmed in a post under them, the Provident Fund money of the persons concerned may be retained with Government till such time as it is transferred to the body concerned. In such cases, the Provident Fund accounts of the individual concerned would cease to be alive on the date of permanent transfer of the person concerned to such a body. In other words, no withdrawals from the Provident Fund will be permitted for any purpose including payment of premia towards life insurance policies. Fresh subscription to the Fund, except recoveries in respect of outstanding advances, shall not be accepted. The Provident Fund money held by Government would continue to earn interest at the normal rate till the date of transfer of the amount to the corporate body.

[Based on Govt. of India, Ministry of Finance (Department of Expenditure) OM No.-F-25(4)-EV(B)/65, dated 13th September 1965 received with Comptroller & Auditor General's letter No.-1970-Tech-Admn.-II/245-Admn.-II/62, dated 22nd September 1965-Dy.FM-1-10-CAG-71]

Government of India Decision No.-2

Sub:- Principles to be followed with regard to Provident Fund Account of Government Officer who opt to get absorbed in the Public Enterprises.

The amount of subscription together with interest thereon, standing in the Provident Fund account of a Government Officer opting for service under an enterprise may, if he so desires, be transferred to his new Provident Fund account under the enterprise provided the concerned enterprise also agrees to such a transfer. If , however, the concerned enterprise does not operate a Provident Fund, the amount, in question

should be refunded to the subscriber. An officer covered by a Government Contributing Provident Fund will also be allowed if he so desires to carry forward the Corpus of the amount, including Government contributions to his new Provident Fund account under the enterprise. Once such a transfer of Provident Fund balance has taken place, the officer will be governed by the Provident Fund Rules of the concerned enterprise and not by the Provident Fund Rules of the Government.

In so far as officers governed by the G.P.F (C.S) Rules, 1960 or G.P.F Rules (India), 1962 are concerned, the orders contained in the preceding sub-paragraph issue in partial relaxation of the provisions of Explanation III below Rule 31 of the former mentioned Rules and Explanation III below Rule 33 of the latter mentioned Rules.

[Based on G.I.M.O.F Bureau of Public Enterprises O.M No.-2(57)/68-BPE(GM) dated 19.11.69 received with Admn. sectional letter No.-Admn.-18-3-Dep(M)-2163 dt.20.07.72 Dy-FM-1-10-283 of 1972-73.]

Note- The Government of Orissa have adopted the principles enunciated in para 1 of Government of India decision No.-2 (C.S No.-161 dt.07.08.72) below para 1023 of the Manual of Fund Department with regard to the Provident Fund Account of State Government officers who opt to get absorbed in the public enterprises.

[Based on Government of Orissa, Finance Department O.M No.-GPF-36/72-38414/F dt.20.07.73 (Dy-FM-1-37-272 of 3/74)]

(iii) On a question regarding accrual of interest on subscriptions recovered from a subscriber on deputation to foreign body and subsequently absorbed therein with effect from a retrospective date it has been decided by the Government of Orissa that in case where a subscriber is deemed to have been absorbed in a foreign body with retrospective effect and he/she continues to subscribe to the G.P Fund during the period falling between the deemed date of absorption and date of issue of notification he/she shall be entitled to interest on subscriptions after the deemed

date of absorption will be the date of issue of the notification at rates prevalent from time to time.

[Based on Government of Orissa, F.D letter No.-G.P.F-3/82-4733/F dt.08.02.83, Dy-FM-637]

Settlement of P.F. Credits/Debits appearing in one account circle adjusted in the books of others by means of Bank draft instead of through the medium of exchange accounts.

1024. (i) It has been decided to introduce as an experimental measure the method of settlement by demand draft in respect of the Provident Fund Accounts of :-

- (a) Indian Income Tax Service Class-I.
- (b) Central Excise and Customs Service, Class-I.
- (c) Central Revenues Chemical Service, Class-I.
- (d) Chief Accounts Officers and Assistant Chief Accounts Officer, Class-II Service (under the control of Central Board of Revenues).

Which are centralised in the books of the Senior Deputy Accountant General, Maharashtra, Nagpur. The application of this method would, however, be restricted to only those cases where the pay and allowances of these officers are adjustable in the circle of payment but the GPF transactions are to be passed on to the Senior Deputy Accountant General, Maharashtra. In cases, if any, where the pay and allowances are also debitible to the Deputy Accountant General, Maharashtra the net amount of the bill will be debited in the exchange account in the usual manner.

(ii) The procedure to be adopted in this regard is indicated below :-

- (a) The credit or debit appearing in the accounts of the originating Accounts Officer will be initially taken to a suspense head to be specifically opened for this purpose under Part-IV Suspense instead of taking it to the exchange account head with the Deputy Accountant General, Maharashtra, opened under this office Circle No.-590-AC/56/69, dated 02.05.1960. As soon as the accounts of a particular month are closed, the Accountant General should purchase a demand draft for the net amount of credit under the suspense head and send to the Deputy Accountant

General, Maharashtra, with all the relevant details as mentioned in sub-para (iv) below. The amount of the demand draft will be debited to the suspense head, the credit under which will thus be cleared.

- (b) On receipt of the bank draft with all the relevant details, Senior Deputy Accountant General, Maharashtra, will bring into account all the transactions as appropriate, credit and debit under the P.F head according as the amount represents purely a credit or is a net credit made up of a credit and debit, by taking the amount of the bank draft to a suspense head which will be cleared as soon as the draft is encashed at the bank. By this process the amount of the bank draft will be accounted for under the G.P Fund head simultaneously and all the recoveries on account of P.F recovered from a subscriber during the financial year especially of the last two months i.e., January and February will also be adjusted in the same year's account.
- (c) In a month in which the net amount under the suspense head happens to be a debit the Accountant General, concerned will intimate the net debit to the Deputy Accountant General, Maharashtra forwarding in support thereof all the relevant vouchers and schedules. The latter will purchase a demand draft for the amount and send it to the Accountant General. The amount of the demand draft will be accounted for in the books of the Senior Deputy Accountant General, Maharashtra as a debit or as the appropriate credit and debit, under the P.F head according to the amount represents a debit alone or is a net debit made up of a credit and a debit. The demand draft when received by the Accountant General concerned, will be encashed and its proceeds credited to clear the debit outstanding under the suspense head.
- (d) The Accountant General in whose books the credit/debit appear will be responsible for furnishing complete details in support thereof to the Senior Deputy Accountant General, Maharashtra just as in the case of transaction passed through exchange account.
- (e) The procedure outlined above will apply not only to original credits or debits relating to the Provident Fund Accounts of officers of the four services mentioned in para (1) above but also in regard to subsequent rectification of errors if any,

arising in connection therewith. However, if the credit/debit pertaining to any other Government servants is included in the credit/debit in his books he will pass on the relevant credit/debit afforded to the Senior Deputy Accountant General, Maharashtra and is not adjustable to the correct accounts officers through the usual channel of exchange account.

This revised procedure will come in to effect from 1st April, 1962, i.e., in respect of recoveries made from bills of March, 1962.

[Based on Comptroller & Auditor General's letter No.-98-Admn.-III/361/61, dated 22nd January 1962 (Dy.No.-Fd-I-CAG-1-10-64).]

1025. In the case of Defence Savings Provident Fund no adjustment of interest charges up to the end of the month proceeding the month of transfer as contemplated in the Government of India, Finance Department Notification No.-D-6652-F-41, dated 19.07.41, is necessary as the balances from part of the Central Government balances. The interest will be calculated at the end of the year by the Accounts Officer to whose audit the Government servant is transferred.

[Letter No.-DFC-45-4-2147, dated 7th and 9th January 1942 from the A.G., C.R., New Delhi, Dy-Fd-1-10-2372.]

1026. The transfer entry crediting the amount to the State concerned should be submitted to the Gazetted Officer through the Superintendent along with the Subscriber's ledger account in which the amount transferred should be entered in the column "WITHDRAWALS" against the month of transfer. The entry should be linked by a guide letter with a note "PAID BY TRANSFER TO" to be made in the remarks column under the initials of the Gazetted Officer. The number and date of the transfer entry should be noted in the ledger.

Documents to be sent with the Transfer of an Account

1027. Along with the advice of transfer through the exchange account a copy of the subscriber's ledger account signed by the Gazetted Officer together with his declaration, if any, should be forwarded to the accounts office of the State to which he is transferred. (Vide also instructions given in paragraph 405 of M.S.O (Tech.) Volume-I). Similarly, when a subscriber is transferred to this State a copy of his ledger account should be called for, if it has not been received with the letter advising the transfer of the amount at his credit.

Unclaimed and Lapsed General Provident Fund and other Fund Deposits

1028. Sums unclaimed for a period exceeding six months should be transferred to "Deposits" at the end of each year by one transfer entry for the whole section for each fund by debit to the funds concerned. Before actual transfer it should be seen that the interest due under the General Provident Fund Rules or under the relative rules of other funds is added to the amount of deposits or on that amount less interest already added in the case of part-paid accounts.

Note-1- It has been decided by the Comptroller & Auditor General that the following measures should be taken before transferring residual balances to "unclaimed deposits".

- (i) In all cases of residual balances where addresses of the subscribers/claimants are not known to the Fund Section, efforts should invariably be made to authorise payments after making enquiries about the whereabouts of the subscribers/claimants from the Departmental authorities/Treasuries concerned.
- (ii) In the case of subscribers whose services were pensionable, attempts should be made in collaboration with the pension section, to find out the addresses of the subscribers/claimants from the pension records.
- (iii) The Deputy Accountant General-in-charge Fund Section should satisfy himself personally, before ordering transfer of a residual balance to "unclaimed deposits" that the whereabouts of the subscribers/claimants could not be found out despite diligent efforts made on the lines mentioned above.

[Based on Comptroller & Auditor General's letter No.-2262-Tech-Admn.-II/309-65, dated 6th November 1965-Dy.-FM-I-10-CAG-82]

Note-2- It has been clarified by the Comptroller and Auditor General that the question of transfer of P.F balances to unclaimed deposits should arise only in cases (i) where the subscribers or their nominees or legal heirs as the case may be, do not apply for the closure of the P.F account within six months from the date of retirement or quitting service or death and (ii) where the party fails to take payment within six months after the Accounts Officer has authorised the payment. The transfer to 'Unclaimed Deposits' should not be made in the following cases, since later on when the necessary documents are received in such cases, the amount will have to be paid irrespective of whether it has been transferred to 'Deposits'.

- i) Guardianship certificates awaited in the case of minor.
- ii) Succession certificates awaited in cases where there are no valid nominations.
- iii) List of family members awaited in cases where there are no valid nominations.

[Based on C. & A.G's letter No.-2878-T-Admn-II/403-68 dated 03.12.1968 DY-FM-1-10-1966]

Register for Unclaimed Deposits

1029. During the course of year items of unclaimed deposits may come to notice as a result of correspondence. There may be other items which may be picked up as a result of the annual examination of the ledger accounts. All these items will, after scrutiny, be entered in a register showing the following details (separate pages will be opened for different funds) :-

Sl. No.	A/C No.	Name & Designation of the Depositor	Date of Retirement, Death, Dismissal etc.
(1)	(2)	(3)	(4)

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Reference to relevant correspondence	Amount	To whom payable	Date of transfer to deposit and why transferred
(5)	(6)	(7)	(8)

Date of application for payment or reminder from accounts office	Authority for payments	Date of payment and amount	Remarks
(9)	(10)	(11)	(12)

Note-1- Columns 1 to 8 will be filled up as items are noticed. Total of column 6 will be taken at the end of the year when a transfer entry in the March Final accounts is made for all items.

Note-2- The parties concerned or the head of office under whom the subscriber was last serving will be reminded on or about the 20th June each year, orders being obtained whether any further reminder is necessary in cases where no useful purpose will be served thereby.

Maintenance of Lapsed and unclaimed Deposit Cases

1030. The connected cases should not be transferred to the deposit section but should be retained with the fund section and filed separately as the latter is responsible for the proper disbursement of the money. This file should be preserved permanently.

Refund of Unclaimed or Lapsed Deposits

1031. When a refund is claimed the fund group will be required to point out the year in which the particular item was transferred to “DEPOSIT” and to settle the formalities for the withdrawal of money from the fund, a note will be made in the register referred to above. The refund will then be authorised by the Deposit Section and amount will be debited to the head “UNCLAIMED DEPOSITS”. If it is a lapsed item it will be classified accordingly.

Fiduciary Capacity of Fund Deposits

1032. The transfer of the Provident Fund money to “DEPOSITS” does not alter the fiduciary capacity in which the money is held by Government or relieve the Accounts Officer of the duty of ascertaining the proper person legally entitled to receive the amount at the contributors credit or of the responsibility of paying the amount to that person. To enable this being done enquiries will be mad in such cases as are necessary as per entries in the Register of “Unclaimed Provident Fund Deposits” at the time of transfer of the unclaimed amounts of the year to “Deposits”. This register will be submitted to the Gazetted Officer on the 1st July, each year.

[C.C.A.’s letter No.-T-726-Ac-189-28, dated 6th July, 1929.]

Whereabouts of a Pensioner

1033. When a depositor has retired on pension his whereabouts should be ascertained from the pension group with a view to issue the necessary authority for the withdrawal of unclaimed deposits.

Exemption from Indian Income Tax

1034. Under section 87(iii) of the Indian Income Tax Act of 1961 any contribution made to the Provident Fund by an assessee is exempt from Income Tax to the extent specified in the Finance Act of the year.

Note-1- Sums refunded on account of amounts temporarily withdrawn from Provident Fund, or on account of interest thereon cannot be excluded.

Note-2- Income Tax is not leviable on amounts finally withdrawn by subscribers.

Note-3- Rebate of Income Tax is not admissible on withdrawals from G.P Fund for payment of life insurance premia.

Exemption from British Income Tax

1035. Deposits in the rupee and sterling branch of the Provident Funds are exempt from British Income Tax when taken to the United Kingdom by officers after retirement. Accounts Officers in India should furnish a certificate of payment of deposits, in the Provident Fund, if a subscriber asks for it so that the officer may produce it before the British Income Tax authorities in support of his claim for exemption from Income Tax.

[Ar.Gl.'s letter No.-421-Admn-1-166-34, dated the 5th October 1934.]

Objections and Objection Book

1036. (i) Objections noticed during the course of posting and audit of the accounts of the Provident Fund or at the time of review of the accounts or other registers and records usually fall in the following categories :-

- (a) Want of payee's receipts, prescribed certificates, premia receipts or other information of a routine nature.
- (b) Unauthorised advances, short or excess recoveries of subscriptions, non-receipt of the policies assigned to the President of India or the Governor of the State as the case may be.
- (c) Objections to the form of declarations.

(ii) Objections of (a) in the preceding paragraph are communicated through half margins memorandum in G.P Fund form No.-22 and their clearance is watched through the half margins. Those of classes (b) and (c) should be taken up by letters but the former only

needs be registered in the objection book in form M.S.O (T)27. Prompt and vigorous action should be taken to clear the items placed in the objection book.

(iii) On the 29th of each month the objection book should be closed and submitted to the Branch Officer through the Superintendent. The latter should see that it is properly maintained and the objections are carefully pursued.

1037. In order to ensure the correctness of all the opening entries carried forward on new ledgers which constitutes the basis for the regulation of future subscriptions and payments in respect of the individual Fund accounts, in future, all the opening entries in the new ledger should be attested by the superintendents of the Fund sections. These opening entries will generally fall into the following categories including those the attestation of which has already been authorised :-

- (i) Note regarding compulsory subscription.
- (ii) Opening balances.
- (iii) Protected rate of interest.
- (iv) Advances outstanding.
- (v) Details of Policies financed.
- (vi) Acceptance of nomination.
- (vii) Stoppages of subscriptions.
- (viii) Missing Credits in the last four year's account.

Note- Given effect to from the accounts for 1960-61.

- (ix) Any other important information relevant to the maintenance of the P.F accounts.

[CAG's memo No.-889-Admn-11/260-54-Coll-II, dated 29th June, 1955. Dy. FD-I-CAG-1-10-15 and CAG letter No.-882-Admn-11/157-60, adted 26th April 1960, i.e., Dy.Fd-1-1-10-1579]

**GPF Advances Granted to Non-Gazetted Establishments of Audit Officers-
Responsibility of the Designated Audit Office for Watching Recoveries**

1038. The designated Audit Officer (Under Para-30 of the Manual of Standing Orders) is not responsible for watching recoveries of G.P Fund advances granted to the Non-Gazetted Establishment of the Asudit Office of which he is the designated Audit Officer. His responsibility in respect of such advances is confined to the Audit of the sanction for advance, a copy of which is sent to him for audit in terms of Note-3 under Para-30 of the Comptroller & Auditor General's Manual of Standing Orders. It follows, therefore, that the advances referred to in Note-1 under Para-30 of the Manual of Standing Orders in respect of which monthly statements of recoveries are to be furnished to the designated Audit Officer do not include advances from the General Provident Fund. the question of watching recovery of interest on G.P Fund advances by the designated Audit Officer does not arise in view of the position stated above.

[Based on CAG's letter No.-3400-Admn.-I/509-60, dated the 2nd November 1960 (Dy.Fd-I-1-1047)]

1039. (i) It has been decided by the Comptroller and Auditor General that audit checks to be exercised in central audit on the sanctions and vouchers for advances/withdrawals of class IV employees promoted to Class-III posts, during the 1st twelve months of their promotion when their accounts are still with the Head of the office, will mutatis mutandis, be on line with those prescribed in CAG's circular letter No.-2512-Admn., 111/80-60, dated 23.12.1960 regulating audit of sanctions, etc. of Class IV employees.
- (ii) The following points prescribed are to be seen in the above quoted CAG's letter dated 23.12.1960.
- (a) That prima facie sanction has been accorded by the authority competent to do so,
- (b) The sanction is for a purpose permissible under rules,

(c) The voucher is otherwise complete and

(d) All usual requirements to be seen in post-audit of vouchers in general.

[Based on CAG's letter No.-2067-Tech-Admn-11/334-64, dated 18th December 1964. Copy received with No.-OE-GPF-10-CL IV-1208, dated 10th February 1965 Dy. FM-1-10-65/66-5746.]

Maintenance of Missing Credits Register

1040. (i) In order to keep a systematic watch over the missing credits and to avoid complications in settlement of the Fund claims at the end, a Register of Missing Credits should be maintained department wise or auditor wise as may be convenient in the following form.

Register of Missing Credits

Name of the Department

Sl.No.	Name of the Subscriber	Account No.	Amount of Missing Credit: Details of adjustment to be indicated												Whether acceptance received
			April	May	June	July	August	September	October	November	December	January	February	March	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

(ii) This register is intended only for recording Missing Credits i.e., original subscriptions. Details on account of temporary advances and Missing Credits on account of refund of such advances should not be shown therein but may be watched in the manner indicated in Para-395 of M.S.O (Tech) Vol-I and the instructions issued in this regard in C & A.G's Circular letter No.-1770-Admn.-III/351-60 dt.15.09.2006 i.e., when a debit does not appear in the Ledger Account within a reasonable period enquiry should

ber made of the sanctioning authority in the case of N.G.Os and from Gazetted Officer in the case of Gazetted Officers. Similarly, in the case of part final withdrawals and withdrawals for payment of Premium towards Insurance Policies, the sanction should be noted in the Ledger and the debit watched.

- (iii) The Missing Credit Register maybe posted from the Departmental Broad Sheet and Ledger.
- (iv) As soon as the Missing Credits are posted in the Registers, half margin references should be made to the Drawing & Disbursing Officers concerned with a view to ascertain the exact position of the Missing Credits. Replies to these references should be closely watched and necessary note kept in the Registers when replies are received.
- (v) The Departmental and other Sections should, after completion of monthly accounts send extract from their T.E Registers to the concerned P.F Section. The extracts should be treated by the P.F Sections in the same manner as P.F Schedules. The P.F Section should on receipt of this extract complete the P.F accounts as well as the Missing Credit Registers and record suitable certificates in the extract as well as the Register.
- (vi) The Register should be submitted to Deputy Accountant General quarterly on 30th November, 28th February, 31st May and 15th September and the dates of submission watched through the Sectional Calendar of Returns.

[Based on (i) CAG's letter No.-615-Admn-III/40-62 dt.11.04.62 Dy-FM-Arr.Rep-MC-CAG-2

(ii) C & A.G's letter No.-11457-Tech-Admn-II/276-64 dt.04.09.64 Dy-FM-Arr-Rep-MC-CAG-56 and

(iii) C & A.G's letter No.-2406-T-Admn-II/232-67 dt.21.09.67 read with his No.-2939-TA-II/232-62-KN-II dt. Dy.FM-Arr-Rep-MC-CAG-37 dt.Dy.CAG.56]

- (vii) A report on incomplete Provident Fund accounts should be furnished to the Comptroller & Auditor General for Central and State Provident Fund accounts separately in the following form so as to reach his office by 30th September, 31st

December and 31st March which should cover the accounts up to March (Supply), June of the current year and September of the current year respectively.

[Based on Comptroller & Auditor General’s letter No.-2406-T-Admn-II/232-67 dated 21.09.67-Dy-FM-CAG-37]

Note- In future, the heading of the report should be “Report on incomplete Provident Fund Accounts at the close of the accounts for”.

Name of Provident Fund	Opening Balance			Additions during quarter		
	No. of Incomplete Accounts	No. of Missing Credits/ Debits	No. of Unposted credits/ debits	Incomplete Accounts	Missing Credits/ Debits	Un-posted credits/ debits
(1)	(2)			(3)		
(1)	2(a)	2(b)	2(c)	3(a)	3(b)	3(c)

Progressive total			Clearance made during the quarter		
Incomplete Accounts Col.2(a) plus Col.3(a)	Missing Credits/ Debits Col.2(b) plus Col.3(b)	Unposted credits/ debits Col.2(c) plus Col.3(c)	No. of Incomplete Accounts Completed	No. of Missing Credits/ Debits	No. of unposted credits/ debits disposed of
(4)			(5)		
4(a)	4(b)	4(c)	5(a)	5(b)	5(c)

Balances			REMARKS
Incomplete Accounts Col.4(a) minus Col.5(a)	Missing Credits/Debits Col.4(b) minus 5(b)	Unposted credits/debits Col4(c) minus 5(c)	

6			
6(a)	6(b)	6(c)	

[Based on CAG's letter No.-1650-Admn-II/316-62, dated 03.10.62. Copy of which is received with letter No.-Control-II-Report-392, dated 24.10.62 of the A.G, Orissa]

Note-2- (i) If due to some reasons, such as arrears in the posting work or in the closing of Missing Credit Registers, the figures pertaining to the accounts for one or more months as required in clause (vii) above cannot be included in a report, such reasons should be specially mentioned in the forwarding letter of that report.

[Based on CAG's letter No.-1064-Tech.-Admn.-II/159-65, dated 18th May, 1966. Dy.FM-CAG-10 of 66/67.]

(ii) While forwarding the above report the Accountant General has to give his personal appreciation of the progress or otherwise in the clearance of the outstanding, touching inter alia upon the extent of clearance, the net overall position as compared to that in the preceding quarter, the reasons for deterioration, if any or for the stagnant state and the line of action proposed to be taken for catching up on the arrears.

[Based on CAG's D.O letter No.-1062-T-Admn.-II/159-65, dated 18th May, 1966-Dy.FM-Dr.-MC-CAG-11]

(viii) Cases where missing credits in Provident Fund Accounts have not been settled for more than one year should be submitted to the Accountant General with an analysis of each case and the action proposed to be taken for expediting settlement. Accordingly it has been ordered that a statement showing the analysis of items of unsettled missing credits for ever a year should be submitted to the Accountant General. The quarterly date for such report has been fixed as last day of December, March, June and September each year.

[Based on item (v) of the report of subcommittee of Accountant General received with CAG's letter No.-882-Admn.-III/157-60, dated the 26th April 1960 forwarded by the Accountant General, Orissa vide letter No.-TM-BO-FD-440, dated the 24th May 1960 (Dy.Fd.-I-8-14-1579), A.G's Orders on the Office Notes, dated the 18th October 1960 (File No.-Fd-I-8-14).]

**Delay in Finalisation of outstanding Pension/Provident Fund Final Payment cases-
Inclusion of para in Audit Report**

1041. (i) While reviewing the position regarding outstanding Provident Fund Final Payment cases it was noticed that in a large number of cases the reasons for the delay in their disposal can squarely be laid at the doors of the departmental authorities. The more common types of departmental delays which result in delay in the settlement of these cases are :-

- (a) Delay in submission of Provident Fund cases in time to the Audit Offices by the Administrative Authorities ;
- (b) Want of certificates regarding drawl of advances, partial withdrawals from Provident Fund, etc., during the preceding 12 months.
- (c) Delay in the part of Administrative Departments to supply requisite information and documents and in attending to audit objections.

(ii) Criticism in regard to the delay in finalising cases are directed against the Audit Department though in the majority of the cases the responsibility for the delay lies elsewhere. It has therefore, been decided that where the reasons for the delay in the settlement of final payment of Provident Fund moneys are in the main, attributable to departmental authorities suitable paragraphs should be included in the Audit reports under 'Other topics of Interest'. The time lag between the date of the Provident Fund money becoming due for payment and the receipt of the application therefor in the Audit office along with other persistent types of delays may be specified therein.

[Based on CAG's letter No.-36-Rep/10-61, dated 5th January 1961 received with A.G, Orissa letter No.-AA-1-3-1538, dated 16th January 1961 (Dy.Fd-1-10-11301)]

- (iii) The draft paragraphs prepared under the instructions in the foregoing sub-para should be sent to Appropriation Audit Section before 1st August (at the latest) for including the Audit Report.

[Based on A.G, Orissa, letter No.-AA-1-3-1538, dated 16th January 1961 (Dy-Fd-II-10-11301)]

Maintenance of GPF Accounts of Class IV Employees of Central Government

1042. (i) (a) As per Government of India, Ministry of Finance letter No.-F-52(9)-EV/60 dt.20.06.60 Heads of Offices were made responsible for the correct maintenance of P.F accounts of all Class-IV employees of Central Government with effect from 01.04.60 (i.e., subscription deducting from the Pay for the month of March 1960 payable in April 1960) under these orders of the Government of India postings of P.F subscriptions, advances and withdrawals in the P.F ledgers and the Broad Sheets required to be maintained by Heads of Offices are to be completed on or before the 5th of the following months and the Broad Sheets are to be submitted to the Heads of Offices on the 6th of the following month for his review. On completion of this review by the Head of Office the totals of these debits and credits as worked out in the Broad Sheet are to be communicated to the Head of the Department in Form No.-VI. From the information received from the Heads of Offices under him, the Head of the Department will consolidated the figures in a separate Register and send a quarterly statement of total credits and debits to the Accountant General showing the figures for each Head of Office under him to enable the A.G to make an agreement of the credits and debits in the Broad Sheet maintained in the A.G Office with corresponding figures maintained by the Head of the Departments. The Head of the Department is also required to furnish an annual statement showing the P.F credits and debits during the year and the total balance at the end of the year and to get these figures confirmed by the A.G Office.
- (b) The following target dates have been fixed by the Accountant General for receipt of the quarterly and annual statements mentioned above from the Heads of

Departments. The Heads of Departments and Heads of Offices have in this office Memorandum No.-FM-Class-IV-Int-363 dt.01.08.70 has been required to follow the target dates scrupulously in future. These due dates should be closely watched through the Sectional Calendar of Returns.

Items	Target Dates
Quarterly statements for the quarter ending June	30 th July
Quarterly statements for the quarter ending September	30 th October
Quarterly statements for the quarter ending December	30 th January
Quarterly statements for the quarter ending March	30 th April
Annual Statement	30 th April

- (c) Interest on P.F accounts is required to be calculated immediately by Heads of Offices after the posting in the Ledger for March are commenced. The Heads of Offices are required to send the statement of interest to the Heads of Departments by the 15th of April each year. The interest statements should, therefore, be sent by the Head of the Department to Accountant General Office by the 30th April each year along with the annual statement of P.F credits/debits to enable the A.G Office to make necessary transfer entry for incorporation of interest charges in Government account in the year to which they relate. The due dates of receipt of the interest statement as fixed above has also been intimated to Heads of Offices/Heads of Department in F.M Memo dated 01.08.70 referred to above. This target date should be closed watched through the Sectional Calendar of Return.
- (d) To watch the timely receipt of the above returns on due dates from the Heads of Department, the concerned section this office dealing with the P.F accounts of the Class IV employees of the Central Government should maintain a Register in the following form and the wanting statements should always be called for, if necessary, by issue of demi-official letters immediately after the due date is over.

Name & Designation of Head of Department	Date of Receipt of quarterly statement for quarter ending June	Initial of Supdt.	Date of receipt of statement for the quarter ending September	Initial of Supdt.
(1)	(2)	(3)	(4)	(5)

Date of receipt of quarterly statement for the quarter ending December	Initials of Supdt.	Date of receipt of quarterly statement for the quarter ending March	Initial of Supdt.
(6)	(7)	(8)	(9)

Date of receipt of Annual Statement of subscription & withdrawals	Initials of Supdt.	Date of receipt of annual statement of interest charges	Initials of Supdt.	Remarks
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The Register should be submitted to the concerned Branch Officer on 5th of every month and to the Deputy Accountant General on 5th of August, 5th November, 5th February and 5th May every year. The submission of the Register on due dates should be watched through the Sectional Calendar of Return.

- (ii) As per Comptroller & Auditor General's letter No.-1369-Admn-III-80-60 dt.07.07.60 reconciliation of the figures of each Head of Department relating to credit/debit of GPF in Class-IV employees of Central Government is to be effected in two stages. The first stage of reconciliation will be between the total credits/debits pertaining to each department as worked out in the Broad Sheet maintained in the A.G Office with those appearing in the accounts. This reconciliation is to be done monthly. The second stage of reconciliation is to be

effected between the credits/debits as intimated through the quarterly statements by the Heads of Departments to the A.G on the figures worked out in the Broad Sheet maintained by this office at the end of each quarter. This reconciliation is to be done quarterly.

To have a systematic and scientific way of maintenance of Broad Sheet, the first stage of reconciliation should be done monthly in the first half of the Broad Sheet and second half of the Broad Sheet should be utilised for the second stage of verification to be done quarterly.

For the purpose of this second stage of verification, the quarterly figures as per accounts may be indicated in the first line of the Broad Sheet. Below this line, the figures intimated by the Head of the Department should be noted in the Broad Sheet and the difference between the two sets of figures should be worked out at the end of each quarter in the manner indicated below.

Credits:-

Total figure at the end of the quarter as per accounts	OB	Quarter ending June	Quarter ending September	Quarter ending December	Quarter ending March	Interest for the year	Total credit
Total figure as intimated by Heads of Departments in quarterly/annual statements							
Difference							

Similar columns should be opened for the debit side also and the difference between the two sets of debit figures should be similarly worked out.

Separate sheets should be set apart at the end of the Broad Sheet to indicate action taken for the difference at the end of each quarter and for reconciliation of this difference.

The entries of figures in the second part of the Broad Sheet should be attested by the sectional superintendents with reference to the quarterly statements and the first part of the Broad Sheet.

Similarly, separate Sheets should be set apart at the end of the first half of the Broad Sheet to indicate action taken for the reconciliation of differences at the end of the each month. The first part of the Register should be closed monthly and the second part should be closed quarterly along with monthly closing of the first part and the Broad Sheets should be submitted to the Branch Officer very month on the due dates fixed for submission of Broad Sheets for the monthly accounts. The due dates of the closing of this Broad Sheets should be watched through the Calendar of Returns.

[Based on Government of India, Ministry of Finance letter No.-F-52(9)-EV/60 dt.27.06.70 received with C.A.G's Memo No.-1958-Admn-III/80-60 dt.02.09.60 and CAG's letter No.-1369-Admn-III-80-60 dt.07.07.60 and A.G's orders dt.01.08.70 on the notes in File F.M Class-IV Government servant 1969-70]

Completion of incomplete Provident Fund Accounts (Central and State) on the basis of collateral evidence by operating the suspense head "Provident Fund Suspense".

1043. (i) According to the instructions of the Comptroller and Auditor General of India received from time to time the incomplete Provident Fund Account of the Central and State subscribers should be completed on the basis of documentary collateral evidence by adjustment of the missing credits and debits in the individual subscriber's Account by debit/credit to the Head "T-Deposits and

advances Part-IV-“8658-Suspense Account”-Provident Fund Suspense” in the manner detailed below.

When the account is not being closed finally owing to quittal of Government Service etc. and the missing credits/debits to be so adjusted relate to the period of over 3 years immediate preceding to the year in which such adjustment is proposed to be carried out; and when the subscriber’s account is to be closed finally owing to quittal of Government Service etc. irrespective of the period to which the missing transactions relate.

Note- In partial modification of CAG’s letter No.-2536-TA-II/335-67 dt.19.10.68, it has been decided that adjustment of Missing Credits/Debits by collateral evidence may be resorted to if they relate to a period not later than the year for which the annual account statement has been issued to the subscriber. The adjustment will be subject to the other conditions and procedures prescribed in this regard in the C.A.G’s letter dated 19.10.68 noted above.

[Based on C.A.G’s letter No.-1428-TA-II/273-72 dt.18.08.73 Dy-FM-8-14-CAG-20 of 73-74]

- (ii) Before the above adhoc adjustment of credits/debits of Provident Fund Accounts of the subscribers is carried out in respect of the above two categories of missing credits/debits of the above two categories of missing credits/debits the following procedure should be adopted as a standing arrangement.

The particulars of missing credits/debits in P.F accounts of the subscribers under the audit control of this office should be promptly called for by the concerned P.F section from the Drawing & Disbursing Officers in Form No.-FM-26 receipt of the particulars of credits/debits and the required certificates from the Drawing & Disbursing Officers in the above form. The same should be thoroughly scrutinised by the concerned P.F Section with reference to the

schedules, D.R. Sheets and the explanation sheets of respective months with a view to linking up the missing credits/debits. If the attempt fails the particulars of missing credits/debits and the certificate obtained from the Drawing & Disbursing Officers in Form-FM-26 will act as documentary collateral evidence on the basis of which adhoc adjustment of missing credits/debits will then be carried out. After ensuring that the missing transactions are not traceable in those records the cases should be submitted to the Deputy Accountant General (Funds) for personal approval of the proposal for operating the suspense head 'Provident Fund Suspense' in order to afford credits/debits to the subscribers Account. The Deputy Accountant General (Funds) will pass orders after satisfying himself internally that the lists of unposted items have been duly checked to ensure that the relevant credits, debits can not appear in the Explanation Sheet. After the orders are passed by the Deputy Accountant General (Funds) the P.F Suspense should make the adjustment by credit/debit to the subscriber's Account under "S-Unfunded debt, State Provident Fund-GPF per contra debit/credit to "Provident Fund Suspense" under the major Head "Part-IV Suspense" under sation T-Deposits and advances by a transfer entry.

In cases where the missing items could neither be traced in the accounts nor adjusted with reference to any of the recognised procedure of collateral evidence enunciated in the two sub-paras above, the Accountant General may after having personally satisfied himself that the adjustment of the missing credits on an adhoc basis with reference to an affidavit from the subscriber is justified as it is the only way of completing the accounts of the subscriber approach the Government concerned direct for sanction for adjustment of the missing credits as such.

In respect of subscribers whose P.F credits/debits are received from other Account circle the particulars of missing credits and debits should however be promptly called for from the other Accountant General in Form No.-27 and the same procedure as indicated in the above sub-paragraph is to be allowed before

T.E is prepared by the P.F Section maintained the P.F account of he subscriber effecting P.F suspense. He should thereafter pursue with the Accounts Officers for locating missing credits/debits for ultimate clearance of the suspense head. The Accounts Officer of the other Audit circle will be responsible for locating credit/debit and affording the same to the Accountant General maintaining P.F account of the subscriber as expeditiously as possible.

Note- Subject to fulfillment of requisite conditions, Branch Officers of Provident Fund Sections may be permitted to approve the adjustment up to a limit of Rs.3000/- in each case at a time on the basis of documentary collateral evidence. The cases involving adjustment of amounts exceeding Rs.3000/- will be approved by Group Officer. Before making adjustments, the Branch Officer or Group Officer concerned should inter alia satisfy himself/herself that the list of unposted items have been duly verified to ensure that relevant items do not appear therein. Such powers shall be invoked sparingly and after all efforts to trace the Missing Credits have failed.

[Based on Headquarters General Circular No.-2-06/Accounts circulated vide letter No.-147-AC-II/290-2004 dated 20.04.2006. Dy. No.-FM/CAG-2/28.04.2006. File in FM/1-6/2006-07]

- (iii) A report indicating the following particulars in respect of Missing Credits/Debits adjusted in the manner detailed in the above sub-paras so on the basis of the affidavit from the subscriber on the basis of the collateral evidence under the orders of Deputy Accountant General (Funds) should be sent to Fund-18 Section on the 1st day of every month for consolidation of the report and submission to the Accountant General on the 5th of every month. The due date should be entered in the Calendar of Returns of all Fund Sections including Fund-18. The month which the report is “NIL” a “NIL” report should be sent to Fund-18 Section.
- a) Sl. No.
 - b) Name of the subscriber.
 - c) Account No.

- d) (i) Amount adjusted on the basis of collateral evidence (credits/debits).
(ii) Amount adjusted on the basis of affidavit from the subscriber and sanctioned by the Government for adjustment.
- e) Month of which the credits/debits pertain.
- f) Reasons for delay in making regular adjustment.
- g) Nature and particulars of collateral evidence on which the adjustment is made.

[Based on C & A.G's circular No.-889-A-I-236/59 dated 16.06.59 (Dy-Fd-I-8-14-2463), No.-227-Admn-III-236A-I/59 dated 07.12.59 (Dy-Fd-I-8-14-9087) No.-1014-A-I-236/59 dt.10.07.59 (Dy-Fd-I-8-14-3508) No.-707-Admn-II/138-63 (KW-II) dt.27.04.63 (Dy-FM-I-10-1715) No.-1238-Admn-III-13-60 dt.18.06.60 (Dy-Fd-I-8-14-2282), No.-3603-T-Admn-II-364-66 dated 21.11.66 (Dy-Fd-I-8-14-56) No.-166-Tech-Admn-II/91-67 dt.06.07.67 (Dy-FM-CAG/67-68-22) No.-2536-Tech-Admn-II-335/67 dated 19.10.68 (Dy-Fd-8-14-49/68-69) and G.O.F.D letter No.-FF-17/60-19014/F dated 31.05.1960 and 31390/F dated 25.09.63]

Note-1 Notwithstanding the fact that the instructions contained in para 1043 are silent about the missing debits, the intention has all along been that the missing debits as well as missing credits could be adjusted on the basis of collateral evidence. These instructions should therefore mutatis mutandis be followed in the case of missing debits also.

[Based on CAG's letter No.-707-Admn.-11/138-63 (KWII), dated 27th April 1963 (Dy.Fd-I-1-10-1715). This has also been agreed by the 31390/F, dated 25th September 1963, Dy. Fd-I-8-14-4736]

Note-3-(b)- When the originating Accountant General expresses his inability to furnish full details of exchange settlement account particulars due to the fact that the records for old periods are not easily traceable in his office though he is able to furnish a certificate that the debits/credits were actually passed on through respective accounts it has been clarified by the Comptroller and Auditor General of India that the most important thing is to ensure that recovery was actually made from the subscriber and was passed on to the

Accountant General concerned. A clear certificate about recoveries having been actually made and passed on from the originating Accountant General maybe treated as sufficient collateral evidence for the adjustment of missing items on adhoc basis.

[Based on C.A.G's letter No.-562-Tech-Admn-II/91-67 dt.30.03.73 Dy-FM-8-14-CAG-2 of 73-74]

Note-3-(c)- A question has been raised whether in case of subscriptions and in other accounting circles missing credits in the subscriber's Fund Account can be allowed to be adjusted on adhoc basis if the fact of deduction is certified/countersigned by the originating Accountant General without insisting up on the certificate of credits having been actually passed on by him through respective accounts.

It has been decided that with a view to avoid undue delays in the completion of subscriber's accounts it will be sufficient of the fact of deduction is certified/countersigned by the originating Accountant General for carrying and in adhoc adjustment in the cases of the above category. The usual procedure for clearance of "Provident Fund Suspense" only after obtaining full particulars of Exchange/Settlement accounts will, however, continue to be followed.

[Based on C.A.G's letter No.-1170-TA-II/91-67 dt.15.07.74 Dy-FM-8-14-CAG-11 of 74-75]

Note-3-(d)- The adjustment of Missing Credits/Debits involving Exchange/Settlement Accounts, are made in the subscribers Account on the basis of collateral evidence by operation of "P.F Suspense". It will be necessary for the Originating Accountant General to furnish expeditiously the details of the Exchange/Settlement Accounts to the Adjusting Accountant General to enable the later to trace the relevant items in his accounts and to clear the P.F Suspense in his books.

[Based on C & A.G's letter No.-693-TA-II/91-67 dt.26.04.75 (FM-Dy-8-14-CAG-34)]

Note-3-(e)- The adjustment of Missing Credits/Debits in the subscriber's Provident Fund Accounts involving Exchange/Settlement Accounts, were hitherto allowed by the Adjusting Accountant General on the basis of details received some delay and caused hardship to the subscribers, it has been permitted by the Comptroller and Auditor General that such adjustments can be effected in Final Payment cases only on the basis of certified details of recoveries furnished by the Drawing & Disbursing Officers also even if the Drawing & Disbursing Officers was functioning under the audit control of a different Accountant General.

[Based on C & A.G's letter No.-112-T.A-II/91-67, Vol-II, dated 22.01.76 (Dy-FM-C & A.G-53)]

Comptroller & Auditor General's Decision

The question regarding the treatment to be given to the balances that may ultimately remain under the head "P.F Suspense" has been under consideration of the Comptroller & Auditor General. The Comptroller & Auditor General, has ordered that in dealing with such cases the instructions in the sub-para (Para-3 of Comptroller & Auditor General's Circular, dated 16th June 1959) should be strictly observed. If after the Accountant General has made all attempts to trace the amounts and has failed, he should explain in detail the efforts made to trace amounts and that in his opinion there is no possibility of tracing them due to the "Age" of the items or for other reasons and there is no likelihood of the amounts having been misappropriated. Each case, will then be considered on its merits to set if the same could be traced as one arising out of accounting error and the amount written off to "miscellaneous Government Account" under Article 53 of the Account Code, Volume-I.

[Based on CAG's letter No.-298-Admn-111/13-60 (ii), adted 25th February 1961 received with Accountant General, Orissa, letter No.-TM-BO-Fd-2907, dated 8th March 1961 (y-Fd-I-1-10-13165)]

- (iii) In order to watch the clearance of items kept under “P.F Suspense” in the Central and State Sections Suspense Broad Sheets should be maintained by each Auditor separately for each Department and the following due dates for their submission should be observed.
- (a) Monthly scrutiny by the Internal Audit Section- 5th of every month.
- (b) Monthly review by group D.A.G- 7th of every month.
- (c) Three monthly review by A.G.- 10th of January/April/July/October.

[Based on orders of Deputy Accountant General, dated 23rd July 1959 and 4th June 1960.]

- (iv) The half-yearly return regarding the balance under “P.F Suspense” as referred to in sub-para. I should be sent to the Comptroller & Auditor General of India in the following form :-

Statement showing the Balance under “Provident Fund Suspense” outstanding at the end of the Half-Year ending

Amount lying under suspense at the end of the last half year ending	Amount added during half year ending	Amount cleared during the half year ending	Balance outstanding at the end of half year ending
(1)	(2)	(3)	(4)

Amount lying under suspense for over six months	Steps taken to clear the Suspense Head
Particulars of credits i.e. the amount and the period to which these relate and the month in which these were adjusted to the head “P.F Suspense” on the basis of	

collateral evidence.	
(5)	(6)

[Based on CAG's letter No.-1239-Admn.-III/219-60, dated 15th June 1960 (Dy.Fd-I-8-14-2285).]

(v) In respect of the Missing Credits in the Fund account of a subscriber who is under the Audit control of an office different from the one where his fund account is maintained, the adjustment to the head "P.F Suspense" should be made by the Accountant General maintaining the P.F Accounts. He should thereafter pursue with the Accounts Officer concerned the question of locating the credit and affording it to him so that the suspense head would be cleared. The Accounts Officer under whose audit control the subscriber is working will on the other hand be responsible for locating the credit and affording it to the Accountant General maintaining the P.F Account of the subscriber as expeditiously as possible.

[Based on CAG's letter No.-1238-Admn.-111-13-60, dated 18th June 1960 (Dy.Fd-1-8-14-2282)]

Clearance of items kept on P.F. Suspense.

1044. The adhoc adjustment of credits/debits to the Head of 'P.F.Suspense' made as per Paragraph-1043 above on the basis of collateral evidence and affidavit from the subscriber as sanctioned by Govt. for adjustment should be watched monthly by P.F Sections responsible for such adjustment through the suspense Broad Sheet in form No.-MSO(T)-129 for eventual clearance. Separate Broad Sheet should be maintained for each Group by each P.F Section and consolidated Broad Sheet in Form No.-M.S.O (T)-129 should be also maintained by the General Broad Sheet keeper and closed monthly. In order to clear the amounts from 'P.F Suspense' each suspense item should be got the examined by the Internal Audit Section every month to ensure that the action taken by the Section to trace out the missing

Credits/Debits is adequate. For this purpose the suspense Broad Sheet should be submitted to the I.A.D and also to Deputy Accountant General (Funds) and the Accountant General with the remarks of I.A.D Section on the following dates.

The due dates should be observed through the Sectional Calendar of Returns.

1.	Monthly scrutiny by I.A.D	5 th of every month
2.	Monthly review by DAG (Funds)	7 th of every month
3.	Three monthly review by A.G	10 th January/April/July/October

If all the attempts to trace out the Missing Credits/Debits fail within a period of 4 months from the date the items were kept under 'P.F. Suspense' and that in the opinion of the concerned P.F Section there is no possibility of tracing them out due to the 'Age' of the items or for other reasons and there is no likelihood of the amounts having been misappropriated, each case will then be considered for write off to the head 'Miscellaneous Government Accounts' in accordance with provisions contained in Article-53 of the Account Code Vol.-I. As to the Missing Credits/Debits relate to other accounts circles, the cases are to be pursued with the Accounts Officer of these circles in the manner detailed in Sub-para (ii) of Para-1043.

(ii) The power to sanction write off from the head 'P.F. Suspense' can be exercised by the Senior Deputy Accountant General/Accountant General to the following extent.

Senior Deputy Accountant General (TAD)	Amounts not exceeding Rs.100/- in each case
The Chief Pay & Accounts Officer of Works Housing & Supply & Controller General, Defence Accounts	Amounts not exceeding Rs.500/- in each case
Accountant General	Rs.5000/- per case subject to condition that details furnished by the P.F Group are verified independantly by I.T.A (T.A.D)

	(Based on C.A.G's letter No.-327-AC-II/28-87 dt.10.05.93, Dy-FM-CAG-7 dt.05.10.93)
Comptroller & Auditor General	Amounts exceeding Rs.1000/- in each case

The cases to be written off by Senior Deputy Accountant General/Accountant General should first be got thoroughly examined by I.A.D and a report of their examination should be obtained. If the I.A.D agrees to the write off, the cases should be submitted to Senior Deputy Accountant General (T.A.D) with I.A.D's acceptance through the Deputy Accountant General (Funds) for approved to the write off giving full details of each case to enable Senior Deputy Accountant General/Accountant General to satisfy himself that :-

- (a) A dead end has been reached and the write off is unavoidable and ;
- (b) The error is of book keeping only.

After orders are passed by Senior Deputy Accountant General for writing off the amount from 'P.F Suspense' to 'Miscellaneous Government Account' necessary transfer entry should be made by the concerned section by credit/debit to 'P.F Suspense' by Central/debit/credit to 'T-Deposits & advances-Part-IV-Suspense-suspense amount-Miscellaneous Government account and a note of the write off should be kept in the Broad Sheet of P.F Suspense against the relevant entry. On the 20th o April, July, October and January the P.F Sections should send quarterly report of write off in the following form No.-FM..... to Fund-18 Section for consolidation and submission of a consolidated report to Accountant General on the 25th of April, July, October and January each year. The due dates should be observed through the Calendar of Returns of Fund Sections concerned including Fund-18 Section.

Form No.-F.M.....

Quarterly Report of Amounts written off by Senior Deputy Accountant General/Accountant General from 'P.F Suspense' to Misc. Government Account 'Quarter ending'

Sl. No.	Name of the Subscriber	P.F A/C No.	Amount written off	Month(s) to which the Credit/Debit relate	Date of order of Sr. DAG/AG writing off the amount	Reasons for write off

Certified that,

- a) The amount written off has been got thoroughly examined by I.A.D.
- b) The Senior Deputy Accountant General/Accountant General has personally satisfied that a dead end has been reached and the write off is unavoidable.
- c) The error is of book-keeping only.

Branch Officer

Fund..... Section

The cases of amounts under P.F Suspense up to Rs.1000/- are to be written off by the Accountant General and the procedure enumerated in Sub-Para (ii) above should be followed for submission of the case for write off and eventual adjustment. A report in the same form F.M..... is to be sent to Fund-18 Section half yearly by 20th April and October each year. This Report should include also the amounts written off by the Senior Deputy Accountant General during each of the half years. A consolidated report is to be prepared by Fund-18 Section for submission to the Comptroller and Auditor General of India along with the half yearly report on the balances outstanding under 'P.F Suspense' as dealt with in Para-1045 below.

[Based on C & A.G's letter No.-298-Admn-II-13/60 dt.25.02.1961 (Dy-Fd-1-1-10-13165) C & A.G's letter No.-1647-TA-1/1059-66 dated 19.07.1968- O&M/14-MO dated 09.09.70 (Dy-FM-1-10-CAG-27 of 9/70 and No.-260-O.M/C-4/DD(TA)/69 dated 02.11.70 and orders of A.G dated 25.01.1971]

Note- The powers of Sr. Deputy Accountant General (TAD) to write off P.F Suspense can also be exercised by the Deputy Accountant General (Funds) In-Charge of Fund Group so long as the later Group is under the supervisory charge of Deputy Accountant General.

[Based on orders of Accountant General dt.08.08.78 in the File of FM-12-22/78-79 at P-1/6-7N]

Half-yearly report to Comptroller and Auditor General on the balances outstanding under P.F Suspense and on the balances outstanding under P.F Suspense and on amounts written off from the head 'P.F Suspense' under orders of Sr. Deputy Accountant General/Accountant General.

1045. The items kept under P.F Suspense should ordinarily be cleared within a period of 4 months. If, however, by any chance any item remains under the said head for over six months a report of such items for the half year ending 30th September/31st March should be sent to the Comptroller and Auditor General of India so as to reach his Office by 10th November/May each year. The half-yearly report should be prepared by Fund-18 Section separately for the adjustments "on the basis of collateral evidence etc." and "on the basis of affidavit from the subscriber as sanctioned by the Government for adjustment" on receipt of the statements from the P.F Sections as required under Para-1044 *ibid*. The report to be submitted to the Comptroller and Auditor General shall be prepared in the following form.

Statement showing the balances under P.F Suspense outstanding at the end of the year ending.....

Amount lying under Suspense at the end of the last half-year ending	Amount added during half-year ending	Amounty cleared during half-year ending	Balance outstanding at the end of half-year ending
(1)	(2)	(3)	(4)

Amount lying under Suspense for over six months: Particulars of Credits/Debits i.e., the amount and the period to which these relate; and the month in which these were adjusted to the head 'P.F Suspense' on the basis of collateral evidence	Steps taken to clear the Suspense head

Certified that :-

- 1) The totals of the amounts of Credits/Debits outstanding in the Broad Sheet of 'P.F Suspense' agree with the corresponding figures in the ledger.
(N.B- Where, however, the certificate of agreement can not be furnished due to difference between ledger balance and the balance in the Broad Sheet of P.F Suspense, the extent of difference together with the steps taken to settle it should be furnished in the statement.)
- 2) The items outstanding under the ahead "P.F Suspense" have been reviewed in accordance with the instructions contained in para-3 of C & A.G's circular letter No.-889-A-I/236-50, dated 16.06.1959.

Besides, only month wise and year wise details of the items outstanding under "P.F Suspense" for over six months should be indicated in Column-5 of the above statement.

[Based on C & A.G's letter No.-1239-Admn-III-291-60, dated 15.06.60 (Dy-Fd-I-8-14-2285), No.-419-T-Admn-II/77-69 dated 18.02.69 (Dy-FM-8-14-C&AG-80), No.-513-Tech-Admn-II-77-69, dt.06.05.69 (Dy-FM-8-14-CAG-86)]

Quarterly Report due to Comptroller & Auditor General on the outstanding cases of Final Payments of Provident Fund balances.

1045.A- A report on the outstanding cases of final payments of Provident Fund balances should be sent to the Comptroller and Auditor General of India quarterly in January, April, July and October each year. The report should be submitted in the following form- Due date should be observed through the Calendar of Returns of the Fund Sections.

Report on the outstanding cases of Final Payments of P.F balances for the quarter ending- (Form prescribed by C & A.G attached in separate sheets)

(ii) The final payment cases of the Central Government Servants other than those of Indian Audit Accounts Department, in which defective and incomplete applications have been forwarded by the departmental authorities should be reported to the Ministry of Finance by the Accountant General quarterly in January, April, July, October each year so that the Ministry of Finance may take up the matter with the Administrative Ministries for suitable deterrent action. each case included in this report should be sufficiently detailed indicating inter alia the particular defects noticed in the P.F applications, the particular rule(s) or instructions which had not been complied with by the departmental authorities. If in a quarter there are no such cases to be reported to the Ministry concerned nil report, need not be sent to the Ministry in that quarter.

A certificate to the effect that a report has been sent to the Ministry of Finance should be recorded in the quarterly report sent to Comptroller and Auditor General on outstanding cases of final payment of P.F balances. In the case of 'NIL' report an indication to the effect that the report in question was 'NIL' should be given in lieu of the prescribed certificate.

The cases in which the defective and incomplete applications have been forwarded by other offices of the I.A & A.D should be reported to the Comptroller and Auditor General every quarter in January, April, July and October.

[Based on C & A.G's circular letters No.-2449-Admn-I-354-56, dt.08.12.56, No.-415-Admn-II-218-60, dt.15.03.63, No.-404-Tech-Admn-II-568-65, dt.21.02.66, No.-1232-Tech-Admn-II-568-65, dt.09.06.66, No.-1025-Admn-II/278-70, dt.11.06.70 (Dy-FM-Arr-Rep-F.P-CAG-11)]

1046.Pledging of retirement benefits

Added vide CS No.13 (Missing)

1047.Accounting procedure with CRRI is available in Apendix-N

Procedure for the accounting and refund of erroneous recoveries to Provident Funds

1048. (i) Erroneous recoveries of subscriptions to Provident Funds which are of the following types should be dealt with in accounts as follows.

(a) Excess Payment of subscriptions to the Fund:-

These may be got adjusted in accordance with the note below para 393 of M.S.O (T) Vol-I by deductions from the subscription in the subsequent month, wherever possible, under intimation to the subscriber and Head of Office. The final settlement of such recoveries should be watched through the Objection Book.

b) Unauthorised subscriptions in cases where a subscriber continues to subscribe to a Provident Fund beyond the date up to which he is eligible to subscribe.

These should be adjusted in the concerned subscriber's account with the indication that these are 'unauthorised' and should be paid at the time of final settlement of accounts, (unless requested for earlier by the subscriber) but without interest. The fact that the subscriptions are being erroneously made should however invariably be made known to the subscriber/Drawing Officer as soon as they come to notice and they should be advised to stop the subscription forthwith.

(c) Unauthorised subscription in cases where the Government servant is not eligible to subscribe to a Provident Fund:

These would appear as unposted items in the Explanation sheets and their settlement would along with other unposted items be watched through these records. Whenever these are refunded to Government servants concerned, the relevant unposted items in the Explanation sheets should be linked properly.

(ii) Unauthorised subscriptions to Provident Funds should not be adjusted under “LII-Misc.” as such recoveries are not in the nature of the revenue of the Govt. Such recoveries should be credited to the relevant Provident Fund Head of Account.

(iii) No interest is admissible on unauthorised subscriptions and such subscriptions will not enjoy immunity from attachment.

(iv) Unauthorised recoveries remaining unclaimed for over 2 years should be transferred to unclaimed deposits and thereafter to “Revenue” only in cases where the whereabouts of the Govt. servants concerned are not known. Before transferring such amounts to “unclaimed deposits” an officer of the rank not less than the Deputy Accountant General should personally satisfy himself in this regard.

[Based on Comptroller and Auditor General’s letter No.-2950-TA-II/392-67 dated 23.11.1967 to Accountant General, Madras, Copy received with No.-2951-TA-II/392-67 df even date-DY-FM-8-14-CAG-57]

Extent of review of Provident Fund Accounts at the time of authorised final payments or transferring accounts from one accounts from one account circle to another.

1049. The following procedure has to be followed at the time of authorizing final payments or transferring the accounts from one account circle to another.

- (i) The individual subscriber's accounts for the year in which the event necessitating its closure occurs and five years immediately preceding that year should be reviewed in detail;
- (ii) The accounts for the remaining years should be generally reviewed in order to see that the balances have been correctly carried forward from year to year;
- (iii) If in the course of the above mentioned reviews serious discrepancies/mistakes are noticed in a particular account that account may at the discretion of the Deputy Accountant General In-Charge of Fund Section be thoroughly checked ab-initio;
- (iv) The 'Registers of Missing Credits' and 'Explanation Sheets' should be gone through in order to ascertain the credits/debits missing in the accounts and to adjust any items remaining unposted as far as possible before the available balance is authorised or the account is transferred.
- (v) The balance in the ledger account should be tallied with that worked out in the Broad Sheet. If, however, the proving and squaring of Broad Sheets is in arrears, the Ledger Accounts should be reviewed up to the year, the Broad Sheet is in arrears.
- (vi) While deciding the period up to which the individual subscriber's account should be reviewed in cases mentioned in clause(3) above, the Deputy Accountant General should inter alia see whether any administrative action is necessary for failure if any, on the part of the officials concerned in exercising the prescribed checks.

[Based on Comptroller & Auditor General's letter No.-125-Tech-Admn-II/159-67, dt.16.01.68-Dy-FM-1-10-CAG-65]

List of approval Diploma/Degree Courses in various fields of Engineering & Technology, Architecture & Town Planning etc. in India for which P.F advances/withdrawals are permissible.

1050 It has been clarified by the Government of India that the following courses in India should be treated as technical in nature for the purpose of granting advances/withdrawals

from General Provident Fund and Contributory Provident Fund provided that the course of study is not less than 3 years duration and is beyond high school stage.

(a) Diploma courses in the various fields of Engineering & Technology e.g., Civil Engineering, Mechanical Engineering, Electrical Engineering, Tele-communication/Radio Engineering, Metallurgy, Automobile Engineering, Textile Technology, Leather Technology, Printing Technology, Chemical Technology etc. conducted by recognised technical institutions.

(b) Degree course in the various fields of Engineering and Technology e.g., Civil Engineering, Mechanical Engineering, Electrical Engineering, Tele-Electrical Communication-Engineering and Electronics, Mining Engineering, Chemical Technology, Textile Technology, Leather Technology, Pharmacy Ceramics etc., conducted by Universities and recognised technical institutions.

(c) Post-Graduate courses in the various fields of Engineering and Technology conducted by the Universities and recognised institutions.

(d) Degree and Diploma course in Architecture, Town Planning and allied fields conducted by recognised institutions.

(e) Diploma and Certificate courses in Commerce conducted by recognised institutions.

(f) Diploma courses in the Management conducted by recognised institutions.

(g) Degree courses in Agriculture, Veterinary Science and allied subjects conducted by recognised universities and institutions.

(h) Courses conducted by Junior Technical Schools.

(i) Courses conducted by Industrial Training Institutions under the Ministry of Labour & Employment (DGE. & T).

(j) Degree and Diploma courses in Art/Applied Art and allied subjects by recognised institutions.

(k) Draftsmanship courses by recognised institutions.

(I) Medical courses.

[Based on Government of India, Ministry of Finance (D.E) O.M No.-F-33(16)-EV/68, dt.27.07.68, received with CAG's letter No.-1223-Audit/III-68, dt.03.08.68-Dy-FM-1-10-CAG-39]

Periodical reports on the Review of balances

1051 It has been decided by the Comptroller and Auditor General of India that the position of the outstanding Provident Fund acceptances need not be included in the Part-III of the proforma for the "Periodical Report showing the outstanding balances under suspense and Remittance heads and difference between ledger and Broad Sheet balances in respect of debt, deposit and Remittance heads" which is required to be furnished to Comptroller and Auditor General as per para 485 of M.S.O (T) Vol.-I.

Form of Selection Register for review of postings in the ledger by Examiners and Superintendents

Form of Selection Register for review of postings in the ledger by Examiners and Superintendents.

1052 A Selection Register relating to the percentage selection of review of posting in the Ledgers by the Examiners and the Superintendents to the extent prescribed in serial 16 of para 8 of the Memorandum of Instructions issued by the C.A.G should be maintained by each section in the form indicated below.

While making selection, the Branch Officer should put his dated initials below the month concerned against the ledger volume to indicate the ledger selected for the above month for review of postings. He can mark "Ex" above his initials to indicate selection made for the Examiners and "S" to indicate selection made for the Superintendent. It should, however, be ensured by the Branch Officer at the time of selection that every depositors account is selected at least once a year. Selection may be made ledger volume wise. To calculate the number of ledgers to be selected 10 of the total No. of leave

accounts during the month as worked out on the Review Sheet, should be taken in to account.

It has been decided by Comptroller and Auditor General vide his letter No.-1187-T-Admn-11/331-67 dt.03.06.70 that the selection of 5 per cent review to be done by the Superintendents should be made from accounts not selected for examiners check.

FORM

Selection of Register for review of postings on the P.F Ledgers by the Examiners and Superintendents

Sl.No. of the ledger	Total No. of Leave Accounts	April	May	June	July	August	September	October	November	December	January	February	March

Review Sheet

1. Grand total of all Leave Accounts in all the Ledgers.
2. No. of Leave Accounts selected @ 10% for the Examiners review.
3. No. of Leave Accounts to be selected @ 5% for Superintendents review.
4. Dated initials of Superintendent of the Section.
5. Dated initials of Branch Officer in token selection.
6. Date of completion of review by Examiner and his initial.
7. Initial of Superintendent.
8. Initial of Branch Officer.
9. Date of completion of Review by Superintendent.

10. Initial of Superintendent.
11. Initial of Branch Officer.
12. Date of submission of Review Register to D.A.G.

[Based on D.A.G's Orders dt.01.05.70 on file F.M-Gen-Misc of F.M Section and F.M Circular No.-118 dt.25.05.70.]

1053 In order to keep a systematic watch over Special Seal Authorities received from other Accounts circles. A "Special Seal Authority Register" should be maintained in the following form.

Dy. No. & date of receipt	Spl. Seal Authority No. & Date	By whom issued	Name of the subscriber and his P.F account No.	Amount of S.S.A	Purpose
(1)	(2)	(3)	(4)	(5)	(6)

To whom authority is issued	Initials of auditor	Action taken. Letter No. & date with which incomplete SSA returned	No. & date of authority of this office	Initials of Supdt.	Initials of B.O
(7)	(8)	(9)			

T.V No. & date of drawl	Months Exchange OSS A/Cs in which the debit is included indicating letter & total amount of A/Cs	Remark	Initials of Supdt.
(10)	(11)	(12)	(13)

The Register may be titled as follows "Register of Special Seal Authorities" for P.F payments received from other Accounts circles.

Procedure for the maintenance of Special Seal Register

All Special Seal Authorities should be diarised in this Register first by the F.M Section and the concerned Auditor will complete all columns before he puts his initials in the Register in token of receipt of the authorities. These authorities should be kept under lock and key. At the time of putting up disposal, action taken should be indicated in the respective columns and should be attested by the Superintendent. On passing the authority for payment Branch Officer should also attest the entry in the Register.

One extra copy of the authority so issued may be marked to Account Current Section with a request to furnish the T.V No. and date, months exchange/ISS accounts, the items of Exchange/ISS accounts and the total amount of the accounts in which the debit was included to enable F.M Section to maintain the register properly. After issuing authority the item may be cancelled from the register with the initials of Superintendent. Information to be received from Account Current Section may be incorporated in the register subsequently.

The Register should be closed fortnightly and submitted to Branch Officer on 1st and 15th of each month. The Register should also be submitted to D.A.G once in a month on 15th. The closing and submission of this Register may be watched through the Calendar of Returns.

[Based on DAG's Orders dated 01.05.70 on F.M file Gen-Misc and F.M Circular No.-119 dt.20.01.70.]

Mode of deposit of G.P.F subscription in respect of the State Government employees sent on deputation to Foreign Service

1054 It has been decided by the Government of Orissa that the procedure of direct deposits of G.P.F subscriptions in to the Treasuries through chalans in respect of the State Government employees sent on deputation to Foreign Service, should be discontinued and instead such subscriptions should be remitted to the Audit Office by Bank Drafts and where this is not possible by means of cheques on the State Bank of India.

[Based on G.O.F.D O.M No.-GPF-13/72-8319 dated 08.03.72 (Dy-FM-I-37-747)]

1055.Opening of Fund Monitoring Section of in Fund Group

In order to ensure speedy disposal and proper monitoring of Final Payment cases and to offer timely service to subscribers in accordance with Right to Information Act, it is necessary to open a Fund Monitoring Section comprising of I.S.O/AAO, 6 Accountants/Sr. Accountants, 2 Clerks/DEOs and one Record Keeper where Final Payment application will be received first and scrutinised. The main function of the Section is given below.

- 1) Receive the Final Payment applications in Record-III Section/direct from PSA/DDO etc. and deliver the same to F.M Section twice daily.
- 2) Scrutiny of Final Payment applications against check list.
- 3) Return of incomplete applications.
- 4) Requisition for Ledger Cards and status prints for complete applications with directions to Fund EDP/Library to send the documents to the respective Final Payment Section.
- 5) Sending of complete applications check list to the concerned Sections with a copy of requisition to Final Payment Section.
- 6) Recording disposal of Final Payment cases (after obtaining information weekly from Final Payment Sections).

The following procedure may be followed to perform the above functions.

- 1) Final Payment applications shall be received from Record-III Section daily. They can be also given direct to Fund Monitoring Section.
- 2) The Final Payment application shall be diarised in computer and handed over to the Dealing Assistants the same day, along with a track sheet.
- 3) The Dealing Assistant shall scrutinise the application and the attached documents and prepare a check list and a track in each case.
- 4) Then the Dealing Assistant shall prepare requisition for Ledger Card & status prints in respect of complete application and send those to Fund Library and EDP (GPF) respectively. The record Keeper will deliver requisitions/Final Payment

applications to Fund (Lib)/EDP/F.P Sections twice daily. The Dak Khata of Fund Monitoring Section will not be left behind in any Section & therefore all Final Payment/EDP/Fund (Lib) Sections will receive the documents from the Record Keeper or DEO of Fund Monitoring Section directly on the spot as and when the Record Keeper or DEO visits the Section. AAO of Final Payment/EDP/Fund (Lib) I/c will be responsible for ensuring this. He will also ensure that all applications received in Record have been checked on the same day.

At 5.30 P.M every day AAO/SO F.M will scrutinise Dak Khata to ensure that all documents have been received by Final Payment/EDP/Fund (Lib) Sections.

- 5) The incomplete applications shall be returned the next day after receipt by Dealing Assistant in the prescribed Proforma. The check list, track sheet and the office copy of return memo in respect of return applications may be preserved in Fund Monitoring Section in a file in order of their diary numbers.
- 6) Fund Library & EDP (GPF) shall supply the documents to the respective Final Payment Section in terms of IAD Circular No.-99(D) dated 08.08.2005.
- 7) Fund Monitoring Section shall transmit the cases to concerned Section with a check list, a copy of the requisition within 2 days to Final Payment Section (including the day of receipt) of receipt in the Section.
- 8) After finalising the case, all Fund Sections will send a list of final action to Fund Monitoring Section, which will be recorded in the diary of Fund Monitoring Section.

The Section Officer of Fund Monitoring Section will be personally responsible for monitoring daily progress of work. Fund Monitoring Section shall maintain the diary section wise and shall close the diary regularly, and put up to Branch Officer every week and to Deputy Accountant General (Funds) every month as per the existing provision.

Section/Group wise report on monthly return of applications and applications sent to Fund Sections may be submitted to Deputy Accountant General (Funds) on 25th of every month showing the receipt from 22nd of previous month to 21st of current month in the following Proforma.

Name of the Section	No. of application received	No. of application returned	No. of cases sent to the Section	No. of applications pending	No. of applications out of 3 & 4 delayed beyond 5 days of receipt in the Cell
1	2	3	4	5	6

The Final Payment cases received from Fund Monitoring Section up to 21st of the month shall be disposed off within 30th/31st of the same month as per F.M Circular No.- 575 dated 07.05.2004.

Branch Officer,/FM Section shall look after the charge of Fund Monitoring Section.

These orders shall be effect from the date of approval of Accountant General.

(F M Circular No.591 Date: 09-12-2005.)

1056.Opening of Review Cell

A Review Cell shall be formed in Fund Group to perform the following functions:

- (1) The Cell should obtain a list of persons retiring in the next 12 months, from EDP(GPF) Section.
- (2) They should obtain the Ledger Cards from Fund Library & status prints from EDP(GPF) Section in respect of the persons retiring in next 3 months.
- (3) They should review the cards as to missing debits, carry forwards of balances, missing credit, Calculation of interest.
- (4) They will correspondence with the respective Drawing & Disbursing Officers for any wanting information & get the wanting documents & take necessary steps to rectify the same.
- (5) The cell should write to all the Drawing & Disbursing Officers well in advance that the Final Payment applications of the Government Servant should reach this office much before his retirement, may be immediately after the LFD has been made, otherwise no interest will be allowed.

- (6) On receipt of the Final Payment application, the Fund Monitoring Section will send the requisition to the cell & obtain the ledger cards & send it to the concerned Section.

For the present, 1 Section Officer & 2 Assistants will be entrusted with the job under the supervision of Sr. Accounts Officer, FM Section.

The Cell will give the monthly progress report to Branch Officer, FM and quarterly to Sr. Deputy Accountant General (Funds).

These orders shall have immediate effect and until further orders.

(FM Circular No.617 Date:19.06.2007)

1057.Clearance of overpayment cases-Opening of Minus Balance Cell

It is a matter of great concern that a good number (more than 400) of over payment cases are pending in the Fund Group. This is alarming as this figure increases every month with few clearances.

Therefore, a Minus Balance Cell consisting of one AAO/SO and two Sr. Accountants/Accountants, shall be opened in the Fund Group, to analyze the cases & take necessary action.

The main functions of the Cell shall be

1. to collect the outstanding case files from Fund Sections as per the Register maintained in FM Section.
2. to review the cases and to issue reminders/DO reminders to DDOs/HODs for collection of information to settle the GPF account.
3. to make correspondence with the DDOs/HODs/PSAs/Pension Sections for recovery
4. to collect PPO numbers for attachment wherever necessary.
5. to return the files to the concerned sections for further follow up action.

The review and collection of materials/information in respect of all the cases have to be completed within six months.

At the end of every month, a report on the performance of the Cell have to be submitted to Branch Officer, FM for information of Sr. Deputy Accountant General, Funds.

At the end of every month all the minus balance cases should be sent to the Cell by all the sections.

All the Branch Officers and Section Heads shall extend full cooperation in this respect.

Sri Harihar Sethi, Sr. AO shall look after work of the Cell.

These orders shall be effective from the date of posting of staff to the Cell.

(FM Circular No.628 Date:18.01.2008)

1058.Regarding formation of “Un-posted Cell”.

In order to have an assessment of outstanding un-posted credits and debits, as desired, a Cell shall be opened in the Fund Group under the supervision of Branch Officer, FM taking one AAO/SO/SO(A) and two Sr. Accountant/Accountant to perform the following functions.

1. Collect all the Explanation Sheets of all the Groups from Fund Sections and “Old Records” where ever they are available.
2. Copy all the outstanding un-posted items to a Register.
3. Maintain separate “Register of Un-posted Items - Pre-computerised period” for each Group.
4. Close the Registers with a report showing month-wise/year-wise number of items and submit to the Branch Officer.
5. Transmit the Explanation Sheets to the respective sections for safe keeping/future reference.

The work have to be completed within *three* months. Further course of action for clearance of the said items shall be decided after getting the exact number.

All the Branch Officers and Section heads shall extend full cooperation to achieve the goal.

(FM Circular No.-630 Date:06.03.08)

1059.Grievances Redressal Cell

As per Headquarter's letter dated 25th May 1999, there should be a Grievances Redressal Mechanism in every A.G Office.

Accordingly a G.R Cell is functioning in our office from 3 P.M to 5 P.M in all working days with following Aims & objectives.

Aims

- 1) To ensure effective and speech settlement of Grievances of the subscriber.
- 2) To create confidence in the minds of visitors.
- 3) To give action oriented service and not lip service.
- 4) Keeping visitors informed about the status of their cases.

Objectives

- 1) To ensure reporting & monitoring at all levels by Supervisory Authorities.
- 2) To ensure accountability at all levels.
- 3) To ensure timely submission of cases in a complete manner.
- 4) Not to raise objections in piecemeal manner to avoid delay.

Accountant General has approved the action plan for establishment by a "full time" G.R Cell in our office for improving the service delivery system with a view to redress grievances of all types of visitors by establishing an open & transparent mechanism in a organised manner by involving human touch as also by making it

responsive & proactive in character and approach with positive spirit for creating confidence in the minds of the visitors.

1060. Interactive Voice Response System (IVRS)- The subscribers may avail the facility provided by this office and can use the IVRS Phone Numbers for information regarding Last Year Balance, Missing Credit, Current Year Withdrawals etc. during 10.00 A.M to 6.00 P.M every working day. The IVRS Phone Numbers are available in the back side of the GPF Annual statements.

1061. Web-site- Retired subscribers can know the status of their Final Payment cases by logging into this office Web-site in the address:- <http://www.agori.cag.gov.in-A&E> office-tracing of GPF & pension cases.

1062. Release of General Provident Fund accumulation of a deceased subscriber in the absence of valid nomination.

Government of Orissa, Finance Department Resolution No.-27021/F/GPF-16/2003 dated 18th June 2003 is placed below for information.

According to the provisions of Finance Department Resolution No.-39375/F dated 06.10.1995, the GPF accumulation of a deceased subscriber shall be released in favour of a claimant on production of Succession Certificate where either no nomination has been filed or the nomination so filed by the subscriber has become invalid as per the Rule-8 of GPF (O) Rules.

Obtaining such Certificate from the competent Court of Law by the claimant takes much time and creates undue delay for closing the GPF account of a deceased subscriber

and causing payment of more interest on the GPF accumulation. This is also causing under hardship to the claimants who were the members of the family of the deceased subscriber.

In order to release of GPF accumulation of a deceased subscriber in due time and to avoid payment of interest to the claimants, Government have now decided that, in cases where the claimant is a member of the family of a deceased subscriber according to the Provisions of GPF (O) Rules and no valid nomination subsists, the GPF accumulation shall be released in favour of family members of the deceased subscriber on production of Legal Heir Certificate from the competent authority. But in case where the claimant is not a family member and no valid nomination of the deceased subscriber subsists, the claimants shall be asked to produce Succession Certificate from the competent Court of Law.

The Finance Department Resolution No.-39375/F dated 06.10.1995 issued earlier is hereby modified accordingly.

Chapter- 11

ORDERS REGARDING PROCEDURE, INTERPRETATION, ETC., IN RESPECT OF CONTRIBUTORY PROVIDENT FUND RULES (INDIA) AND CONTRIBUTORY PROVIDENT FUND RULES, ORISSA.

Final withdrawal of Contributory Provident Fund Deposits

1101. It is not necessary to obtain the approval of the State Government to the payment of the full amount standing to the credit of a subscriber in the fund without any deduction in cases where the head of the office reports that there is no liability incurred by the subscriber to the Government. Orders should be sought only in cases in which the head of the office proposes a deduction on account of a liability incurred by the subscriber.

[Government of Orissa, Finance Department, letter No.-1050-F(C), dated 20th May, 1943 and also Memo No.-13590 F (C), dated 1st July, 1943, Dy. Fd-1-26-518 and 714.]

Admission to C.P. Fund (Orissa) of Nurses Employed on Contract basis in Government Hospitals

1102. The Government of Orissa have sanctioned the proposal to allow the nurses of the State who are employed on contract basis in Government hospitals to join the Orissa Contributory Provident Fund on the following terms :-

- (i) The nurses will be admitted to the benefits of the fund after completion of five years of their service. If, however, a nurse desires to contribute from the date of joining service, Government will have no objection provided she pays in lump the amount due to the Fund on the date of her admission to the fund.
- (ii) The rate of contribution by the members of the Nursing service will be the same as prescribed in Rule 8 of the Orissa Contributory Provident Fund Rules.
- (iii) The rate of Government Contribution will be fixed at 6 ¼ per cent of the subscriber's pay.
- (iv) The subscriber will forfeit either the whole or a portion of the Government contribution as Government may consider, if she resigns her employment under

Government within eight years of her appointment or if her service has not been entirely satisfactory.

[Government of Orissa, H. & L.S.G., No.-2507-LSG, dated 5th July, 1944 F.D. No.-4649-F, dated 8th July, 1944, Dy. Fd-1-26-7477.]

Government of Orissa Decision No.-1

The Government of Orissa have decided that all cases in which deductions are to be made under Rule 26 of the Contributory Provident Fund (Orissa) Rules should be referred to the Finance Department as no powers under the above Rule have been delegated to other departments of Government and their subordinate authorities.

[G.O.F.D. letter No.-15141-F, dated 13th October, 1952, Dy. Fd-1-37-10302.]

Government of India Decision No.-1

It has been decided by the Government of India that where an officer who is a subscriber to the C.P. Fund (India) is appointed to a tenure post, whether in a substantive capacity or otherwise, he cannot be deemed to have been transferred permanently to pensionable service or to be eligible for the option given in rule 38 of the C.P. Fund Rules (India). He will, therefore, continue to subscribe to the C.P. Fund, and the emoluments to be taken for calculating the rates of subscription and Government contribution, will be the emoluments in the post to which the benefit of a C.P. Fund is attached.

[Government of India, Ministry of Finance Office Memorandum No.-F-16(18)-E.V./53, dated 8th July, 1953, received with No.-Pen-2-1-3956, dated 29th August, 1953, Dy-Fd-1-10-4376]

Government of India Decision No.-2

In order to avoid delay in the payment of Provident Fund money it has been decided by the Government of India (Ministry of Finance) in consultation with the

Comptroller and Auditor General that in all cases where Provident Fund accumulations have become payable under rule 33, 34 and 35 of the Contributory Provident Fund Rules (India), the administrative authorities should immediately consider whether under rule 36 any deduction from the contribution portion is called for and after obtaining the orders of the President where necessary. Communicate the final decision to the Accounts Officer, as promptly as possible.

[Based on Government of India, Ministry of Finance, Office Memorandum No.-F-31(16)-EV/55, dated 21st November, 1955, Dy.Fd-I-GI-1-10-31]

Government of India Decision No.-3

It has been decided by the Government of India that an Officer who is otherwise eligible to participate in the Contributory Provident Fund but is appointed on probation, may be allowed to subscribe to the Fund from the date of his appointment, but the Government contribution should be credited to his account only after his confirmation or only after satisfactory completion of the period of probation if he has been appointed on contract. The Government contribution would however be payable for the entire period the Officer has subscribed to the Fund together with interest thereon.

[Based on Government of India, Ministry of Finance, Office Memorandum No.-F-57(10)-EV/60, dated 25th July, 1960, received with Comptroller and Auditor General's letter No.-614-Audit-1/60, dated 9th August, 1960.]

Comptroller and Auditor General's Decision

It has been decided that the terms and conditions of service of "Contract" Officers relevant to the Provident Funds such as his entitlement to Provident Fund, the period and duration of contract rate of Government of Contributions, etc. : should be noted in brief in the "Remarks" columns of the Ledger Accounts.

[Based on C.A.G's letter No.-2230-Admn.-II/239-Admn.-III/61, dated 23rd December, 1963, Dy. Fd-I-I-10-CAG-57.]

Government of Orissa Decision No.-2

Note-5- In respect of C.P.F. (Orissa) Cases :

Where there is any deduction to be made under Rule 26 of C.P.F. (Orissa) Rules, each case will have to be sent to the Finance Department by the Admn. Department for obtaining orders in this regard. After obtaining this order, the appropriate authority concerned will forward the application for final withdrawal to audit office along with this order of deduction from State share. No power to give such order of deduction has been delegated to the Administrative Department.

In cases where the application for final withdrawal is not accompanied by the order of deduction from State share as referred to above, it will have to be presumed in Audit Office, that no deduction is to be made from the State share.

[Based on G.O.F.D. Nos.-15141/Fd, dated 13th October, 1956 and C.P.F.-6/62-30689/F, dated 2nd August, 1962.]

Competent Authority under Rule 36(b) of Contributory Provident Fund Rules (India)

1103. Under Rule 36(b) of the Contributory Provident Fund Rules (India), Government contribution to the Contributory Provident Fund of a subscriber may be withheld if the subscriber resigns his employment within five years of commencement thereof, otherwise than by reason inter alia of a declaration by competent medical authority that he is unfit for further service. The Government of India have decided that the under mentioned authorities should be deemed to be the “competent medical authorities” for the purpose of this rule :-

1. Gazetted Government Servants- A Medical Board.
2. Non-Gazetted Government Servants- A Civil Surgeon or an officer of equivalent rank.

[Government of India, Ministry of Finance No.-F-41(10) EV/53, dated the 5th October, 1953, Dy-Fd.(GI)-I-10-56.]

Note- The Government of Orissa have also accepted the above procedure.

[Government of Orissa, Finance Department No.-52(34)/F/P.F.68/53, dated the 2nd January, 1954, Dy.Fd.-1-10-7618.]

Government of India Decision No.-1

It has been held by the Government of India that rule 36(b) should be interpreted literally and that the period of five years for the purpose of the aforesaid rule should count from the commencement of the Government Servant's continuous service under the Government.

[Based on G.I.M.F. O.M. No.-F-57(6)-EV(B)/60, dated 29th June, 1960, received with C.A.G.'s letter No.-541-A-I/1-22-60, dated 15th August, 1960, Dy.Fd-I-10-26]

Note- The Government of Orissa have adopted the above interpretation of the Government of India in relation to Rule 26(b) of the C.P.F. Rules, Orissa.

[Based on Government of Orissa, Finance Department Memo No.-CPF-19/60(Pt)-36793(22)/F, dated the 19th December, 1960, Dy.Fd.I-1-37-10470.]

Government of India Decision No.-2

A question has been raised whether the provisions of rule 36(b) of the Contributory Provident Fund Rules (India) should be enforced in the case of a subscriber who was admitted to the Contributory Provident Fund on joining Government service on contract but who resigns his contract appointment or is permitted to quit his contract appointment before the conclusion of the period of the contract, in order to take up another appointment.

The question has been carefully considered and the President is pleased to decide that in cases where a contract Officer actually takes up an appointment in another

Department of the Central Government or under a State Government with proper permission and without any break in the continuity of his service, the of his service, the provisions of rule 36(b) the said Rules should not be enforced against him, i.e, Government contribution should not be withheld in such cases.

It has also been decided that in special cases of this kind, rule 36(b) of the said Rule should not also be enforced against a contract officer if he relinquishes his contract appointment before the conclusion of the period of his contract in order to take up without break and with proper permission an appointment under a Government owned or controlled corporation/company, provided the controlling authority considers that his appointment under the corporation/company is necessary or desirable in the public interest and has not been taken up by the officer entirely on his own volition for the purpose of improving his prospects.

In all other cases the provisions of rule 36(b) of the Contributory Provident Fund Rules (India) should be enforced.

[Based on G.I.M.F. (Deptt. of Expr.) O.M. No.-F-57(25)-EV/60, dated 21st January, 1961 received with CAG's letter No.-60-A-1/95-60, dated Dy.Fd-1-1-10-66.]

Government of India Decision No.-3

Under Clause (u) of Note-I below Rule-36 of the CPF Rules (India) 1962 as amended in G.I.M.F Notification No.-37(i)-EV/69 dt.24.03.69 resignation from Service in order to take up appointment in another Department of Central Government or under State Government or under a body corporate/owned or controlled by Government or an autonomous organisation registered under the Societies Registration Act, 1860 without any break and with proper permission of the Central Government shall not be treated as resignation from Government Service. Now it has been decided that while transferring the P.F account together with Government contribution to the new account under the autonomous body, it may be stipulated that in case the employee were to resign his fresh appointment under the body before completing 5 years service including his previous

service under Government the amount of Government contribution which was transferred to the body shall be re-transferred to Government.

[Based on G.I.M.F No.-37(1)-EV/69 dt.24.12.71 vide Dy.C.A.G.37 dt.13.01.72]

1104. For the purpose of rule 38(1) (b) (iv) of the C.P. Fund Rules (India) only the service during which an officer actually subscribed to the C.P. Funds is allowed to count for pension, and that to the extent indicate below :-

- (i) The whole of permanent service ;
- (ii) The whole of the temporary/officiating service which would have qualified if the provisions of Arts. 370 and 371 of C.S. Rs. Were applicable and
- (iii) Half of the remaining officiating or temporary service, subject to the conditions indicated in para-7 of this Ministry's O.M. No.-F-3(1)-Estt.(Spl.)/47, dated 7th April, 1950.]

[Government of India, Ministry of Finance O.M. No.-F-31(3)-EV/54, dated the 1st June, 1954, Dy.Fd.-I-I-10-13.]

Classification of Government Share of the Contributions to C.P. Fund

1105. It has been decided by the Comptroller and Auditor General of India in consultation with the Government of India that-

- (i) The Contributions should in the 1st instance be debited to the head "65-Pension and other Retirement Benefits" and then transferred to the accounts of the Commercial Departments by deduct entry under the head "65-Pension and other Retirement Benefits".
- (ii) In respect of Commercial concerns not declared as Commercial Departments, the working expenses of which are exhibited in the accounts separately, the accounting procedure should be the same as in the case of Commercial Departments as in (i) above, and
- (iii) In respect of other Commercial concerns which have only pro forma accounts outside the Government accounts and in respect of which the working expenses

are not exhibited separately in the General accounts, etc. debits on account of Government contributions may remain finally under the head “65-Pension and other Retirement Benefits” and no transfer need be made. The contributions should, however, be taken into account in the pro forma accounts of such concerns.

[C.A.G.’s letter No.-1261-AC/38-55, dated 2nd December, 1955, Dy.FD-I-8-14-10448.]

Retirement Benefits of the Government Servants Permanently Transferred to Government Companies/Corporations

1106. (i) It has been decided that in the case of a Government servant, who is deputed or transferred to corporate body owned or controlled by Government or whose services are lent to such a body and who is permanently absorbed ultimately in service under that body, an amount equal to what Government would have contributed had the Government servant been on Contributory Provident Fund terms under Government together with the simple interest thereon at two per cent for the period of his pensionable service under Government may be credited to his C.P.F. Account with the autonomous body as an opening balance on the date of his permanent absorption. And by this payment Government’s liability in respect of the Government servant’s pensionable services rendered under them is to be treated as extinguished.

(ii) The above decision will apply only when the permanent transfer from Government service to an autonomous body is in the public interest and when the transfer is to a Government or quasi-Government Corporation and not to a private institution in which case the Government will not accept the liability to pay any retirement benefits referred to above.

(iii) (a) The concession may not be claimed as a matter of right but may be sanctioned at the discretion of Government in individual case where it is merited.

(b) The following procedure should be followed in this regard :-

1) Retirement benefit admissible to each case will be initially calculated by the sanctioning authority in the manner indicated in the pro forma shown below and

the pro forma duly filled in will be sent to this office along with the relevant service books.

- 2) Each such case along with sanction of the Government referred to in (iii) (a) above, pro forma duly filled in and service books will be at first received in pension section for verification of pensionable services for which retirement benefits are admissible and of monthly emoluments. After that the pension section will finally send the case along with a certificate of verification indicated above.
- 3) The concerned Fund Section will on receipt of the case from pension section verify and check the calculation shown against Cols. (A) and (B) of the pro forma, after which the case will be finally disposed by issue of authority or by transmission of a draft draft. The State Contribution and interest are chargeable to 65-Pension and other retirement benefits, and 16-Interest, etc.

C. PRO FORMA.

Statement showing the retirement benefits admissible to the personnel of Central Government/State Government permanently absorbed in Government Company/Corporation.

Name

Designation in Govt. Service at the time of deputation

Date of commencement of pension under the Govt. Company/

Date of permanent absorption under the Govt. Company/Corporation

Emoluments as defined in Rule 2(1) (ii) of C.P.F Rules (India)/Rule 2(1) (ii) of C.P.F. (Orissa) Rules due for the period from the date of commencement of the pensionable service up to the date proceeding the date of permanent absorption.

Month	Year		
	1944-45	1945-46	so-on
March			
April			
May			

June
July
August
September
October
November
December
January
February

Total

-
- (A) Government contribution @
6¼ per cent on above.
- (B) Simple interest @ 2 per cent
P.A. on Government contribution
from 1st April of the following year
to the date preceding the date of
permanent absorption.
-

Retirement benefits admissible

(A plus B of all the years)

[Based on Govt. of Orissa, Finance Department No.-F(B)-58/62-23084 (30)F, dated 29th May, 1962, No.-F(b)-15/63-3659 (32)/F, dated 8th February, 1964, Govt. of India, Ministry of Finance (Deptt. of Expenditure) No.-F2(33)/EVA/A/60, dated 10th November, 1960 and Govt. of India, Ministry of Finance Memo No.-2/(33)-EV(A)/60, dated 10th January, 1963.]

Note-1 :- In partial modification of the above order, it has been decided by the Government of Orissa that credits to the C.P.F. Account of a Government servant permanently absorbed in the service of a body corporate wholly or partially owned by Government should be given only after he has rendered at least five years of service under that body (including any period of service rendered immediately preceding his

permanent absorption) or on the date on which he would have retired had he continued in Government service whichever is earlier.

Past cases which have already been decided otherwise need not be re-opened.

[G.O.F.D. Memo No.-F(b)-20/64-1784/1885/F, dated 8th January, 1965, Dy.-FM-1-37-65/66-1296]

Note-2- The following clarification has been made by the Comptroller & Auditor General of India in regard to (i) the calculation of total Government contributions for the entire period of pensionary service of Government servant rendered prior to his permanent absorption in an autonomous body owned or controlled by Government and (ii) the mode of calculation of simple interest @ two percent on such total Government contribution.

- 1) As per G.I Memo No.-F-2(33)-FVA p/s60 dated 10.11.60 Government contribution in respect of the Government servant who was not subscribing to the C.P.F during the period of his services under Government will be taken in to account at the official rate in force from time to time in respect of the pensionary service rendered prior to the date of his permanent absorption in the Autonomous Body.
- 2) The total Government contribution for the entire period of pensionary service under Government is to be calculated first by adding up total Government contribution for each year as per illustration given below.

Date of Appointment	01.04.64
Grade	Rs.1000-100-1600
Period of pensionable service 1964-65	01.04.64 to 31.03.67
O.B	NIL
Government contribution	Rs.1000/-

Total:-	Rs.1000/-
1965-66	
O.B	Rs.1000/-
Government contribution	Rs.1100/-
Total:-	Rs.2100/-
1966-67	
O.B	Rs.2100/-
Government contribution	Rs.1200/-
Total Government contribution for the	Rs.3300/-
entire period of pensionable service	

The total Government contribution arrived at in the above illustration should not again be multiplied by the number of years of pensionable service under Government put in by the Government Servant.

- 3) No interest other than simple interest @ 2 per cent is admissible on the total Government contributions. For the purpose of calculating simple interest @ 2 per cent total Government contribution as arrived at in the above illustration should be multiplied by two per cent to arrive at the interest admissible. In the case illustrated above, simple interest will work out to Rs.3300/- X 2% Rs.66.00.

[Based on CAG's letter No.-422 Audit/T-21-66 dt.11.04.67 Dy-FM-1-10-5 of 1966-67 and orders of D.A.G at P6 N of file of Sri K.K.Roy Mathus's case (Fd.15 Section)]

Note-4- It has been clarified by the Comptroller & Auditor General that no interest is to be allowed on the sum total of Government contributions and interest thereon as calculated in Note-2 above for the period intervening between the date of absorption of a Government Servant in an autonomous body and the month of completion of 5 years.

[Based on Comptroller & Auditor General's letter No.-662 Audit/121-66 dt.05.06.67 Dy.-FM-1-10-CAG-14]

1107. The Government of India, after reviewing the retirement benefits granted in terms of Government of India, Ministry of Finance (DE) O.M No.-F-2(33)-EV(A)/60, dt.10.11.60 to Government servants permanently transferred to Government Companies/Corporations have sanctioned the following revised terms in respect of those absorbed after 16.06.67.

1) (i) A permanent Government servant on absorption in a public undertaking will be eligible for pro rata pension and D.C.R. Gratuity based on the date of absorption. The pension will be calculated on the basis of average emoluments for three years preceding the date of absorption and the D.C.R. Gratuity on the basis of the emoluments immediately before absorption.

In cases where an officer at the time of absorption has less than 10 years service and is not entitled to pension, the question of proportionate pension will not arise ; he will only be eligible to proportionate service gratuity in lieu of pension and to D.C.R. Gratuity based on length of service.

(ii) The amounts of pension/gratuity and the D.C.R. Gratuity would be currently worked out and will be intimated to the officer as well as to the undertaking as and when an officer is absorbed.

(iii) The pro rata pension, gratuity etc. admissible in respect of the service rendered under Government would be disbursable only from the date the Government servant would have normally superannuated had he continued in Government service.

(iv) Every officer will exercise an option within six months of his absorption for either of the alternatives indicated below.

(a) Receiving the monthly pension and D.C.R. Gratuity already worked out under the usual Government arrangements.

(b) Receiving the gratuity and a lump sum amount in lieu of pension worked out with reference to commutation tables obtaining on the date on superannuation.

Where no option is exercised within the prescribed period, the officer will automatically be governed by alternative (b) above. Option once exercised shall be final. The option

shall be exercised in writing and communicated by the Officer concerned to the undertaking.

- (v) Where an officer retires from the service of a public undertaking before his date of superannuation, the proportionate pension and D.C.R. Gratuity will not be paid to him till such time as he actually attains the age of superannuation. This will be the case in respect of the option exercised by him.
- (vi) Cases of resignation from a public undertaking will for the purpose of these orders be treated as resignation from Government service entailing forfeiture of the earlier service under Government and loss of the pensionary benefits under these orders.
- (vii) For the period of service rendered in a public undertaking the absorbed officers will be entitled to all the benefits admissible to other corresponding employees of the organisation.
- (viii) The total gratuity admissible in respect of the service rendered under the Government and that under the public undertaking should not exceed the amount that would have been admissible had the officer continued in Government service and retired on the same pay which he drew on retirement from the public undertaking.
- (ix) Government would have no liability for family pension in such cases.
- (x) Any further liberalisation of pension rules decided upon by Government after the permanent absorption of a Government servant in a public undertaking would not be extended to him.
- (xi) In cases where an officer has opted to receive pension as at (iv) (a) above but wishes to commute a portion of the pension, such commutation will be regulated in accordance with the Government rules in force at the time of his superannuation.

2. The above decisions will apply only where the permanent transfer from Government service to a public undertaking is in the public interest. In all other cases Government will not accept liability to pay any retirement benefits for the period of service rendered by the officer before his transfer.

[Based on Government of India, Ministry of Finance (DE) O.M No.-F-24(12)-EV-66 dt.16.06.67 received in Pension-I Section with Comptroller & Auditor General's letter No.-776-Audit/121-66 dt.05.07.67-Dy.-FM-1-10-493.]

Note-1- The orders contained in the Paragraph above apply to persons serving in the Indian Audit and Accounts Department.

[Based on G.I.M.F (D.E) O.M No.-F-24(12)-EV/66 dt.21.11.67 received with C&A.G's letter No.-1449-Audit/121-66 dated 11.12.67 and circulated in O.O.A-5862 dt.29.12.67-Dy.-FM-1-10-856]

Note-2- A reference having been made by the Comptroller and Auditor General of India as to whether the provisions contained in para 1307 above apply only to cases arising on or after 16.06.67 and whether cases arising earlier but not decided on the basis of orders contained in Government of India Ministry of Finance O.M No.-F-2(23) will also be governed by these orders, it has been clarified by the Government of India that the provisions contained in the above quoted para will be applicable only to cases of permanent absorption arising on or after 16.06.67 and that cases arising earlier will be decided on the basis of orders contained in their M.F O.M No.-F(2)(33)-EV-A/60 dt.10.11.60 as the determining factor is the date of absorption.

[Based on G.I.M.F (DE) No.-209-EV/68, dt.22.01.68 received with CAG's letter No.-234-Audit/121-66, dt.02.02.68 Dy.-FM-1-10-2]

Note-3-(i) It has been clarified by the Government of India that in all cases of retirement benefits arising out of permanent transfer of Government servants to Government Companies/Corporations even after 16.06.67, the Administrative Ministries should consult the Finance Ministry as laid down in Ministry of Finance O.M No.-F-2(33)-EV(A)/60 dt.10.11.1960. In respect of non-gazetted employees of the I.A & A.D, however, the Comptroller and Auditor General will be the competent authority to confer retirement benefits.

- (ii) It has further been decided that retrospective absorption of the employees on deputation to the Companies/Corporations etc. should be allowed.

[Based on G.I.M.F-DE-O.M No.-F-24(12)-EV/66, dt.13.05.68-O.O.A-5967 dt.11.07.68-Dy.-FM-1-10-268.]

1108.(i) Contract officers (including those belonging to the General administrative reserve) who were initially engaged on contract and were subsequently appointed to same or a different post in a substantive capacity on pensionable basis without interruption of duty may be allowed the option of surrendering the Government contribution to their C.P. Fund account together with interest thereon for the period of the contract to count one half of their contract service towards pension.

- (ii) This decision will not apply in case of those who have since quitted service or who were appointed on pensionable posts after a break in service. Option should be exercised within a period of three months from the date of issue of these orders, or as the case may be, within three months of appointment to a substantive, pensionable post and communicated to the Accounts Officer concerned.

- (iii) If the communication is not received by the Accounts Officer within the stipulated period, the Officer concerned shall be deemed to have exercised the option of not having the period of service on contract counted for purpose of pension in terms of these orders, and the accumulations in the C.P. Fund Account of the subscriber (i.e, his own subscriptions with interest thereon and Government contribution together with interest thereon) will be refunded and treated as finally paid to him. In the case of officers opting to earn pension in respect of the period of service on contract, their G.P. Fund accumulations will be adjusted in the manner indicated in rule 38 (1) (b) of the Contributory Provident Fund Rules (India).

[Based on Government of India, Ministry of Finance Department letter No.-11(3)/EV-56, dated 20th June, 1957, Dy. Fd.-1-1-37-3377.]

Government of Orissa Decision

- (i) In partial modification of their F.D. O.M. No.-3392/F, dated 30th December, 1957, the Govt. of Orissa have decided that an officer who has exercised or is deemed to have exercised the option of not having the period of service on contract counted for purpose of pension in terms of the above O.M. should be given a further option to be exercised within three months from the issue of these orders to surrender the Govt. contribution together with interest thereon for the period of contract and to count his contract service towards pension. Officers, who now desire to earn pension in respect of the period of contract shall also refund interest on the amounts of Government contribution to their contributory provident fund actually received for the period starting from the date of receipt to the date of final refund by them. This decision will not apply in the case of those who have already quitted service on the date of issue of these orders.
- (ii) The Govt. have further decided that contract officers who are appointed on probation to pensionable posts may be allowed in relaxation of rules to retain the Govt. contribution with interest thereon until such time as they are confirmed in pensionable posts/services. These accumulations will be adjusted finally in the light of the option exercised by the officers concerned as to whether their contract service counts for pension or not.

[Based on G.O.F.D letters No.-C.P.F.-6-33915/F, dt.23.09.1965 received with No.-Pen.-I-2-1-State-4278, dt.26.11.65, Dy.FM-1-37-3597.]

Note:- It has been clarified by the Govt. of Orissa that the option prescribed above shall be exercised in writing and should be communicated by the officer concerned to the Head of the Office, if he is a non-gazetted officer and to the Accountant General, Orissa, as well as to the Administrative Department concerned if he is a Gazetted Officer. The option in the case of non-gazetted officers should be exercised in duplicate. Both copies of the option should be countersigned by the Head of Office and pasted in the Service Book of the officer concerned.

[G.O., F.D. O.M. No.-CPF-6/65-41802/F, dated 8th December, 1965 received with Pen.-I-2-1-State-4822, dated 15th January, 1966, Dy.FM-1-37-4411]

Rate of Government Contribution

1109. In pursuance of the provisions contained in rule 11(2) of the C.P. Fund Rules (India) the Government of India have decided that the Government contribution should be raised, with effect from 1st September, 1957 from 6¼ per cent to 8 1/3 per cent of the emoluments of the employees.

[Based on Government of India, Ministry of Finance, Department of Expenditure Office Memo No.-F-28(16)-EV/57, dated 18th November, 1957, Dy.Fd-I-GI-10-171.]

Contributory Provident Fund Benefits to Re-Employed Officers Grant of

1110. The Government of India have issued the following clarifications in regard to certain points which have been raised in connection with the grant of Contributory Provident Fund benefits to re-employed officers.

Sl. No	Points raised	Clarification
1.	Whether the C.P.F. benefits would be admissible irrespective of whether the establishment in which an officer is re –employed is pensionable or non-pensionable.	The C.P.F. benefits are admissible in respect of re-employment in any post whether pensionable or non-pensionable.
2.	Whether in a case where an officer is re-employed concurrently with leave preparatory to retirement/refused leave, he should subscribe to the C.P.F., from the date of re-employment or only from the date of expiry of the period of	The re-employed officer cannot subscribe to the C.P.F. during a period of leave preparatory to retirement/refused leave running concurrently with a period of re-employment and the subscription to the C.P.F. should commence only

	leave preparatory to retirement/refused leave.	from the date of expiry of the leave preparatory to retirement/refused leave, i.e, from the date on which the officer ceases to have any connection with his pre-retirement post.
3.	Whether in a case of re-employment where deferred refused leave terminal leave is granted on termination of re-employment the officer can be allowed to continue to subscribe to the C.P.F. during the period of such leave or should subscribe to the Fund only till the date of termination of re-employment.	The re-employed officer cannot continue to subscribe to the C.P.F. during the period of deferred refused leave/terminal leave at the end of the period of re-employment.
4.	Whether a re-employed officer can subscribe to the C.P.F. in cases where the initial period of re-employment is one year or less, and whether where it is later extended for a period exceeding one year he should be permitted to subscribe to the C.P.F. only from the date of extension of his re-employment.	All re-employed officers may be allowed to subscribe to the C.P.F. from the date of commencement of re-employment subject to (ii) above but not earlier than the 25 th November, 1958. The Government contribution will be credited only of the period of re-employment exceeds one year.
5.	Whether in cases where the re-employment runs concurrently with a period of leave preparatory to retirement/refused leave, the period of one year should be reckoned for the purpose of eligibility to Government contribution only from	For the purpose of eligibility to Government contribution the period of re-employment should be reckoned from the date of re-employment but the Government servant shall subscribe and receive Government contribution only after the expiry of

the date of expiry of the leave preparatory to retirement/refused leave or from the date of re-employment.	L.P.R./refused leave.
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[Based on G.I.M.F. (Deptt. of Expdr.) Office Memorandum No.-F-57(11)-EV/60, dated 3rd August, 1960, received with CAG's letter No.-64—A-I/360-60, dated 23rd August, 1960, DY-Fd-I-I-10-34.]

Extension of C.P. Fund Benefits to Staff Artists/Producers of All India Radio

1111. (i) The Government of India, Ministry of Information and Broadcasting in consultation with the Ministry of Finance and Comptroller and Auditor General have decided that Staff Artists including foreign nationals (which term includes procedure etc. also) engaged by the All India Radio on contract may be admitted to the Contributory Provident Fund with effect from 1st October, 1964 subject to the following conditions :-

- (a) A staff artist engaged initially for a period not less than three years will be admitted to the Fund from the date of his/her engagement.
 - (b) The amount standing to the credit of a Staff Artist in the Contributory Provident Fund account will be payable on the final termination of his/her appointment and not on the expiry of each spell of contract entered into with him/her.
 - (c) All other provisions of the Contributory Provident Fund Rules (India), 1962 as amended from time to time will mutatis mutandis apply to Staff Artists of the All India Radio in so far as they are not inconsistent with the provisions made herein and hereafter in respect of the Staff Artists of the All India Radio.
- (ii) The existing Staff Artists will be given an option to come over to Contributory Provident Fund benefit with effect from the 1st October, 1964, otherwise they will compulsorily come over to the Fund with effect from the dates of renewal of their existing contracts. In cases where the Staff Artists are admitted to the Contributory Provident Fund retrospectively with effect from 1st October, 1964, they will have to pay interest on arrear subscriptions in the manner laid down in

the Ministry of Finance (Department of Expenditure) Memo No.-F-25(3)-EV/57, dated the 4th December, 1957.

- (iii) In both the cases of staff artists, i.e., those who come over to the Fund either from the 1st October, 1964 or from the date of renewal of their existing contracts, the total amount of gratuity payable under the previous and existing contracts up to the date of their entry to the Fund available credited to their Contributory Provident Fund account as Government contribution but interest there on will accrue only from the date of their entry to the Fund. the gratuity in respect of the existing contract in the case of those who opt to come over to the Fund with effect from 1st October, 1964 will be calculated at 1/8th of the fee for each completed three months of service. Any balance of service less than three months will be ignored.
- (iv) All fresh entrants as Staff Artists, i.e., those who are appointed as Staff Artists on or after the 1st October, 1964, will automatically be admitted to the rules of that Fund as herein provided. For this purpose, a suitable clause in lieu of gratuity will be incorporated in the agreement form to be entered into with the Staff Artists.

[Based on Govt. of India, Ministry of Information and Broadcasting letter No.-13(17)/63-B(P), dated 24th March, 1965-Dy-1-10-65/66 GI.137.]

Contributory/Provident Fund Benefits to Reservists who are called up for active service

1112. It has been decided that :-

- (a) The reservists who were contributing to the Indian Ordnance Factories workmen's Provident Fund or any other Contributory Provident Fund prior to their being recalled for colour service will be allowed to continue to contribute during the period they remain in active service.
- (b) The reservists who are called for colour service will have the option to :-
 - (i) Have increased pension on the basis of the recalled colour service provided they are entitled to the increased pension under the Rules.

- (ii) Have Government contribution to the FWP Fund or any other Contributory Fund during the period of recalled colour service if they were contributing to it prior to recall vide clause (a) above. In that case, they will not be entitled to any increase in pension on the basis of their recalled colour service.
- (c) Reservists who are recalled to colours directly and do not have old armed forces personnel Provident Fund accounts still alive, will become members of AFPP Fund on completion of one year's colour service.
- (d) Reservists who are recalled to colours directly and whose old AFPP Fund accounts are still alive may continue to subscribe to that Fund during the period of recalled service. In case they opt for finally settling the old AFPP Fund on Accounts, they will become members of the AFPP Fund in accordance with clause © above.
- (e) Where no provisional recoveries of subscription to the AFPP Fund have been made, no arrears on account of subscription will be recovered.

2. These instructions will be applicable mutatis mutandis to reservists employees of semi-Government organisations, public undertakings and State Governments.

[Based on Government of India, Ministry of Defence O.M No.-A/02697/AG/PS3(O)/345/S/D(C.IV.II) and corrigendum No.-F-82/1/65/D (Pay/Services) 110114/D (C.IV.II) dt.18.10.68- Dy.-FM-1-10-G-I-54)]

Grant of Option to Persons who are on Contributory Provident Fund benefits to come over to pensionable Service

1113 (a) (i) The Government of India in their Ministry of Finance O.M No.-5.2(14)-EV(B)/63 dated 14.04.64 decided that Government employees who retained the GPF benefits in terms of Rule 38(i) (a) of GPF Rules (India), 1962 on in terms of any other orders issued in this behalf, might be allowed another opportunity to opt for the liberalised pension rules including the benefits of the new Family Pension Scheme for Central Government Employees (1964) within a period of six months from 14.01.64, the date of issue of these orders. The option so exercised will be final. The will, however have no option to elect the L.P.R.s without the benefits of the Family Pension Scheme.

(ii) Option should be communicated to the Head of Office, if the optee is a non-gazetted officer and to Accounts Officer, if he is a Gazetted officer in the form prescribed in these orders. The option of non-gazetted officer should be countersigned by the Head of Office and pasted in the Service Book of the officer.

It will be the responsibility of the officer concerned to ensure that he receives acknowledgement of his option from the Accounts Officer/Head of Office as the case may be and that it has been duly recorded.

(iii) An officer who did not exercise an option within the prescribed period or quitted service or died without exercising an option or whose option was incomplete or conditional or ambiguous shall be deemed to have opted to remain under the existing Contributory Provident Fund benefits.

(iv) In the case of an officer who elected to be governed by the L.P.R.s the Government contribution with interest thereon standing to his credit in the C.P. Fund shall be credited to the Central Revenues (Civil). The Government servant's subscriptions together with interest thereon in that fund shall be transferred to his G.P. Fund which he shall be asked to open and to which he shall subscribe under the rules of the Fund.

The past service rendered by such an officer shall be deemed to have been rendered ab initio in a pensionable establishment and shall count as service qualifying for pension in the manner and to the extent provided for in the relevant pension rules in force from time to time, provided that no inflated rates of pay in lieu of retirement benefits were drawn for the period during which he did not subscribe to the C.P. Fund.

(v) Individuals who were given the option to elect the pension rules in terms of Government of India, Ministry of Finance O.M No.-F-8(20)-EV/59, dated 28.05.59 and who retained the provisions of the Contributory (Transferred Railway personnel) Provident Fund, Gratuity and sterling Accounts Rules may also be given another option

to elect the L.P.R under these orders subject to other relevant conditions specified in the orders of the 28th May, 1959.

(vi) These orders are applicable to person serving in the I.A & A.D.

[Based on Government of India (D.E) O.M No.-2(10)-EV(B)/63, dated 14.01.64 (Dy.-FM-1-10-1969-70/196)]

(b) The Government of India further decided in their Ministry of Finance O.M No.-F-2(14)-EV(B)/64 dated 505.10.64 with reference to sub-para (iii) of para (a) above that if an officer eligible to C.P Fund benefits died without exercising option before the prescribed date, the family members of the Government servant can be given the right to exercise the required option at the desecration of the administrative authority to come under the benefits of the liberalised pension Rules along with the new Family Pension Scheme in lieu of C.P.F benefits, where such a request is specifically made by nominee or nominees validly nominated by the subscriber, or in their absence by all members of the family as defined in the C.P.F Rules. If all these letters are not agreed on making such a request then the C.P.F money will be paid to them according to the provisions of the Rules in this regard.

[Based on Government of India Ministry of Finance O.M No.-F-2(14)-EV(B)/64, dated 05.10.64 Dy-FM-1-10-1372/70-71]

(c) The last date for exercising option allowed in sub-para a(i) above was extended up to 31st March 1969. The option is open to persons who are in service and also to those who retired on or after the 1st May, 1968. The option once exercised will be final.

The procedure for exercise, communication and recording of the option will be the same as indicated in sub-paras (i) & (ii) of para (a) above.

These orders are also applicable to persons serving in the I.A & A.D.

[Based on (i) Government of India, Ministry of Finance (D.E) O.M No.-F-16(i)-EV/68, dated 31.08.68 (Dy.-FM-1-10-68-69/CAG-82) and (ii) G.I.M.F (D.E) O.M No.-F-13(i)-EV/68, dated 10.01.69 (Dy.-FM-1-10/68-69/CAG-72)]

(iii) The Government of India decided that Government servants both permanent and temporary who had retained the C.P Fund benefits in Rule 38(1) (a) of the C.P Fund Rules (India) 1962 or in terms of any other orders issued in that behalf, might be given a further opportunity to opt for the pension system as contained in the C.C.S (Pension) Rules, 1972.

The option has to be exercised by the 31st October, 1972 and once exercised shall be final, it is open to persons in Government service on the date of issue of this G.I office Memorandum in 26.07.1972. The procedure for exercise communication and recording of the option will be same as indicated in G.I Ministry's O.M No.-F-2(14)-EV(8)/63 dt.14.01.1964.

- 2) A Government servant who does not exercise an option within the prescribed time limit or who quits service without exercising an option or whose option is incomplete, conditional or ambiguous shall be deemed to have opted to remain under the C.P.F benefits.
- 3) In the case of temporary industrial employees who are fresh extracts, the provision contained in Para-2 of this Ministry's O.M No.-F-43(4)-EV(B)/71 dt.21.05.1971 (copy endorsed to all Fund Sections vide Memo No.-FM-1-10-336 dt.13.10.1971) that they should exercise an option electing to join the pensionable establishment or to be admitted to the C.P.F benefits within a period of six months from the date of appointment will, however, continue to apply.

[Based on G.I.M.O.F (D.E) O.M No.-7(5)-EV(B)/72 dt.26.07.72 received with C.A.G's No.-823-Audit/121-72 dt.01.08.1972 (Dy-FM-CAG-1-10(72-73)-22)]

Chapter- 12

Orders Regarding Procedure Interpretation etc. in respect of All India Services (Provident Fund) Rules 1955

GENERAL

1201. (i) “Consequent on the promulgation of the All India Services (Provident Fund) Rules, 1955, some clarification regarding the principle and procedure of maintenance of the accounts of All India Provident Fund Services was deemed necessary.

(ii) The Comptroller and Auditor General of India has decided that under Rule 2(1) (a) of these rules, the Accounts Officer in respect of the Fund is to be appointed by him (C.A.G). Since the Officers belonging to the I.A.S. and I.P.S. only will now be entitled to subscribe to All India Services Provident Fund, the principle of maintenance of Provident Fund Accounts and their adjustment in Provident Fund Section of accounts will continue as outlined in the G.I.H. Affairs letter No.-6014/47-GC, dated 6th March 1948 and 6th July 1949, i.e, they will be governed by the All India Services Provident Fund Rules 1955 but their Provident Fund transactions will be adjusted in the State Section of the Accounts as in the case of the officers of Indian Civil Service. No Provident Fund Account in respect of these officers will be maintained in the books of the Accountant General, Central Revenues, so long as the Central Government does not form its own cadre, similar to that of Finance and Commerce Pool cadre.

(iii) Under Rule 2(1) (e) of the rules, certain forms of nominations and assignments of Insurance Policies, etc. have been prescribed but no forms for the maintenance of Provident Fund Ledger Accounts have been included in the list. Hence, the procedure of maintenance of Provident Fund Accounts as outlined in [Section III Chapter 10 of M.S.O. (Tech.) Vol.-I] would apply mutatis mutandis in the case of maintenance of the All India Service Provident Fund Accounts and the ledger cards, etc. prescribed therein would be utilised in this connection”.

[Based on the Comptroller and Auditor General of India letter No.-1090-Admn.-11/267-56, dated the 25th June, 1956, Dy. Fd-I-DO-1-10-192.]

1202. Pending amendment rule 15 of All India Services (Provident Fund) Rules, 1955 so as to make submission of the undertaking in the form mentioned in para 2 (g) of the Ministry of Finance O.M. Dated 25th January 1955 (para of Fund Manual) compulsory before the Final Withdrawal of money for house building purpose is sanctioned to an officer belonging to the All India Services, under rule 12 (a) of those rules, the officer to whom the money is sanctioned should also be required to sign and submit an undertaking in the form mentioned above.

[Based on the G.I.M.H. Affairs letter No.-13/24/56 AIS (II), dated 28th September 1956. Dy. FD-1-1-10-846-5905]

1203. The Government of India have decided that the officers appointed to the I.A.S. and I.P.S. from various sources prior to the promulgation of the A.I.S. (Provident Fund) Rules 1955 should subscribe compulsorily to the Fund from the date of confirmation and not from the date of appointment on probation, though they would be eligible to subscribe to the Fund at their own option during the period of probation. The amount so subscribed voluntarily during the probationary period should not be refunded to them.

[Based on the G.I.H. Affairs letter No.-13/35/56-AIS(II), dated 8th October, 1956. Dy-FD-I-I A.S.-I.P.S.-109.]

1204. (i) It has been decided that re-assignment in favour of the subscriber of the Insurance Policies already assigned under the Central General Provident Fund Rules is legally not necessary before the policies are further assigned to the President/Governor as the case may be, under the All India Services (Provident Fund) Rules, 1955. The assignment already made to the President is not absolute but limited to secure the payment of amounts advanced from the particular Provident Fund. The further assignment contemplated is something like a second mortgage. Attention is also invited

to the form of assignment which mentions that it is a further assignment under the All India Services Provident Fund Rules, 1955.

(ii) There may be some difficulty if the previous assignment is invariably asked to be cancelled by re-assignment because it maybe that recoveries of the advances made from the previous Fund are not completed.

[Based on Government of India, Ministry of Home Affairs No.-8/46/58-AIS-(ii), dated the 17th December 1958-Dy.Fd-I-GI-199.]

1205. (i) It has been clarified that the form enclosed with Ministry of Home Affairs, letter No.-13-8-56-AS(II), dated 9th June 1956 can be used only in cases where the policies were previously assigned singly by the subscribers to G.P.E (Central Services) prior to the promulgation of All India Services (Provident Fund) Rules, 1955. The policies which were previously assigned jointly by the subscriber, will be required to be reassigned on a separate form (which is being prescribed).

(ii) A subscriber to the All India Services (Provident Fund) can assign the policies on his/her life to himself/herself and his wife/her husband in the form prescribed in para 13 of the “Memorandum Explanatory to Government Provident Fund Rules Vis-à-vis the law on the subject” and thereafter in form VI in the All India Services (P.F.) Rules 1955. But the joint assignment is permissible in the case of a wife and husband only. If the policy has already been assigned to a third person, he/she must divest himself/herself of his/her right by a formal reassignment of his./her interests to the subscriber who will then execute a fresh assignment to Government.

[Based on G.I.M.H.A letter No.-13/45/56-AIS(II), dated 29th December 1956. Dy.Fd-I-IAS/IPS-139(GI).]

(iii) Pending modification of the last two sub-paras, of para 13 of the explanatory memorandum on the All India Services Provident Fund Rules, it has been decided by the

Government of India that there would be no objection to a subscriber to the All India Services Provident Fund mentioning even a member or members of his family other than his wife, e.g., his son(s) and/or daughter(s) as the “Joint Tenant” in the “Joint Tenant” assignment of the insurance policy financed from the said fund, provided such member or members of the family has/have attained legal majority.

[Based on Government of India, Ministry of Finance No.-8/6/57-AIS(II), dated 30th April 1957 to the Accountant General, Madhya Pradesh. Dy.Fd-I-IAS/IPS-27/G.I]

1206. On a question being raised whether the Indian Administrative/Indian Police Service Officers should be required to subscribe to the All India Services (Provident Fund) compulsorily from the date of their appointment on probation or from the date of their confirmation in the service, it has been decided by the Government of India that the officers of Indian Administrative Service and Indian Police Service should be required to subscribe compulsorily to the All India Service, Provident Fund from the date of their appointment on probation since the status of a probationer is the same as that of a person appointed substantively to the service and he becomes a member of the service from the date of appointment on probation.

[Based on G.I.M.H.A. letter No.-13/35/56-AIS(II), dated 27th Decemebr 1956. Dy. Fd-I-G.I-IAS/IPS-142.]

1207. All ordinary advances from All India Services Provident Fund, I.C.S. Provident Fund and the Secretary of State Services (G.P.) Fund are to be sanctioned by the Administrative Ministry concerned without any reference to the Ministry of Home Affairs or the Ministry of Finance if the conditions laid down in the rules are satisfied. In the case of advances sanctioned for special reasons the concurrence of the Ministry of Finance may be obtained before issuing orders. Final withdrawals of money from All India Services Provident Fund I.C.S.P.F., I.C.S. (N.E.M.) P.F and Secretary of State Services (G.P) Fund for (i) House building purpose, (ii) Meeting the cost of higher education and (iii) Marriage purpose under the A.I.S. (P.F.) Rules Ministry of Home

Affairs letter No.-13/4/55-AIS(ii), dated 12th April and 21st June 1955 and 13th October 1955 AIS(ii), dated 13th August 1955 and 13/12/55-AIS(ii), dated 3rd January, 1956 maybe sanctioned by the Administrative Ministry concerned with the concurrence of the Ministry of Finance.

(ii). In the cases of relaxation of provisions of the rules and orders for grant of advances or withdrawals, the final orders are to be issued by the Administrative Ministry concerned after obtaining the concurrence of both the Ministry of Home Affairs and the Ministry of Finance.

(iii) The Sanctions for the grant of advances and withdrawals in relaxation of rules and orders and also sanctions of advances for special reasons and of final withdrawals for authorised purposes should be endorsed to Audit by the Ministry of Finance.

[Based on Government of India, Ministry of Home Affairs, Office Memorandum No.-13/29/56-AIS(i), dated 11th March 1957 Dy.Fd-I-GI-IAS/IPS/188.]

1208. Pending formal amendment to the All India Services Provident Fund Rules, 1955, I.C.S.P.F. Rules, I.C.S. (N.E.M.) P.F. Rules and the Secretary of States Services (G.P. Fund) Rules, the orders contained in the Ministry of Finance office memorandum No.-F-24(3)-EV/57, dated 18th February, 1957 inserted as Government of India decision No.-III under para-59-E as inserted by C.S. No.-66, are applicable to all the members, of the I.A.S. and I.P.S. including such of those officer of the I.C.S. and I.P. who have become members of the I.A.S. and I.P.S. under the Indian Administrative Service (Recruitment) Rules, 1954 and I.P.S. (Recruitment) Rules, 1954, as the case may be.

[Based on Government of India, Ministry of Home Affairs No.-8-12-57-AIS(ii), dated 23rd March 1957 to the Chief Secretaries of all State Governments. Dy. Fd-I-IAS/40/IPS.]

1209. (I) The Government of India have decided that the restriction imposed under the Ministry of Home Affairs letter No.-13/21/56-AIS(11), dated 1st February 1957, no

longer holds good and that the concessions contained in sub-paras (b) and (c) of para 1 of the Ministry of Finance Memorandum No.-25/(24)-Est.-V/48, dated 18th November 1948 should be extended to the All India Services Officers also from the date of promulgation of A.I.S.P.F Rules 1955, i.e from 12th September 1955.

(II) (i) Necessary amendments to (a) All India Services (P.F) Rules, 1955 (b) I.C.S.P.F. Rules and (c) Secretary of States Services (G.P.F.) Rules in respect of Members of I.A.S. and I.P.S. including such of those officers of the I.C.S. and the I.P. who have become members of the Indian Administrative Service and Indian Police Service in pursuance of rule 3 of the I.A.S./I.P.S. (Recruitment) Rules 1954.

(ii) Officers belonging to other Secretary of States Service (viz. members of the I.F.S.I.S.E. etc. other than officers of the I.C.S. and the I.P.) who may be serving in connection with the affairs of the Union will be issued in due course.

(III) The concurrent benefit of interest that will accrue is also to be given in such cases.

[Based on Government of India, Ministry of Home Affairs No.-8/30/57-AIS(ii), dated 27th August 1957. Dy. Fd-I-IAS/IPS-4984]

1210. It has been decided by the Government of India that the term “matured” occurring in Explanation below Rule 17 (3) of the All India Service (Provident Fund) Rules 1955 should be deemed to include “Paid up” policies also.

[Based on Government of India Ministry of Home Affairs No.-8/45/57-AIS(II), dated 23rd April 1958 Dy. Fd-I-GI-IAS/IPS/1/36]

Authority Competent to Sanction Advances both Ordinary and Final withdrawals

1211. It has been decided by the Government of Orissa that all ordinary advances from All India Services Provident Fund, I.C.S. Provident Fund and the Secretary of States Services (General Provident) Fund are to be sanctioned by the Administrative

Department concerned without any reference to Political and Services Department and Finance Department, if the conditions laid down in the rules are satisfied. In the case of advances sanctioned for special reasons, the concurrence of the Finance Department may be obtained before issuing orders. Final withdrawals of money from All India Services Provident Fund, I.C.S Provident Fund, I.C.S. (N.E.M.) Provident Fund and Secretary of States Services (G.P.) Fund for :

(i) House building purpose (ii) meeting the cost of higher education and (iii) marriage purpose under the All India Service (P.F) Rules and Ministry of Home Affairs letters Nos.-13/A-55/AIS(ii), dated the 12th April 1955 and 21st June 1955, No.-13/16/55-AIS(II), dated the 13th August 1955 and No.-13/22/55-AIS(II), dated 3rd January 1956 may be sanctioned by the Administrative Department concerned with the concurrence of Finance Department.

(ii) In the case of relaxation of provisions of the rules and orders for grant of advances or withdrawals, the final orders are to be issued by the Administrative Department concerned after obtaining the concurrence of Political and Services Department and Finance Department.

[Based on Government of Orissa, Political and Services Department Memo No.-Ref.-4/57-17054 (17)-Gen., dated the 31st December 1957 Dy.Fd-I-IAS/IPS/1-10062.]

Rate of Interest of P.F. Accumulations of I.A.S/I.P.S Service Officers Promoted from the State Services

1212. (i) It has been decided that the protected rate of interest of 4 per cent, which was admissible to the State Service Officers under the State Provident Fund Rules should not be allowed to them after their promotion to the All India Service.

(ii) In such of these cases in which final payment of P.F. money has already been made allowing protected rate of interest prior to the issue of the above noted orders endeavor

should be made to enforce recovery of the excess payment as far as practicable, and if the amount ultimately prove to be irrecoverable these should be got regularised under orders of the competent authority.

[Based on letter No.-2742-Admn.-II/394-57, dated the 24th December 1957 and 195-AC-II-394-57, dated the 27th January 1959 of the CAG DY-Fd-I-IAS/IPS-I-10368 and letter No.-13/11-56-IAS(11), dated the 20th February 1957 of G.I Ministry of Home Affairs addressed to Comptroller, Kerala, Dy-Fd-I-IAS/IPS-I-1137]

Grant of Final withdrawal from All India Services Provident Fund and Indian Civil Services Provident Fund for House building purpose Payment of Second and Subsequent Installments

1213. Sub-rule (2) to rule 13 of All India Service (PF) Rules, 1955, sub-rule (3) to Rule 7-B of the Indian Civil Service P.F. rules 6 (b) of the I.C.S. (N.E.M.) P.F. Rules and sub-rule (2) of rule 9-H of the Secretary of State's Services (G.P.F.) rules, 1943, provide that the withdrawal of the second and subsequent installments for the house building purposes could be permitted by the Government when it is satisfied that there has been sufficient progress in the construction of the house. It is accordingly necessary that while authorising payment of subsequent installments, the administrative verification in pursuance of which the installments have become due is completed, to enable the Accounts Officer to admit payments drawn by the Drawing Officers against such authorisation. The Government of India have therefore decided that the withdrawal of second and subsequent installments shall be permitted only when the Government issues certificate to the effect that required formalities in regard to the construction of the house in pursuance of which the installments has become due have been complied with.

[Based on G.I., Home Affairs letter No.-5/26/58-AIS(II), dated 4th November, 1959 (Dy.Fd-I-IAS/IPS-7818)]

1213 A. In order to enable the Audit Officer to examine that the conditions laid down in Provisos under Rule 13(1) of the All India Services (Provident Fund) Rules, Rule 7-B(1)

of the Indian Civil Services Provident Fund, Rule-6-B(1) of the Indian Civil Services (N.E.M.) Provident Fund Rules and Rule-9-B(1) of the Secretary of State's Services (G.P.F.) Rules are satisfied in each and every case of final withdrawal sanctioned for house building purpose, it has been decided by the Government of India that in future, in all cases where final withdrawal is sanctioned for purposes of building acquiring reconstructing, or making additions or alternations to a house, the sanctioning authority must indicate in the sanction letter :

- (i) The pay of the subscriber at the time of sanctioning the final withdrawal ;
- (ii) The particulars and amount of advance drawn by him for house building purposes under the scheme of the Ministry of Works, Housing and Urban Development ;
and
- (iii) The amount of any other assistance in this regard received by him from any other Government source.

[Government of India, M.H.A. No.-5/1/65-AIS(II), dated 21st March 1966-Dy. FM-1-10-137]

Withdrawal of Accumulations in the A.I.S. Provident Fund that are Retained after Retirement

1214. (i) The accumulations in the Provident Fund becoming payable on retirement of the officer do not require prior sanction of the Government for withdrawals under Rule-28-A of the All India Service Provident Fund Rules 1955, in case an Officer exercise option to retain such accumulations under the proviso to Rule 28 of these rules. Similarly no sanction of the Government is necessary for making final payment of the Provident Fund accumulations after the expiry of the period of its retention permissible under the rules.

(ii) This issues in consultation with the Ministry of Finance and Comptroller & Auditor General of India.

[No.-6/I/61-A.I.S (II), dated 24th July 1961 of the G.I Ministry of Home Affairs {Dy. Fd-1-I.A.S/I.P.S.-1-11-21}]

Grant of Final withdrawal from Provident Fund

1215. For House Building Purpose:-A question having been raised as to whether a second withdrawal from All India Service Provident Fund can be granted to a subscriber for the construction of the same house it has been decided by the Government of India that the final withdrawal for house building should be one, even though it can be taken in more than one installment as explained in Rule 13(2) of AIS (PF) Rules 1955. If, however, the amount of first withdrawal is not found to be adequate for the purpose, then the officer may apply for second withdrawal which will be considered on merits, if necessary in relaxation of relevant Rules, subject to the over all condition that the total of first and second withdrawals from fund for house building purpose or purchase of a house site does not exceed the prescribed limit (as laid down in Rule 13 abdi) of the balance standing to the subscribers credit in the Fund at the time of First withdrawal.

[Based on G.I.M.H.A. letter No.-6(24/62-AIS(II), dated 28th January 1963-Dy-Fund-I-IAS/IPS-104017.]

Pledging of Retirement benefits for Obtaining Loans etc. from Life Insurance Corporation etc. by All India Service Officer

1216. On a case being brought to the notice of the Government of India regarding pledging of retirement benefits by an All India Services Officer for obtaining a loan from the Life Insurance Corporation in which connection he also agreed to appoint the Life Insurance Corporation, if possible, as his nominee to receive the Provident Fund, Gratuity and other retirement benefits, it has been clarified that Section-12 of the Pension Act, 1871 and Section-3 of the Provident Fund Act, 1925 do not permit an Officer to pledge his pension or Provident Fund in this manner. It has to be remembered that the retirement benefits like pension, gratuity and family pension etc. are at the discretion of Government and should not be pledged, in anticipation, by Government servants. Similarly, the respective rules regarding nomination do not also permit any officer having a family to nominate Life Insurance Corporation to receive the Provident Fund or other retirement benefits.

[Based on Government of India, Ministry of Home Affairs letter No.-29/63-64/AIS(ii), dated 22nd March 1965 received with No.-Pen-I-1499, dated 23rd June 1965-Dy. FM-1-10-65-1227.]

1217. Validity of sanctions- Orders sanctioning advances or non-refundable withdrawals from All India Service Provident Fund will remain operative for three months from the date of issue except in cases of non-refundable withdrawals effected in installments where the period of validity is specified by the sanctioning authority up to a particular date in terms of G.I.D. (1) below Rule 43 of G.F.Rs, 1963.

(Based on G.I.M.H.A. letter No5/19/67-AIS(II) dated 24.01.68-Dy. FM-1-10-G/I-68)

1218. Deposit linked Insurance Scheme- It has been clarified by the Government of India, Department of Personnel and Training that in the case of state service officers promoted to All India Services, service rendered by them in state service will count for allowing benefits under Deposit Linked Insurance Scheme under Rule 19 (B) of the A.I.S. (D.C.R.B.) Rules.

(Based on Government of India, Department of Personnel and Training letter No. 25011/50/88-AIS (ii) dated 21.02.89. (Dy.FMI/W-146) –File –1-6/89-90)

Chapter- 13

Continued Retention of Provident Fund Money after Retirement

GENERAL

1301. (i) The scheme of continued retention of Provident Fund money in the Fund after retirement was introduced in the first instance for a period of three years from 18th December 1957 to 17th December 1960, which has been further extended up to 17th December 1966.

(ii) Government reserve the right of discontinuing the scheme after giving 6 months notice to the subscribers within this period if the circumstances justify such a course.

[Based on G.I.M.F. (Department of Expenditure) No.-F-28(22)-EV/67, dated 18th December 1957 and No.-F-8(1)-EV(B)/61, dated 19th January 1961 and No.-F-27(1)-EV-B/64, dated 22nd February 1964.]

Note 1- The Scheme which was discontinued by the Government of Orissa with effect from 01.09.1967 in G.O. , FD Office Memorandum No 29724/F dated 25.08.67 has been reintroduced for a further period from 01.09.1967 to 28.02.1971 on the same terms and conditions as were originally provided in G.O., FD, OM Nos. PF.23/58-19715(72) dated 02.06.1959 and PF 68/2-27822/F dated 07.07.1962. The retired personnel who have not yet withdrawn their accumulations from their GPF accounts with effect from 01.09.1967 or thereafter are allowed to retain their money in the Fund up to 28.02.1971 with interest at the rates prescribed from time to time. Other personnel who have already retired on or after 01.09.1967 are also allowed to retain their PF money in the Fund by sending an intimation in writing to the Accounts Officer, concerned by 31.05.1969. Persons retiring subsequent to the present order are also allowed the benefit of retaining their PF accumulation in the Fund by sending similar intimations to the Accounts Officer (Accountant General) either before the dates of their retirement or within six months thereof.

{Based on GO, FD OM No. GPF 15/68-5401/ F dated 18.02.1969- Dy-FM 1.37.732}

Note 2- This scheme has been withdrawn by the Government of India from 18.12.66. But in order to enable the subscribers to withdraw their accumulations in the Provident Fund accounts for investment elsewhere, it has been decided to permit withdrawals up to 17.12.67 subject to the following conditions.

1302. No amount should remain in the “Retention Account” beyond 17.12.67 and entire accumulations should be withdrawn on or before that date in one lump sum instead of in instalments.

(2) Interest on such withdrawals should be payable up to the end of the month preceding that in which payment is made. In no case, should interest be allowed beyond 30.11.67. Applications for withdrawal should, therefore, be sent to the Accounts Officers concerned well before 17.12.67.

{Based on Government of India, Ministry of Finance (DE) Office Memorandum No. 41 (22)-EV/66 dated 10.11.66 (Dy.FM-CAG-60) and Government of India, office Memorandum (DE) OM No. 41 (22) EV /66 dated 30.5.67 (Dy. CAG-16)}

Applicability of the Orders to the Class of Retired Government Servants

1302 (I) These orders are applicable to all officers to whom General Provident Fund (Central Services) Rules, 1960, Contributory Provident Fund (India), Workmen’s Contributory Provident Fund Rules and General Provident Fund (Orissa) Rules apply.

(ii) These are not applicable to those who quit-employment on dismissal, removal or voluntary resignation.

[Based on G.I.M.F. (Deptt. of Expenditure) No.-F-28(22)-EV/57, dated 18th December 1957 and G .O.F.D O.M No.-P.F-28/58-19715(22), dated 2nd July 1959]

Note:-The application of above order to CPF (Orissa) Rules is under consideration of State Government.

Retention of P.F. Balances

1303. Subscribers desiring retention of their Provident Fund balances after retirement in the Provident Fund concerned may retain for a period of five years subject to their sending an intimation in writing to the Accounts Officer, either before the date of retirement or within six months thereof. In the absence of any such intimation, the subscriber shall be deemed to have exercised the option of withdrawing the accumulation under usual rules. The option once exercised will be final.

[Based on G.I.M.F, (Deptt. of Expenditure) No.-F-28(22)-EV/57, dated 18th December 1957 and No.-F-8/63, dated 12th March 1963.]

Note:- The above provisions have been adopted by State Government with effect from 6th August 1963 and therefore in the case of State Government employees the option referred to above should be exercised within six months from 6th August 1963.

[Based on G.O.F. Deptt. O.M No.-PF-52/63-26300/F, dated 6th August 1963, Dy. FD-1-3747]

1304. The period of five years for retention of Provident Fund money shall be reckoned from the actual date of retirement and not from the date of leave preparatory to retirement or of the option.

1305. The amount retained is free from attachment by creditors under section 3 of the Provident Fund Act and is also exempt from Income Tax.

1306. No Insurance Policies should be allowed to be financed from the fund after the normal date of retirement. Any Policies financed from the Fund account previously should, therefore, be reassigned and handed over to the subscriber under the usual rules.

Accounting Procedure

1307. (i) As soon as a retired subscriber has expressed his desire to keep his balance with Government, his ledger account will be closed after allowing interest up to the date of retirement. A new account with the balance at credit including interest up to date of retirement arrived at will be opened. This new account will be kept in the Branch Officer's Custody and each and every entry therein will be attested by him. It is emphasised that with regard to this category of accounts extra care should be exercised to guard against double payment.

Note:-The intention behind the expression "Balance at credit including interest" occurring in para above, is not allow interest twice over in the same year, but to calculate and exhibit the interest separately at the rate appropriate in each case for the period up to the date of retirement and then from this date up to the end of the financial year in accordance with the provisions of rule 11 of the G.P Fund (C.S) Rules 1960 and the corresponding rules in the State Provident Fund Rules.

[C.Ar.G's letter No.-1798-Admn.-II/3-58, dated 29th July 1958 File Fd.-I/ 1(7)/ 57-60-61.]

(ii) Protected rate of interest will be allowed up to the date of retirement only. There after the current rate alone will be allowed, since the retention of money after the retirement is itself a concession.

[C.A.G's letter No.-536-Admn.-II/3-58, dated 11th March 1958 and No.-Dy-Fd-1-1-10-269.]

Permitting Withdrawals and Payment of the Balances

1308. (i) Withdrawal will be permitted once a year during the period of retention. Each withdrawal (except the final withdrawal) shall not exceed one fifth of the amount at credit on the date of retirement. In the event of death, the amount will be paid to the person or persons entitled to receive payment under the usual fund rules. Interest on final withdrawal in such cases is payable up to the end of the month preceding that in which payment is made or up to the end of the six months after the month in which the final withdrawal becomes payable, either by death or expiry of period of retention of 5 years whichever period is earlier.

(ii) The first withdrawal may be permitted any time between the first and the 12th month after retirement, the second between the 13th and 24th month, the third between 25th and 36th, the fourth between 37th and 48th and the fifth on completion of 60th month. If no withdrawal was made during the first four years or the withdrawal made aggregate to less than four fifths of the credit on the date of retirement, one withdrawal may be made between the 49th and 60th months provided the withdrawal so made during the first four years does not exceed four fifths of the amount at credit on the date of retirement. It will not be necessary to specify any reasons for withdrawal in such cases. Prior sanction of Government is not necessary for allowing withdrawals of final payment from the Provident Fund money retained for a period of five years after retirement.

[Based on G.I.M.F. O.M No.-F-8(1)-EV-8/63, dated 12th March 1963 and G.O Deptt. M. No.-FF-52/63-26300/F, dated 6th August 1963.]

Chapter- 14

Computerisation of General Provident Fund

1. General.

I. Definitions:

a) System

The term 'System' is used for "G.P.F. Computerization"

b) Login

The term "Login" is used to establish a connection to a Computer System.

c) Password

"Password" is a feature, which allows the system users to access the system resources up to the authorized limits in order to protect system from the unauthorized people.

d) Logout

"Logout" is a procedure to relinquish a working session and sign off a system by sending a termination message.

e) Accounting Types

"Accounting types" mean type of accounting month used in our system i.e. Normal, Supplementary and Annual. Normal is used for all the accounting month where as supplementary and Annual are used for March accounts only.

g) Dummy Head

“Dummy Head” is used to identify credit/debit posting of different series relating to Provident Fund where Service Major Heads, are not available e.g. Exchange Account, Cash Account and TE Account.

h) Dummy DDO:

The term “Dummy DDO” is used for the Drawing and Disbursing Officers where DDO’s name does not appear in the PF recovery schedules and in the Debit vouchers e.g. credits received through challan.

i) Abstract Number.

Abstract Number is a unique system generated number to identify the accounting month/year.

j) Abstract Amount

“Abstract Amount” means total amount of recovery/withdrawals for a particular service major head/Treasury/month & year.

k) Abstract Month and Year

This term is used to identify the Booking month and year of Provident Fund credit/debit posting.

l) Confirm Posting

The term “Confirm posting” is used to avail facility from the already posted accounts in the preceding months for a particular Drawing and Disbursing Officer.

m) Foreign Item

An item, which does not pertain to 8009 Major Head, is treated as foreign item.

n) Slip Month and Year

This term is used for the month and year in which salary has been paid. This month is also stated in GPF statement and is also used for determining the missing credits/debits months.

o) Interest Month and Year

The term “Interest Month and Year” is used for month/year from which interest is to be allowed/deducted on PF credit/debit.

p) Schedule/Voucher Amount

In the Provident Fund Module the term “Schedule/Voucher Amount” means amount of Provident Fund subscription/Recovery of Advances and advances taken from provident fund by the subscribers under specific DDO/Service Major Head/Treasury/Month & Year.

q) Recovery Schedule

The term “recovery schedule” is used for the list showing names of Provident Fund subscribers, their Provident Fund subscription and recovery of advances.

r) Inward Number

The term “Inward Number” is a unique system generated number in respect of sanction of advances entered in the system in respect of Provident Fund subscribers.

s) Category

The term “category” is used for showing nature of posting in respect of credit/debit other than subscription and refund e.g. Dearness Allowance arrear and Pay arrear etc. and in case of debit posting it is used to categories the type of withdrawal like TA for refundable Advance, PFW/NRA for Part Final Withdrawal /Non Refundable Advance and FP for Final Payment etc.

t) DDO Code

The term “DDO Code” is a unique code to identify the Drawing Disbursing Officer.

u) Treasury Code

The term “Treasury Code” is a unique code, which is used to identify treasury. It is three characters (alpha) code assigned to every treasury.

Introduction

Accountant General offices have been entrusted with the work of maintaining of General Provident Fund of the State Government employees. In order to computerise the G.P.F this office adopted the G.P.F.Package developed by the Mumbai Office in FOXPRO & switched over to computerization during 98-99. This Chapter includes Technical information about Provident Fund Module, guidelines regarding working of GPF package and important instructions relating to Provident Fund Computerization.

A separate Major Head i.e. 8009 has been earmarked for the accounting of the deposits into and the withdrawals from the General Provident Fund, Contributory Provident Fund and All India Services Fund. Apart from maintaining GPF accounts of individual subscribers. Provident Fund wing also has to agree the consolidated balances with the detail book figures. This agreement is done through Major Head Agreement reports. Separate reports like Un-posted items; Part want, Full want, Foreign Amounts and other differences are also available to see the detail of differences as available in the manual system. Efforts have been made to provide checks for data validation. The method of monthly posting of schedules etc. has been systematized in such a way that User can avail the facility of previous month posting in the current month by choosing “Confirm” button in the data entry screen of Credit posting.

Normally, the GPF subscriptions are deducted from the salaries, which are debitible to various expenditure heads. These subscriptions are shown as deductions in the accounts received from the treasuries. The deductions have supporting schedules, which provide individual subscribers’ subscription details. A Major Head wise voucher compilation and its agreement is done by V.L.C. Sections for each treasury before

sending the schedules to EDP (GPF) Section for posting through schedule/voucher receipt sections.

The System generates one abstract in the GPF module for each major head and treasury. The abstract number created by the system is unique. There are some dummy major heads for posting of adjustment accounts, works accounts, Challan etc.

Treasury Accounts are not the only source of receipt of GPF subscriptions/debits. Subscribers on deputation to outside agencies remit their subscriptions through cheques/challans. Thus, in addition to regular salary deductions coming from Treasury, we also have settlement account, transfer entries and Works account etc. as a source of Provident Fund subscription. An agreement with the Detail Booked Figures is to be made separately for each source.

Abstract is the starting point for posting of monthly schedules/vouchers. The first task there is to create an abstract for a Major head and a treasury. Following details are required to be entered into the system in order to create an abstract:

1. Month/Year of Abstract
2. Whether pertains to All India Services category
3. Service Major Head.
4. Treasury Name.
5. Abstract Amount.

Once these details are entered, the system generates an abstract number, which is unique. Thereafter the abstract gets identified with this number.

The month and year of Abstract is the month and year in which transactions have been accounted for. As the deductions of All India Services are shown separately, it is not difficult to know whether the schedules belong to AIS or other Series. Major Head is Head of Account to which salary has been debited. Debit vouchers may not have a Major Head written on them. To meet with this type of problem provision of Dummy Heads has been made in the package to accommodate all the debits treasury wise and cash

credits. Similarly whenever treasury is not available (in case of Transfer Entry, Settlement Accounts etc) provision for Dummy Treasury has also been made in the package.

After the abstract is created, the voucher details such as voucher no., amount, category, whether voucher or Challan etc. are required to be entered.

There are three types of month & year recognized by the system:

- i) Abstract month & year: As mentioned earlier, this is the month of account in which transactions have occurred.
- ii) Slip month & year: This is the month to which the transaction actually relates.
- iii) Interest month & year: This refers to a month from which interest is to be paid.

Category of Posting:

Any item entered into the system falls under one of the following categories:

- i) **Posted Item**: Where the series, account number and name stated in the schedule agree with that in the computer system, the item is posted to that account.
- ii) **Unposted Item**: In case of any discrepancy regarding series or account number or name the item is kept unposted in the system.
- iii) **Foreign Item**: An item, which does not pertain to 8009 Major Head, is treated as foreign item.

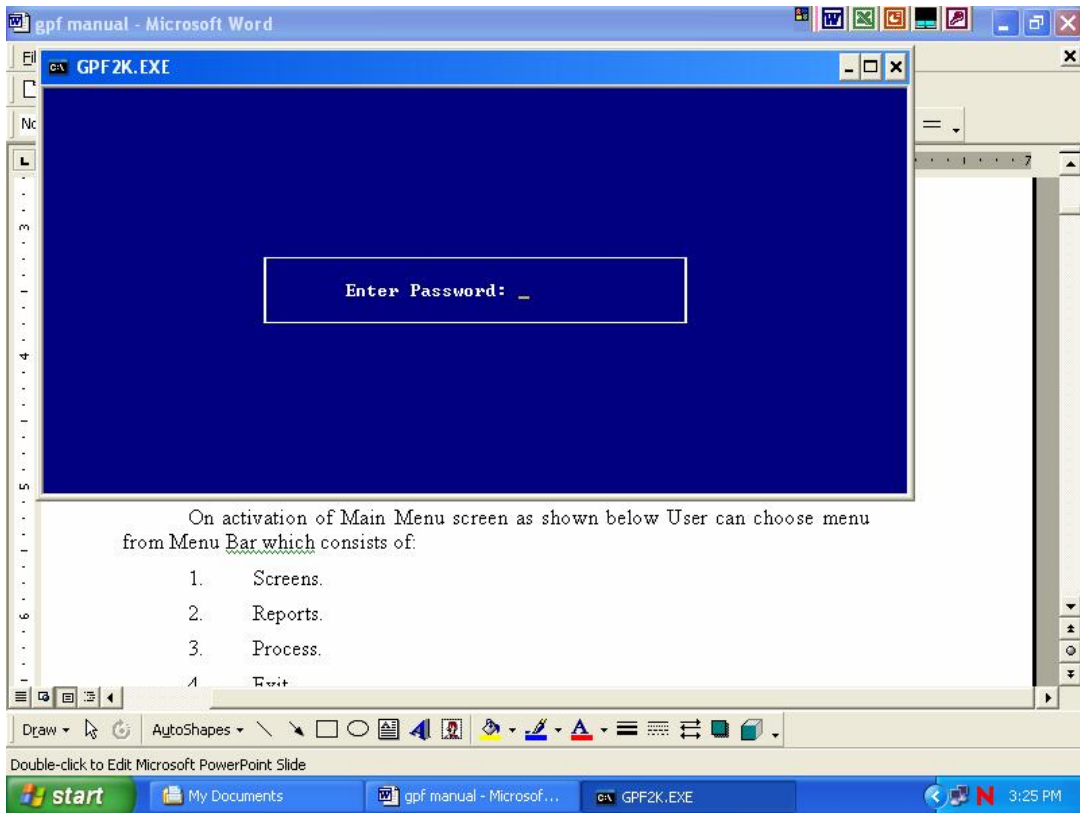
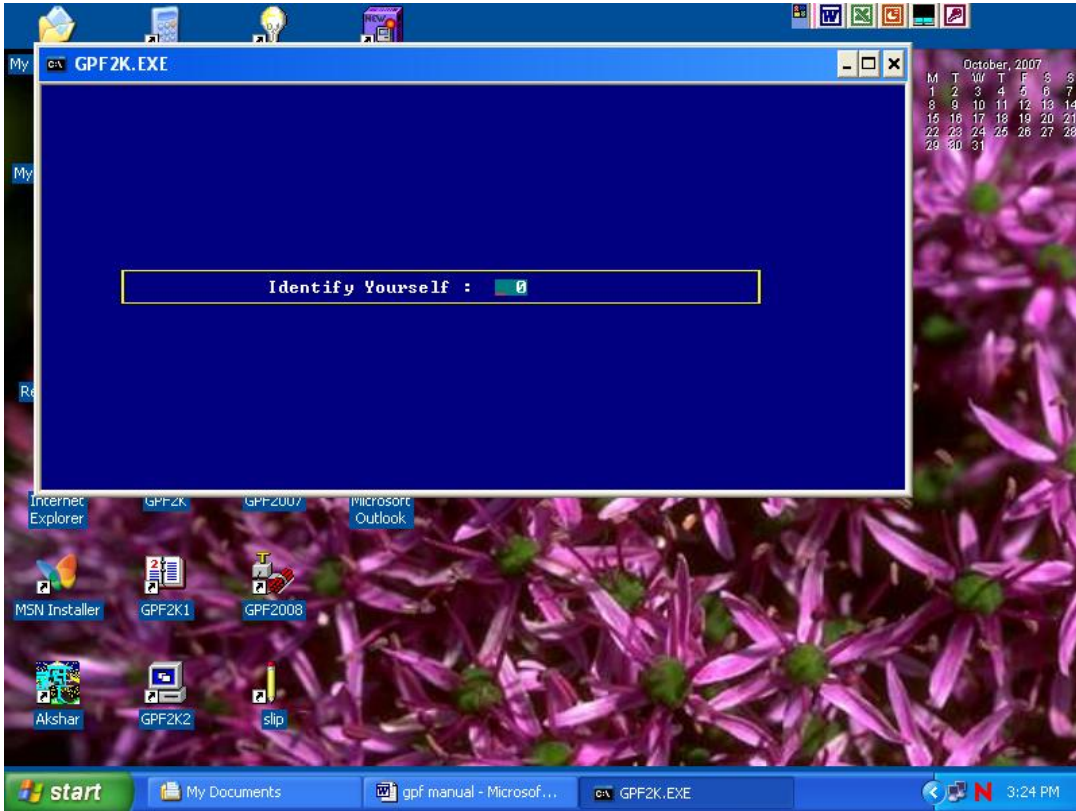
Apart from this there are part-want, full-want and other entries which show the differences other than unposted items and foreign items. 'Part want' means the part of schedule is missing or there is difference of plus/minus (+/—) in the recovery schedule whereas 'full want' means where the complete recovery schedule is missing with reference to Vr. No. available in the Abstract. Difference means difference between abstract amount and voucher amount created under a particular abstract.

After completion of March Accounts, processes for calculation of interest and updation of DDOs, missing credits and other master data are executed for the generation of Annual GPF account statements and other annual reports

How to Start GPF Computerised package:

User has to enter User's ID & Password to connect with the package. This action will allow the User to enter in the Module for which the User has been given the rights.

LOGIN SCREEN



After login the user can go the main screen: -



Brief description of Main Menu and its Sub-menu options are given below: -When you are working in the package and want to leave the menu you can do so by pressing 0 if you are at popup screen. In other cases, you will have to press Esc key to come out.

1. Credit Posting > Create Abstract: -An Abstract is required to be created before the schedules can be posted. The User is required to enter the details regarding month & year, major head, treasury and amount. The Abstract No. will be generated by the system.

2. Credit Posting >Enter voucher Details: - User has to select the Abstract No. for which voucher details are to be entered. In the voucher entry screen user have to enter voucher category (Challan or voucher), voucher No.& amount.
3. Credit Posting >Edit Voucher Details: - Voucher amount can be edited through this menu.
4. Credit Posting >Post schedules: - User has to select the Abstract and then the voucher for which schedules are to be posted. Next step is to select the DDO for the voucher. Then enter the slip month &year and interest month &year. Now user can post the schedules through confirm or actual posting.
5. Credit Posting >Edit Schedule Posting: -Schedules posted can be edited through this menu.
6. Credit Posting >Abstract Report: - You can view the Abstract status here.
7. Debit Posting >Create Abstract: - Same as credit posting.
8. Debit Posting>Enter voucher Details: - Same as credit posting.
9. Debit Posting>Edit Voucher Details: - Same as credit posting.
10. Debit Posting>Post schedules: - Same as credit posting.
11. Debit Posting>Edit Schedule Posting: - Same as credit posting.
12. Debit Posting>Abstract Report: - Same as credit posting.
13. Transfer Entries>Create Abstract: - Same as credit posting. However minus amount is accepted in the abstract.
14. Transfer Entries>Enter TE details: - Same as credit posting.
15. Transfer Entries>Edit TE details: - Same as credit posting.
16. Transfer Entries>Post TEs: - Same as credit posting.
17. Transfer Entries>Edit TE Posting: - Same as credit posting.
18. Transfer Entries>Abstract Report: - Same as credit posting.

19. Groups & Users>Group achievement: - Posting progress of a group can be viewed here.
20. Groups & Users>User achievement: -By specifying User ID his posting progress can be viewed.
21. Groups & Users>Group Ranking: - Posting progress of all group can be viewed here in descending order.
22. Groups & Users>Users Daily Ranking: -You can view the top ten users of any given day.
23. Groups & Users>Users cumulative Ranking: -Cumulative Posting progress of Users can be viewed here.
24. Installation Data Entry>Subscribers' Master : -This option lets the User enter the subscribers' detail into the system.
25. Installation Data Entry>Opening balance entry: -This option seeks series and account number from the User and allow to enter/modify the opening balance.
26. Installation Data Entry>Add new DDO: -User can add new DDO by entering details such as treasury, DDO name & address. System will generate a code number.
27. Enter Debit Sanctions: -All debit sanctions received from DDO/Sanctioning authority are entered through this menu. System will generate a Inward number.
28. View Abstract Posting: - This option displays the schedule posting for selected abstract.
29. Other Options>Un-post Clearance-Current: - User can clear current year's un-posted items through this menu.
30. Other Options>Un-post Clearance-Old: - Un-posted items of previous years but after introduction of the computer system can be cleared through this menu.
31. Other Options>Allotment of Subscriber's Account No.: -In case of new subscriber in this menu User has to enter certain details such as treasury, DDO and series. In the next step subscriber's details such as name, basic pay, date of

birth, date of joining, nomination and sex are entered. Then the system generates account number for the subscriber.

32. Other Options>SO suite>Update Current DDO: - This menu option stores the latest DDO through which subscriber's subscription has been received.
33. Other Options>SO suite>Edit Debit Sanctions: - The details of debit sanctions already entered into the system can be edited through this option.
34. Other Options>SO suite>Sanctions Linking: - This option links the debits of a subscriber with the debit sanctions received.
35. Other Options>SO suite>Edit Subscribers' Master: - User can edit subscribers' details such as name etc. by entering series & A/C No. through this menu.
36. Other Options>SO suite>Enter DBF figures: - User can enter the Detail Book Figure for the selected abstract through this menu.

B.O.Suite: -This is a password-protected menu for use by System Supervisor/B.O.

Brief description of menu options is given below. When you are working in the package and want to leave the menu you can do so by pressing 0 if you are at popup screen. In other cases, you will have to press Esc key to come out.

1. Lock Abstract: -User can lock the abstract through this menu after posting is over so that editing/manipulation of the abstracts by others can be prevented.
2. Edit Abstract Entry: -The details such as major head & amount of the selected abstract can be edited through this menu.
3. Edit Voucher Entry: - User can edit the voucher details such as DDO, category & amount, interest & slip month & year in the selected abstract through this menu.
4. Edit voucher No. in schedule: - This option allows the User to change the voucher number of schedules.
5. Delete Sanctions: - This option enables to delete a debit sanctions entry already entered into the system.
6. Edit DDO Master: - DDO entry can be edited or deleted here.
7. User Maintenance> Assign Group Targets

8. User Maintenance> Assign User Targets
9. User Maintenance> Change User's Group
10. User Maintenance> Edit User's Name: -User's name can be edited with the help of this menu.
11. User Maintenance> Add New User
12. User Maintenance> Add New group
13. User Maintenance> Delete Group
14. User Maintenance> Delete User: - A user can be deleted through this menu.
15. User Maintenance> View Total Progress
16. Other Options>Edit DBF Figure: - This option allows to enter/edit Detail Book Figure of the selected abstract.
17. Other Options>Close Account: - This option allows to close a particular account so that system will not calculate interest or generate Account Slip. It is required in case of Final Payment cases.
18. Other Options>Re-index: -User can re-index the files using this menu.
19. Other Options>Close Month: - User can close the month after the posting for that month is over.
20. Other Options>Open Month: -Closed month can be reopened with the help of this menu.

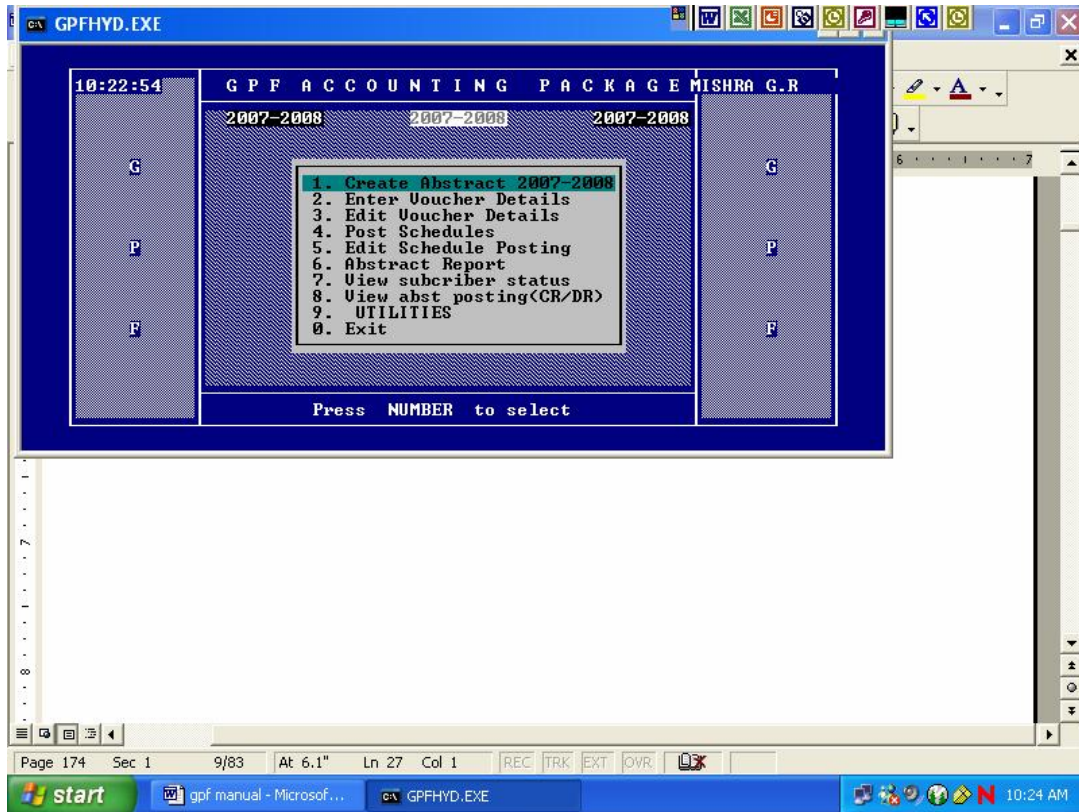
Other Options>DAG: -This is a further password-protected menu to be used by next higher authority like D.A.G. etc.

1. Unlock Abstract: - The User can unlock abstract, which has been locked.
2. Delete Abstract Entry: -This will enable the User to delete abstract entry
3. Delete Voucher Entry: -This will enable the User to delete a particular voucher.
4. Edit Master Files>Edit Office Name: - User can edit office name & address through this menu.
5. Edit Master Files>Major Head: - User can add, modify or delete a Major Head through this menu.
6. Edit Master Files>Treasury: - User can add, modify or delete a Major Head through this menu.

7. Edit Master Files>Edit Series: - User can add, modify or delete a Series through this menu.
8. Edit Master Files>Credit category: - User can add, modify or delete a category of other credit items through this menu.
9. Edit Master Files>Debit category: - User can add, modify or delete a Major Head through this menu.
10. Other Options>Open Account: - Closed account can be opened through this menu.
11. Other Options>More Options>Super Re-indexing: - It can be used to re-index the files when the ordinary re-indexing option fails.
12. Other Options>More Options>Interest Calculation: - Interest will be calculated of all series through this menu.
13. Other Options>More Options>Annual Closing: - Through this menu Annual closing process can be done.

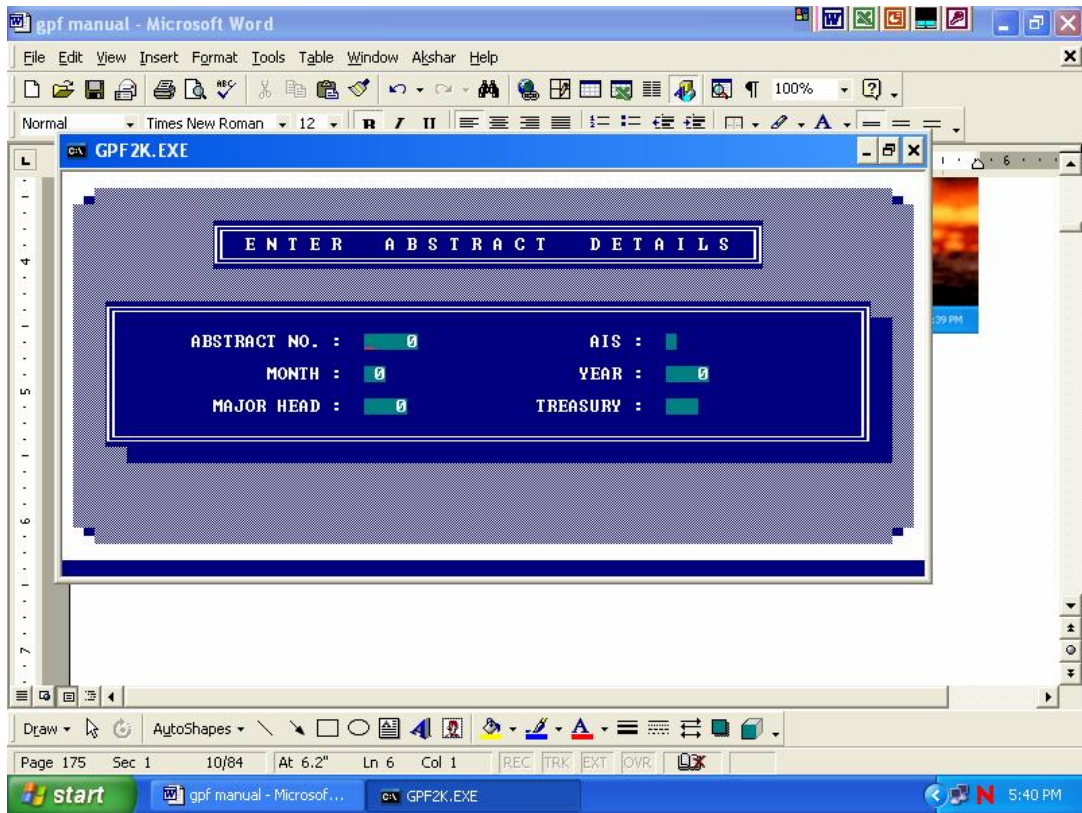
Credit Posting

Screen-



Credit Posting à Post Schedule

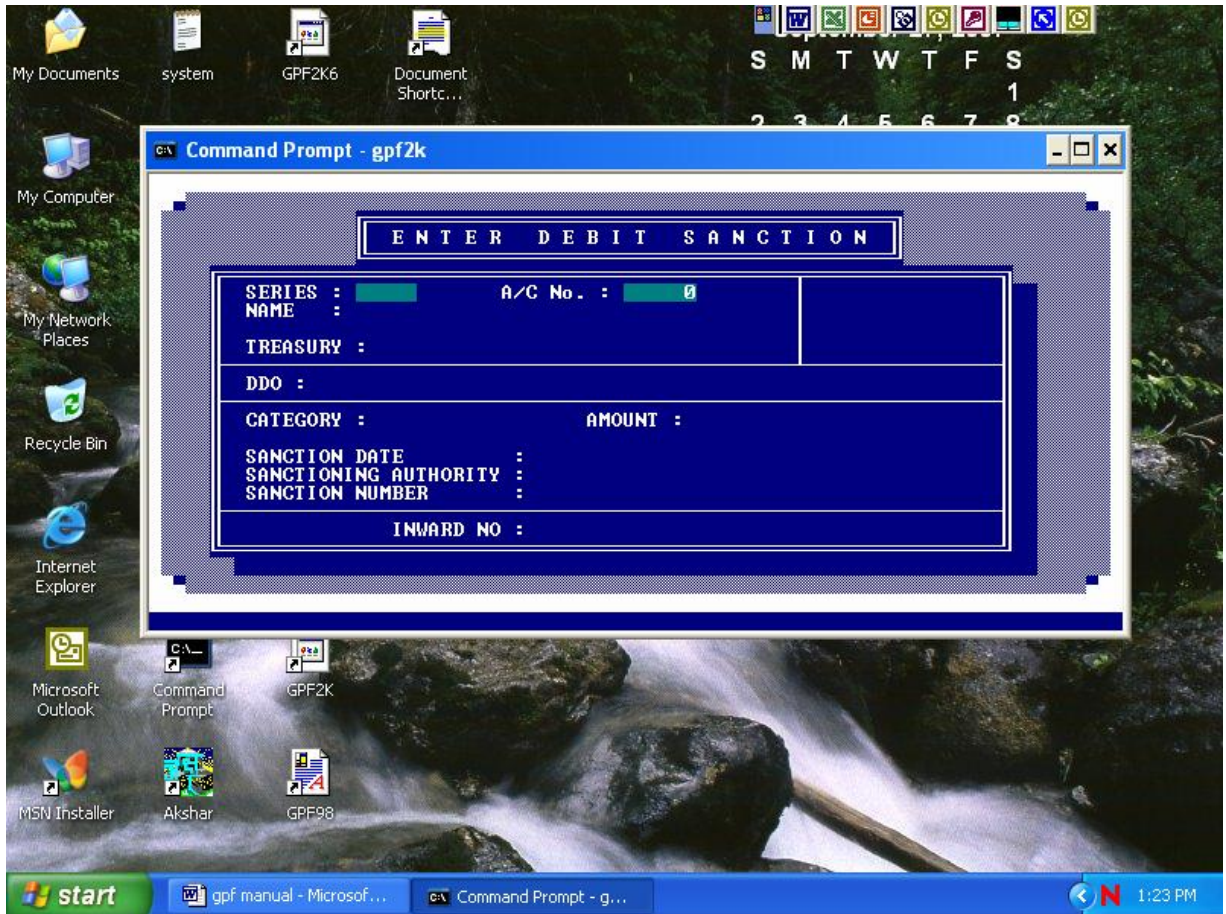
Screen à



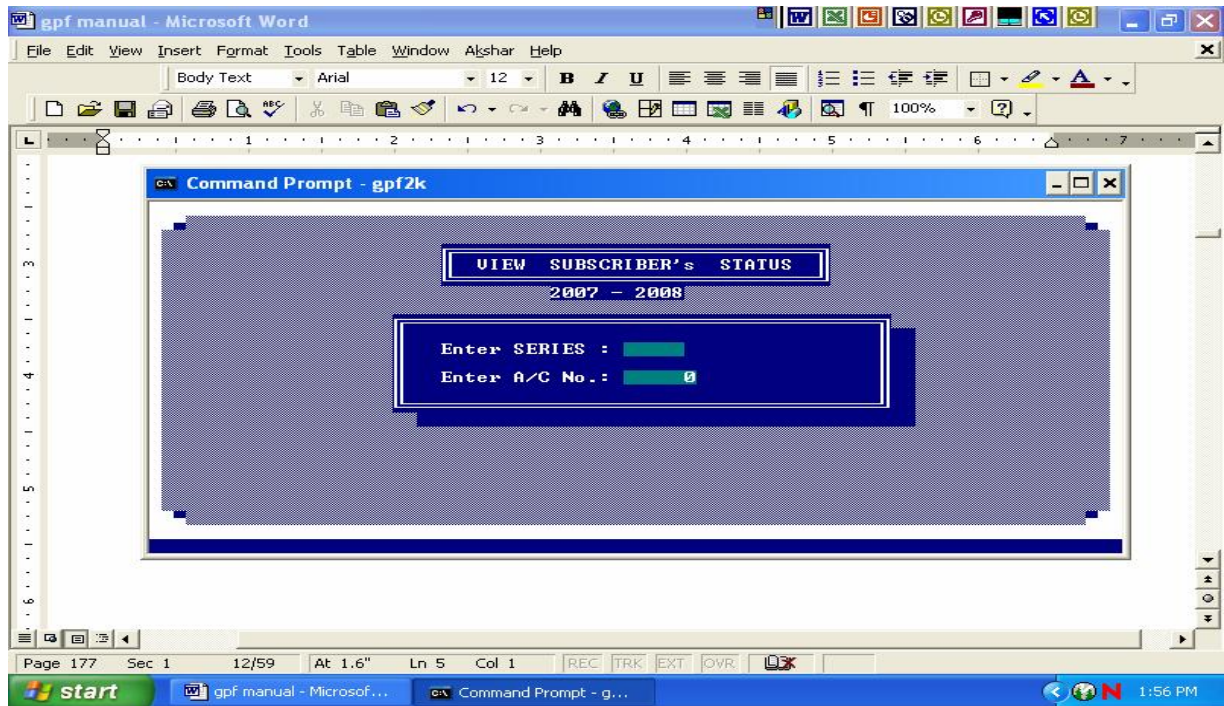
Debit Posting : - Same as credit posting.

Screen à Sanction

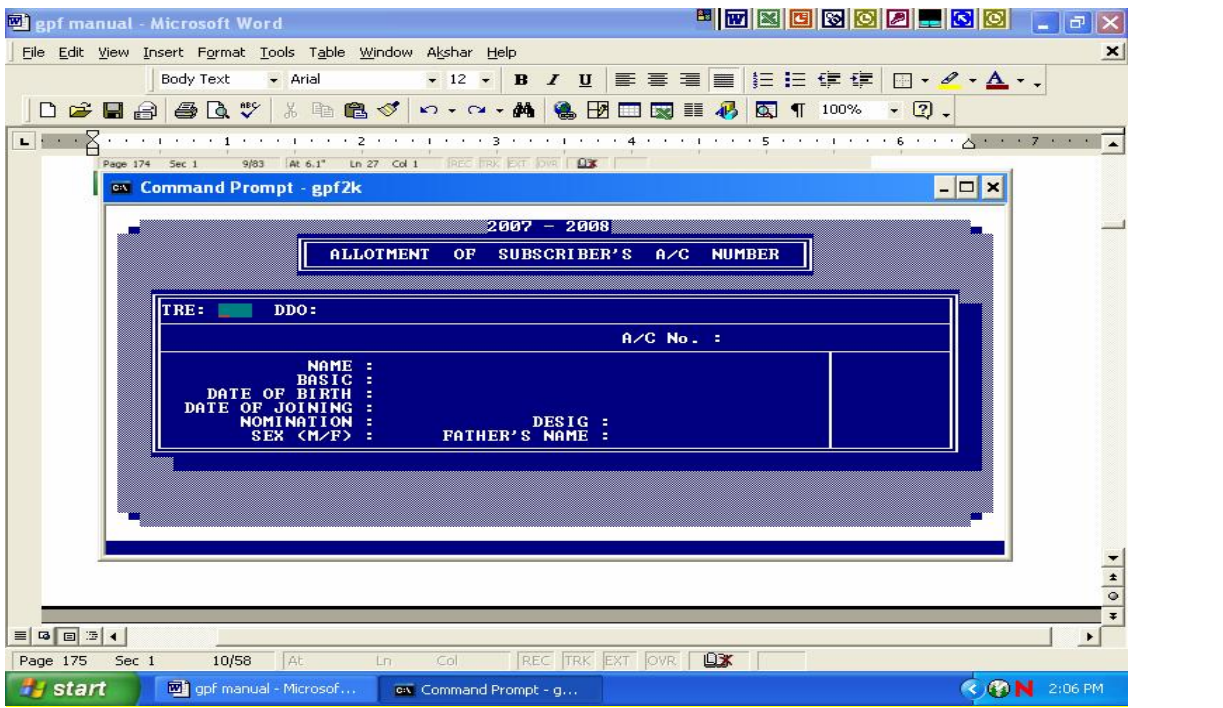
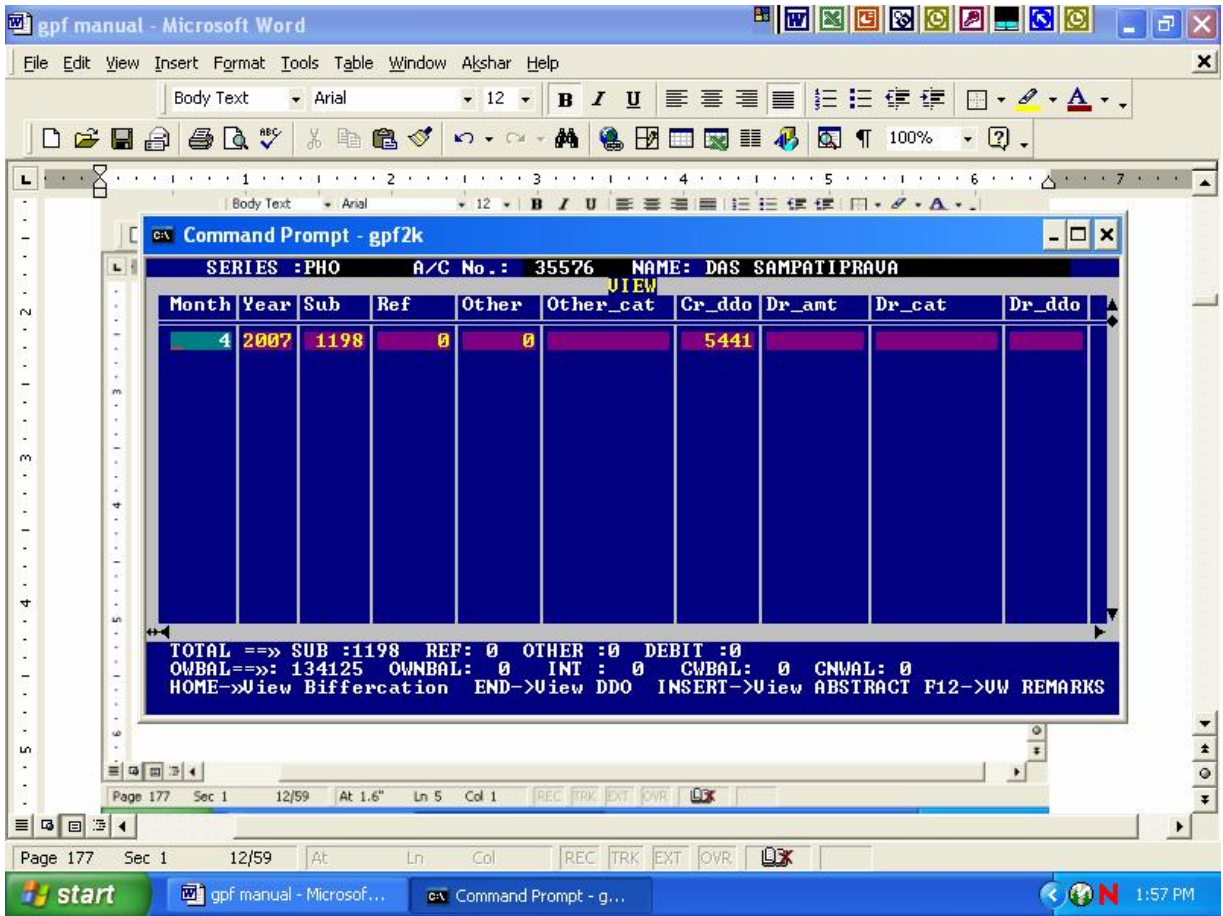
Entry



VIEW SUBSCRIBER'S STATUS

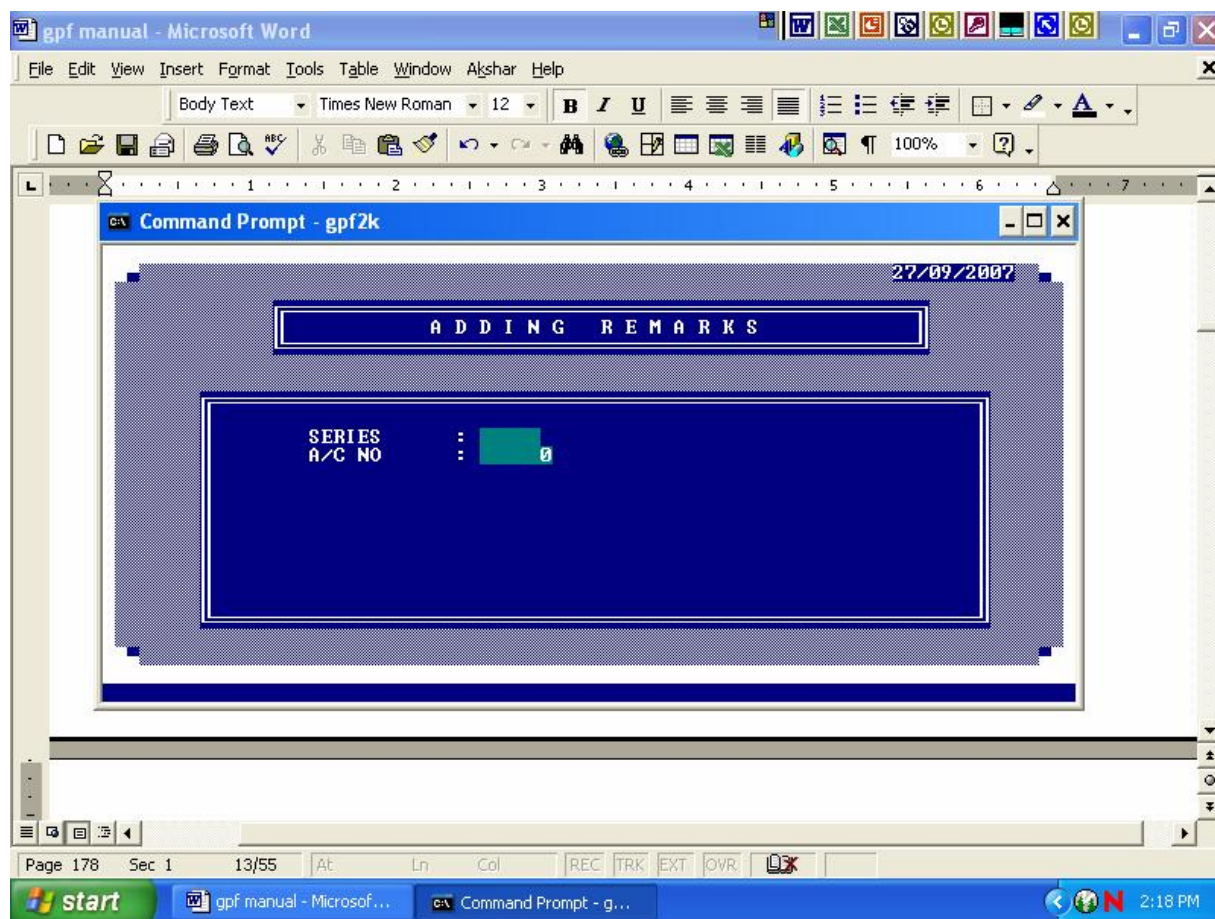


After entering the series & A/C No. the status can be viewed in the following screen: -



ENTER GENERAL INDEX REGISTER (GIR) REMARKS

Screen



REPORTS

A complete list of the reports available in the system is given below: -

1. **Subscriber's Status:** - This gives the list of transactions on subscriber's account.

2.Allotment of Account Number: Printout of the details of a new subscriber admitted in to the system.

3.Abstract Report: Printout of the abstract as entered.

4. MH agreement: Agreement report for a major head covering all treasuries for a specified month.

5.Consolidated Agreement: Agreement report for all major heads for the month.

6.Yearly major head wise agreement: Agreement report for all major heads for the year.

7.Monthly Full want report:

This report shows the full want details of all the vouchers Vr. No. along with their DDO names for back reference for a particular major head, accounting month and for all treasuries.

8.Monthly Part want report:

This report shows the amount of voucher, posted amount, part want amount & voucher No. along with their DDO names for back reference for a particular major head, accounting month and for all treasuries.

9.Current un-post –series wise: - Series wise list of un-posted items for the current year.

10.Old un-post-series wise:

11.Sanction without Debit: Sanction of advance order received but no debit to the account as yet.

12.Annual Interest Amount: Amount of interest calculated by the system.

13.No.of accounts- *series wise*

14.No.of accounts- *Treasury wise.*

15.No.of accounts- *DDO wise.*

16.Despatch Register:

17.GPF Slip Printing:

18.Single Slip printing.

Annual Closing

(i) Before beginning the annual closing process, it has to be ensured that posting for 12 months has been fully completed and data entry is closed and the balances have been agreed. Once closing process starts one cannot add/post additional data. Therefore, make sure that posting and other items of work have been duly completed.

(ii) Ensure that the periodical reports have been generated. Annual agreement report should also be printed. Print the following reports required for smooth annual closing:

- a) No. of accounts subscriber-wise.
- b) No. of accounts treasury-wise.
- c) No. of accounts DDO-wise.
- d) Statement Dispatch report.

Analyse the deviation reports to rectify discrepancies or inconsistencies. Also ensure that: -

- a) All the periodical reports including monthly and yearly agreement reports. Part-want, full-want reports, missing credit, unposted item list etc. have been duly printed.
- b) Take at least 3 copies of data on cartridges (a storage device) and one on other media. Make sure that the back-up procedure has been followed carefully.
- c) Update current DDO to send the GPF account statement to the current DDO.

Now System is ready for annual closing. The process can be divided into 2 parts; interest calculation and GPF slip printing. Interest on GPF accounts of all series should be calculated before printing GPF slips. These processes will include calculation of interest on GPF accounts, updating of missing credits/debits, updating of unposted items, updating of DDOs for generation of GPF account statements with reference to last transaction received

Interest Calculation:

Before starting interest calculation on GPF accounts it must be ensured that Annual Interest rate have been entered in the concerned table and then interest calculation should be completed in respect of all the series one by one.

Note: The system does not calculate interest on 'account closed' cases because it is already calculated by the entitlement sections while finalizing the final payment cases.

Annual Closing & GPF Slip Printing

This has to be done in stages. There are 17 stages in the process. After completion of 4 stages the GPF Slip can be printed. The Annual Closing module will work only if the year is closed, i.e. you cannot close 98-99 account before 1 April, 1999.

The File Structures and Indexes

The followings are the File Structure of the GPF database.

1.YYR

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
MONTH	N	2	0
YEAR	N	4	0
CLOSED	C	1	0

This file stores all the months of the year.

((YEAR*12)+MONTH) TAG SERIAL

2.YVR

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
CRDR	C	1	0
ABSNO	N	5	0
VCNO	C	6	0
DDO	N	5	0
AMT	N	8	0
IMONTH	N	2	0
IYEAR	N	4	0
SMONTH	N	2	0
SYEAR	N	4	0
VCAT	C	1	0

This file stores the Voucher Details.

CRDR+STR(ABSNO,5)+VCNO TAG CRABSVR

DDO TAG DDO

CRDR+STR(ABSNO,5) TAG CRABS

3.YTRY

FIELD_NAME	FIELD_TYP E	FIELD_ LEN	FIELD_DEC
CODE	C	3	0
NAME	C	20	0
ADD1	C	30	0
ADD2	C	30	0
ADD3	C	30	0

This file stores Treasury names

CODE TAG CODE

4.YSUMA

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
SERIES	C	5	0
ANO	N	6	0
NAME	C	30	0
DESIG	C	15	0
FHNAME	C	15	0
OWBAL	N	8	0
ONWBAL	N	8	0
AINTW	N	8	0
CWBAL	N	8	0
CNWBAL	N	8	0
CURDDO	N	5	0
BASIC	N	5	0
DOB	D	8	0
DOJ	D	8	0
NOMI	C	1	0
SEX	C	1	0
SUB4	C	1	0
SUB5	C	1	0

SUB6	C	1	0
SUB7	C	1	0
SUB8	C	1	0
SUB9	C	1	0
SUB10	C	1	0
SUB11	C	1	0
SUB12	C	1	0
SUB1	C	1	0
SUB2	C	1	0
SUB3	C	1	0
ACLOSE	C	1	0

Subscribers Master

SERIES+NAME TAG SRNAME

CURDDO TAG CURDDO

SERIES+STR(ANO,6) TAG SRANO

SERIES+STR(CURDDO,5)+STR(ANO,6) TAG SERDDOANO

5.YSERIES

FIELD_NAME	FIELD_TYP E	FIELD_ LEN	FIELD_DE C
SERIES	C	5	0
DES	C	40	0
CAT	C	1	0
LASTNO	N	6	0

MCUPDATE	C	1	0
SLIPDATA	C	1	0
INTAMT	N	10	0

This file stores Series.

SERIES TAG SERIES

6.YSDR

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
VCNO	C	6	0
SERIES	C	5	0
ANO	N	6	0
DRAMT	N	8	0
CATEGORY	C	3	0
POSTED	C	1	0
SANCREF	N	7	0

This file stores debit transaction for the current year.

STR(ABSNO,5)+VCNO TAG SRANO

SERIES+STR(ANO,6) TAG SRANO

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6) TAG SUBSCRIBER

7.YSCRMA

FIELD_NAME	FIELD_TYP	FIELD_	FIELD_DEC
	E	LEN	

ABSNO	N	5	0
TRY	C	3	0
AIS	C	1	0
VCNO	C	6	0
DDO	N	5	0
VCAT	C	1	0
SERIES	C	5	0
ANO	N	6	0
SUB	N	5	0
REF	N	6	0
CAT	C	17	0
POSTED	C	1	0

This file stores last year's schedules

DDO TAG DDO

SERIES+STR(ANO,6) TAG SRANO

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6)TAG SUBSCRIBER

STR(ABSNO,5)+VCNO TAG ABSVR

8. YOTHER

FIELD_NAME	FIELD_TYP	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
VCNO	C	5	0
SERIES	C	5	0

ANO	N	6	0
AMT	N	6	0
CATEGORY	C	10	0
IMONTH	N	2	0
IYEAR	N	4	0

This file stores interest month details of other credit.

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6) TAG ABSVRSRANO

9.YMOTHER

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
MONTH	N	2	0
YEAR	N	4	0
VCNO	C	6	0
SERIES	C	5	0
ANO	N	6	0
AMT	N	6	0
CATEGORY	C	10	0
IMONTH	N	2	0
IYEAR	N	4	0

This file stores interest month details of other category credits(DA etc.) of previous years' un-posted items.

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6)+STR(MONTH+2)+STR(YEAR,4) TAG ABVCSRAMY.

**STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6)+STR(IMONTH+2)+STR(IYEAR,4
)**

TAG ABVSAIMY.

10.YMH

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
MH	N	4	0
DES	C	60	0

This file stores Major Heads of Account.

MH TAG MH

11.YMDRUP

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
AIS	C	1	0
MH	N	4	0
TRY	C	3	0
MONTH	N	2	0
YEAR	N	4	0
ABSAMT	N	8	0
VCNO	C	6	0

VCAT	C	1	0
VAMT	N	8	0
IMONTH	N	2	0
IYEAR	N	4	0
SMONTH	N	2	0
SYEAR	N	2	0
DDO	N	5	0
SERIES	C	5	0
ANO	N	6	0
NAME	C	30	0
AMT	N	8	0
CATEGORY	C	3	0
CLEARED	C	1	0
CLREFNO	N	7	0

This file stores previous year's debit un-posted items for post computer period.

SERIES+NAME TAG SRNAME

DDO TAG DDO

SERIES+STR(ANO,6)+STR(SMONTH,2)+STR(SYEAR,4) TAG SRANOMONYR

CLREFNO TAG CLREFNO

CLEARED+SERIES+STR(ANO,6) TAG CLSERANO

SERIES+CLEARED TAG SERCLR

SERIES+CLEARED+NAME TAG SETCLR

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6) TAG ABVRSRA

12.YMCRUP

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
AIS	C	1	0
MH	N	4	0
TRY	C	3	0
MONTH	N	2	0
YEAR	N	4	0
ABSAMT	N	8	0
VCNO	C	6	0
VCAT	C	1	0
VAMT	N	8	0
IMONTH	N	2	0
IYEAR	N	4	0
SMONTH	N	2	0
SYEAR	N	2	0
DDO	N	5	0
SERIES	C	5	0
ANO	N	6	0
NAME	C	30	0
SUB	N	5	0
REF	N	6	0
OTHER	N	6	0
OTHERYN	C	1	0

CLEARED	C	1	0
CLREFNO	N	7	0

This file stores previous year's credit un-posted items for post computer period.

SERIES+NAME TAG SRNAME

DDO TAG DDO

SERIES+STR(ANO,6)+STR(SMONTH,2)+STR(SYEAR,4) TAG SRANOMONYR

CLREFNO TAG CLREFNO

CLEARED+SERIES+STR(ANO,6) TAG CLSERANO

SERIES+CLEARED TAG SERCLR

SERIES+CLEARED+NAME TAG SETCLR

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6) TAG ABVRSRA

13.YMC

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
SERIES	C	5	0
ANO	N	6	0
MONTH	N	2	0
YEAR	N	4	0
CLEARED	C	1	0

CLREFNO	N	7	0
CHECK	C	1	0

This file stores previous years missing credits for post computer period.

SERIES+STR(ANO,6)+STR(MONTH,2)+STR(YEAR,4) TAG SRANOMONYR.

14.YINT

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
MONTH	N	2	0
YEAR	N	4	0
RATE	N	5	2

This file stores Interest Rates.

((YEAR*12)+MONTH) TAG SERIAL

15.YGR

FIELD_NAME	FIELD_TYP	FIELD_LEN	FIELD_DEC
GROUP	C	15	0

TARGET	N	7	0
GR_ACH	N	7	0

This file stores group data.

GROUP TAG GROUP.

GR_ACH TAG GR_ACH

16.YDRUP

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
VCNO	C	6	0
SERIES	C	5	0
ANO	N	6	0
NAME	C	30	0
CAT	C	1	0
CLEARED	C	1	0

This file stores debit un-posted items for the current year.

SERIES+NAME TAG SRNAME

SERIES+STR(ANO,6) TAG SRANO

SERIES+CAT+CLEARED TAG SERCATCL

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6) TAG ABVRSRA

17.YDRCAT

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
TYPE	C	3	0
DES	C	10	0

This file stores DDO names.

NAME TAG NAME

TRY+NAME TAG TRYNAME

NCODE TAG NCODE

18.YCRUP

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
VCNO	C	6	0
SERIES	C	5	0
ANO	N	6	0
NAME	C	30	0
CAT	C	1	0
CLEARED	C	1	0
CHECK	C	1	0
COSERIES	C	5	0
COANO	N	6	0
TDATE	D	8	0

TUSER	N	3	0
SUB	N	5	0
REF	N	6	0
IMONTH	N	2	0
IYEAR	N	4	0

This file stores un-posted items for the current year.

SERIES+NAME TAG SRNAME

STR(ABSNO,5)+VCNO+SERIES+STR(ANO,6) TAG ABVRSRA

SERIES+CAT+CLEARED+NAME TAG SERCATCL

CLEARED+SERIES+STR(ANO,6) TAG CLSERANO

SERIES+NAME TAG SRNAME

SERIES+STR(ANO,6) TAG SRNO

19.YCAT

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
NCODE	N	2	0
CATEGORY	C	10	0
WNW	C	1	0

This file stores credit categories of other credits such as D.A. etc.

CATEGORY TAG CATEGORY

20.YAOTHER

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
------------	------------	-----------	-----------

SERIES	C	5	0
ANO	N	6	0
AMT	N	6	0
CATEGORY	C	10	0
IMONTH	N	2	0
IYEAR	N	4	0
SMONTH	N	2	0
SYEAR	N	4	0

This file stores interest month details of other credits of above file.

SERIES+STR(ANO,6)+STR(SMONTH,2)+STR(SYEAR,4)+STR(IMONTH,2)+

STR(IYEAR,4) TAG SRANOMONYR

21.YABS

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
CRDR	C	1	0
ABSNO	N	5	0
MH	N	4	0
TRY	C	3	0
MONTH	N	2	0
YEAR	N	4	0
AMOUNT	N	10	0
AIS	C	1	0

LOCKED	C	1	0
DBF	N	10	0
ADJ	C	1	0

This file stores the details of abstracts.

CRDR+STR(ABSNO,5) TAG CRABS

CRDR+STR(MH,4)+TRY+STR(MONTH,2)+STR(YEAR,4)+AIS TAG ABSTRACT

22.YUSER1

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
NCODE	N	3	0
NAME	C	20	0
GROUP	C	15	0
TARGET	N	7	0
TOTALABSP	N	7	0
TOTALVRP	N	7	0
TOTALPOST	N	7	0
TOTALUP	N	7	0
USER_ACH	N	7	0
PASSWORD	C	4	0

This file stores user names & password.

NCODE TAG NCODE

USER_ACH TAG USER_ACH

23.YSCR1 TO YSCR13

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO	N	5	0
VCNO	C	6	0
SERIES	C	5	0
ANO	N	6	0
SUB	N	5	0
REF	N	6	0
OTHER	N	6	0
OTHERYN	C	1	0
SMONTH	N	2	0
SYEAR	N	4	0
IMONTH	N	2	0
IYEAR	N	4	0
POSTED	C	1	0

These files store monthly transactions (schedules)

Str(ABSNO,5)+VCNO+SERIES+STR(ANO,6) TAG SUBSCRIBER

SERIES+STR(ANO,6) TAG SRANO

STR(ABSNO,5)+VCNO TAG ABSVR

24.YMDRUPCL

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
CLREFNO	N	7	0

SERIES	C	5	0
ANO	N	6	0

This file stores correct account number of the previous years Debit un-posted items, which have been cleared.

SERIES+STR(ANO,6) TAG SRANO

CLREFNO TAG CLREFNO.

25.YMCRUPCL

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
CLREFNO	N	7	0
SERIES	C	5	0
ANO	N	6	0
TDATE	D	8	0
TUSER	N	3	0

This file stores correct account number of the previous years Credit un-posted items, which have been cleared.

SERIES+STR(ANO,6) TAG SRANO

CLREFNO TAG CLREFNO.

26.YADVANCE

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
DATE	D	8	0

INWNO	N	6	0
SERIES	C	5	0
ANO	N	6	0
AMT	N	8	0
CATEGORY	C	3	0
TRY	C	3	0
DDO	N	5	0
SANCAUTH	C	25	0
SANCNO	C	30	0
SANCDATE	D	8	0
PAIDTRY	C	3	0
MONTH	N	2	0
YEAR	N	4	0
VCNO	C	6	0
SANCREF	N	7	0

This file stores the details of advance sanctioned to Subscribers.

SERIES+STR(ANO,6)+CATEGORY+STR(AMT,8)+DTOS(SANCDATE)
SRANOCAT.

TAG

27.YABSNO

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
ABSNO1	N	5	0

ABSNO2	N	5	0
EANO	N	8	0
INWNO	N	6	0
DDOCODE	N	5	0
DISPASS	C	1	0
ACSTATUS	N	2	0
CLREFNO	N	7	0
SANCREF	N	7	0

This file stores control nos for abstract ddo etc.

28.YPASS

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
CATEGORY	C	10	0
PASS	C	8	0

This file stores passwords.

29.YOFFICE

FIELD_NAME	FIELD_TYPE	FIELD_LEN	FIELD_DEC
NAME	C	60	0
ADD1	C	45	0
ADD2	C	45	0
ADD3	C	45	0

This file stores office name.

APPENDIX – A

(Vide Para 401)

Memorandum of instructions for the preparation of Fund Schedules in the offices of Disbursing Officers.

The fund schedules should be prepared in the revised C.A.C Form-30A, wherein the names of subscribers to the General Provident Fund should be recorded in the order of serial account numbers assigned to them, i.e., if in an office there are four subscribers to the Fund bearing account numbers 37, 49, 58 and 69 entries relating to No.-37 should appear first, than those relating to 49 and so on. With this object in view columns 1 and 3 of the schedules should be roneoed or printed once for all in forms sufficient for a year's requirements. This will reduce clerical work in disbursing offices and will at the same time obviate the quoting of wrong account numbers in the monthly schedules. The names of new entrants and old subscribers transferred from other offices should in the course of the current year be entered in roneod or printed schedules after the names of the existing subscribers. But after the expiry of the year they should find a place according to the serial order of their account numbers.

2) Subscriptions recovered from new entrants before the assignment of account numbers to them will be treated as provisional pending their admission as subscribers by the Accounts Officer. In such cases the words "New Subscriber" should be entered in Column "Account Number" of the schedules.

3) When no recovery is made in the case of any particular subscriber the reason of non-recovery should be briefly stated against his name, e.g., "Pay not drawn as leave not settled", "discontinued during leave" etc., etc. When the subscriptions or refunds of withdrawals differ from those of previous months necessary notes should also be made stating the reasons for such variations.

4) If a subscriber proceeds on leave the date of commencement of leave as well as information as to the rates at which he desires to subscribe during leave should be recorded in the remarks column of the schedule against the subscriber concerned.

Similarly, information as to the date of death or retirement should also be recorded in the remarks column.

- 5) If a subscriber is transferred to another office his name should appear in the next month's schedule with the remarks "transferred to" and should be scored out from the schedules for subsequent months.
- 6) If a subscriber is transferred from another office the name of the office from which he has been transferred should be recorded in the remarks column in the schedule in which his name appears for the first time.
- 7) No entries whatsoever should be made in the column "amount withdrawn" as this column is intended to be filled in the Accounts office.
- 8) Whenever refunds of withdrawals appear in the schedule the number of installments which the present refund represents should be noted in the "remarks" column of the schedule.

[C.C.A.'s letter No.-T/1597-Admn./67-30, dated 20th October 1930.]

APPENDIX- B

(Vide Para- 1012)

The Rates of interest declared by the Government of India/Orissa from time to time on General Provident Fund and Other Funds.

From 1 st Sept.	1909	To 31 st March	1919	@	4.00	Per cent	Per annum
From 1 st April	1919	To 31 st March	1927	@	5.50	Per cent	Per annum
From 1 st April	1927	To 31 st March	1930	@	4.50	Per cent	Per annum
From 1 st April	1930	To 31 st March	1932	@	5.00	Per cent	Per annum
From 1 st April	1932	To 31 st March	1933	@	5.50	Per cent	Per annum
From 1 st April	1933	To 31 st March	1934	@	5.50	Per cent	Per annum
From 1 st April	1934	To 31 st March	1935	@	5.50	Per cent	Per annum
From 1 st April	1935	To 31 st March	1936	@	5.00	Per cent	Per annum
From 1 st April	1936	To 31 st March	1937	@	4.50	Per cent	Per annum
From 1 st April	1937	To 31 st March	1938	@	4.00	Per cent	Per annum
From 1 st April	1938	To 31 st March	1939	@	3.50	Per cent	Per annum
From 1 st April	1939	To 31 st March	1940	@	3.50	Per cent	Per annum
From 1 st April	1940	To 31 st March	1941	@	3.50	Per cent	Per annum
From 1 st April	1941	To 31 st March	1942	@	3.50	Per cent	Per annum
From 1 st April	1942	To 31 st March	1943	@	3.50	Per cent	Per annum
From 1 st April	1943	To 31 st March	1944	@	3.50	Per cent	Per annum
From 1 st April	1944	To 31 st March	1945	@	3.50	Per cent	Per annum
From 1 st April	1945	To 31 st March	1946	@	3.50	Per cent	Per annum
From 1 st April	1946	To 31 st March	1947	@	3.00	Per cent	Per annum
From 1 st April	1947	To 31 st March	1948	@	3.00	Per cent	Per annum
From 1 st April	1948	To 31 st March	1949	@	3.00	Per cent	Per annum
From 1 st April	1949	To 31 st March	1950	@	3.00	Per cent	Per annum
From 1 st April	1950	To 31 st March	1951	@	3.00	Per cent	Per annum
From 1 st April	1951	To 31 st March	1952	@	3.00	Per cent	Per annum

From 1 st April	1952	To 31 st March	1953	@	3.00	Per cent	Per annum
From 1 st April	1953	To 31 st March	1954	@	3.25	Per cent	Per annum
From 1 st April	1954	To 31 st March	1955	@	3.25	Per cent	Per annum
From 1 st April	1955	To 31 st March	1956	@	3.50	Per cent	Per annum
From 1 st April	1956	To 31 st March	1962	@	3.75	Per cent	Per annum
From 1 st April	1962	To 31 st March	1965	@	4.00	Per cent	Per annum
From 1 st April	1965	To 31 st March	1966	@	4.25	Per cent	Per annum
From 1 st April	1966	To 31 st March	1967	@	4.60	Per cent	Per annum
From 1 st April	1967	To 31 st March	1968	@	4.80	Per cent	Per annum
From 1 st April	1968	To 31 st March	1969	@	5.10	Per cent Per annum Up to Rs 10000/-	
				@	4.80	Per cent Per annum In excess of Rs 10000/-	
From 1 st April	1969	To 31 st March	1970	@	5.25	Per cent Per annum Up to Rs 10000/-	
				@	4.80	Per cent Per annum In excess of Rs 10000/-	
From 1 st April	1970	To 31 st March	1971	@	5.50	Per cent Per annum Up to Rs 10000/-	
				@	4.80	Per cent Per annum In excess of Rs 10000/-	
From 1 st April	1971	To 31 st March	1972	@	5.70	Per cent Per annum Up to Rs 10000/-	
				@	5.00	Per cent Per annum In excess of Rs 10000/-	

From 1 st April	1972	To 31 st March	1973	@	6.00	Per cent Per annum Up to Rs 10000/-
				@	5.30	Per cent Per annum In excess of Rs 10000/-
From 1 st April	1973	To 31 st March	1974	@	6.00	Per cent Per annum Up to Rs 10000/-
				@	5.30	Per cent Per annum In excess of Rs 10000/-
From 1 st April	1974	To 31 st July	1974	@	6.50	Per cent Per annum Up to Rs 15000/-
				@	5.80	Per cent Per annum In excess of Rs 15000/-
From 1 st August	1974	To 31 st March	1975	@	7.50	Per cent Per annum Up to Rs 25000/-
				@	7.00	Per cent Per annum In excess of Rs 25000/-
From 1 st April	1975	To 31 st March	1976	@	7.50	Per cent Per annum Up to Rs 25000/-
				@	7.00	Per cent Per annum In excess of Rs 25000/-
From 1 st April	1976	To 31 st March	1977	@	7.50	Per cent Per annum Up to Rs 25000/-
				@	7.00	Per cent Per annum In excess of Rs 25000/-

From 1 st April	1977	To 31 st March	1978	@	8.00	Per cent Per annum Up to Rs 25000/-
				@	7.50	Per cent Per annum In excess of Rs 25000/-
From 1 st April	1978	To 31 st March	1979	@	8.00	Per cent Per annum Up to Rs 25000/-
				@	7.50	Per cent Per annum In excess of Rs 25000/-
From 1 st April	1979	To 31 st March	1980	@	8.00	Per cent Per annum Up to Rs 25000/-
				@	7.50	Per cent Per annum In excess of Rs 25000/-
From 1 st April	1980	To 31 st March	1981	@	8.50	Per cent Per annum Up to Rs 25000/-
				@	8.00	Per cent Per annum In excess of Rs 25000/-
From 1 st April	1981	To 31 st March	1982	@	9.00	Per cent Per annum Up to Rs 25000/-
				@	8.50	Per cent Per annum In excess of Rs 25000/-
From 1 st April	1982	To 31 st March	1983	@	9.00	Per cent Per annum Up to Rs 35000/-
				@	8.50	Per cent Per annum In excess of Rs 35000/-

From 1 st April	1983	To 31 st March	1984	@	9.50	Per cent Per annum Up to Rs 40000/-	
				@	9.00	Per cent Per annum In excess of Rs 40000/-	
From 1 st April	1984	To 31 st March	1985	@	10.00	Per cent Per annum	
From 1 st April	1985	To 31 st March	1986	@	10.50	Per cent	Per annum
From 1 st April	1986	To 31 st March	1987	@	12.00	Per cent	Per annum
From 1 st April	1987	To 31 st March	1988	@	12.00	Per cent	Per annum
From 1 st April	1988	To 31 st March	1989	@	12.00	Per cent	Per annum
From 1 st April	1989	To 31 st March	1990	@	12.00	Per cent	Per annum
From 1 st April	1990	To 31 st March	1991	@	12.00	Per cent	Per annum
From 1 st April	1991	To 31 st March	1992	@	12.00	Per cent	Per annum
From 1 st April	1992	To 31 st March	1993	@	12.00	Per cent	Per annum
From 1 st April	1993	To 31 st March	1994	@	12.00	Per cent	Per annum
From 1 st April	1994	To 31 st March	1995	@	12.00	Per cent	Per annum
From 1 st April	1995	To 31 st March	1996	@	12.00	Per cent	Per annum
From 1 st April	1996	To 31 st March	1997	@	12.00	Per cent	Per annum
From 1 st April	1997	To 31 st March	1998	@	12.00	Per cent	Per annum
From 1 st April	1998	To 31 st March	1999	@	12.00	Per cent	Per annum
From 1 st April	1999	To 31 st March	2000	@	12.00	Per cent	Per annum
From 1 st April	2000	To 31 st March	2001	@	11.00	Per cent	Per annum
From 1 st April	2001	To 31 st March	2002	@	9.50	Per cent	Per annum
From 1 st April	2002	To 31 st March	2003	@	9.00	Per cent	Per annum
From 1 st April	2003	To 31 st March	2004	@	8.00	Per cent	Per annum
From 1 st April	2004	To 31 st March	2005	@	8.00	Per cent	Per annum
From 1 st April	2005	To 31 st March	2006	@	8.00	Per cent	Per annum
From 1 st April	2006	To 31 st March	2007	@	8.00	Per cent	Per annum
From 1 st April	2007	To 31 st March	2008	@		Per cent	Per annum
From 1 st April	2008	To 31 st March	2009	@		Per cent	Per annum

* Except in the case of subscribers who are entitled under the rules of the funds, to a higher minimum rate of interest.

APPENDIX- C

(Vide Para. 904 & 924)

Extract of Section 6 of the Married Women's Property Act 1874.

Insurance by husband for benefit of wife:-- (1) A policy of insurance effected by any married man on his own life, and expressed on the face of it to be for the benefit of his wife, or of his wife and children or any of them shall insure and be deemed to be a trust for the benefit of his wife, or of his wife and children, or any of them, according to the interest so expressed, and shall not, so long as any object of the trust remains, be subject to the control of the husband or to his creditors, or form part of his estate.

When the sum secured by the policy becomes payable, it shall, unless special trustees are duly appointed to receive and hold the same, be paid to the official trustee of the Presidency in which the office at which the insurance was effected is situated, and shall be received and held by him upon the trust expressed in the policy, or such of them as are then existing.

And in reference to such sum he shall stand in the same position in all respects as if he had been duly appointed trustee thereof by a High Court under Act No.-XVII of 1864 (to constitute an office of official trustee), Section-10.

Nothing herein contained shall operate to destroy or impede the right of any creditor to be paid out of the proceeds of any policy of assurance which may have been effected with intent to defraud creditors.

(2) Amendment by Act XIII of 1923.—Notwithstanding anything contained in section-2, the provisions of sub-section (1) shall apply in the case of any policy of insurance such as is referred to therein which is effected by any Hindu, Mohammedan, Sikh or Jain, in Madras after the thirty-first day of December, 1913, or in any other part of British India, after the first day of April 1923.

Provided that nothing herein contained shall affect any right or liability which has accrued or been incurred under any decree of a competent court passed before the first day of April 1923.

APPENDIX- D
(Vide Para. 718)

Extract from the Indian Majority Act, 1875.

3. Age of persons domiciled in British India.—Subject as aforesaid (every minor of whose person or property or both a guardian, other than a guardian for a suit within the meaning of Chapter XXXX of the Code of Civil Procedure has been or shall be appointed or declared by any Court or Justice before the minor has attained the age of eighteen years, and every minor of whose property attained the age of eighteen years, and every minor of whose property superintendence has been or shall be assumed by any Court of wards before the minor has attained that age) shall, notwithstanding anything contained in the Indian Succession Act (No. X of 1865) or in any other enactment, be deemed to have obtained his majority when he shall have completed his age of twenty-one years and not before.

Subject as aforesaid, every other person domiciled in British India shall be deemed to have attained his majority when he shall have completed his age of eighteen years and not before.

4. Age of majority how computed.—In computing the age of any person, the day on which he was born is to be included as a whole day and he shall be deemed to have attained majority, if he falls within the first paragraph of section 3, at the beginning of the twenty-first anniversary of that day, and if he falls within the second paragraph of section 3, at the beginning of the eighteenth anniversary of that day.

- (a) Z is born in British India on the first day of January 1850 and has British Indian domicile. A guardian of his person is appointed by a Court of Justice, Z attains majority at the first moment of the first day of January 1871.
- (b) Z is born in British India on the twenty-ninth day of February 1852, and has a British Indian domicile. A guardian of his property is appointed by a Court of Justice. Z attains majority at the first moment of the twenty-eight day of February 1873.
- (c) Z is born on the first day of January 1850. He acquires a domicile in British India. No guardian is appointed of his person or property by any Court of Justice, nor is he

under the jurisdiction of any Court of Ward. Z attains majority at first moment of the first day of January 1868.

APPENDIX- E

A. List of File Headings for Fund Section (maintained up to 1970-71)

Sl No.	File Headings
1.	General Rules and Orders
2.	Admission to the Fund
3.	Advances
4.	Final Payment on account of deceased subscribers (General Provident Fund)
4 (a).	Final Payment on account of deceased subscribers (Defence Saving Provident Fund)
5.	Final Payment on account of subscribers to the General Provident Fund who are alive
5 (a).	Final Payment on account of subscribers to the (Defence Saving Provident Fund)
6.	Policies
7.	Audit Notes and Objection Memos
8.	Miscellaneous

B. List of File headings for Fund Sections with effect from 1971-72 to 1978-79.

Main file headings and general subject	Detailed file headings & subjects
1. General Rules & Orders	(a) GPF (O) Rules of and orders of the Govt. of Orissa (b) CPF (O) Rules and orders of the Govt, of Orissa (c) GPF (C.S) Rules and orders of the Govt. of India (d) CPF (C.S) Rules and orders of the Govt. of India (e) Other P.F Rules and orders of the Govt. of India
2. Admission to Provident Fund	(a) Application for admission to P.F (b) Correspondence thereon
3. Nominations	(a) Nomination of P.F subscribers

	(b) Correspondence thereon
4. Temporary advance	(a) Sanction to Temporary advances and correspondence thereon (b) Correspondence regarding recovery of Temporary advances and conversion thereof
5. Non-Refundable Withdrawals	(a) Sanctions to Non-Refundable Advance and correspondence thereof (b) Disbursement certificates for Non-Refundable Advances and correspondence thereon
6. Final Payment of P.F Fund balances	(a) Final Payment cases in respect of deceased subscribers (b) Final Payment cases in respect of subscribers who are alive (c) Other Final Payment cases [Note- Separate bill is to be maintained for each Final Payment case indicating name & account No. of the subscriber]
7. Life Insurance Policies financed from P.F	(a) Rules and order of Govt. of Orissa, Govt. of India and C.G relating to L.I Policy (b) Life Insurance Policies with Branch Officers (c) Correspondence on L.I Policies

C. List of File headings for Fund Sections with effect from 1978-79.

MAIN FILE HEADING AND GENERAL SUBJECT	DETAILED FILE HEADINGS AND SUBJECTS
1. General Rules and Orders	1) GPF(O) Rules and orders of the Govt. of Orissa 2) CPF(O) Rules and orders of Govt. of Orissa 3) GPF (CS) Rules and orders of the Govt. of India 4) CPF (CS) Rules and orders of the Govt. of India

	<ul style="list-style-type: none"> 5) Other PF Rules and orders of the Govt. of India 6) Improvement of work in Fund Group 7) Miscellaneous 8) Correspondence on Transfer of Transport Group subscribers to the O.S.R.T Corporation. 9) Grant of advance to the staff of O.S.E.B
2. Admission to Provident Fund	<ul style="list-style-type: none"> 1) Application for admission to P.F 2) Correspondence thereon 3) Miscellaneous
3. Nominations	<ul style="list-style-type: none"> 1) Nomination of PF subscribers 2) Correspondence thereon 3) Annual verification of nominations 4) Miscellaneous
4. Temporary Advances	<ul style="list-style-type: none"> 1) Sanction to Temporary advances 2) Correspondence regarding recovery of Temporary advances thereof 3) Miscellaneous
5. Non-Refundable Withdrawals	<ul style="list-style-type: none"> 1) Sanctions to N.R.A 2) Disbursement certificates for N.R.A 3) Miscellaneous
6. Final Payment of PF & Fund balances	<ul style="list-style-type: none"> 1) Final Payment cases in respect of deceased subscribers 2) Final Payment cases in respect of subscribers who are alive 3) Other Final Payment cases <p>Note:- Separate file is to be maintained for each Final Payment case indicating name & Account No. of the subscriber</p> <ul style="list-style-type: none"> 4) Miscellaneous
7. Life Insurance Policies Financed from PF	<ul style="list-style-type: none"> 1) Rules & Orders of Govt. of Orissa, Govt. of India & C.A.G relating to

	<p>2) Life Insurance Policies Branch Offices</p> <p>3) Correspondence on L.I Policies</p> <p>4) Miscellaneous</p>
<p>8. Correspondence in connection with Missing PF Credits/Debits, Unposted Debits/Credits & Residuary Balances</p>	<p>1) 1-(3048)</p> <p>2-(8040)</p> <p>3-(5941)</p> <p>and so on.</p> <p>Note:- The figures 1, 2, 3 above represent seat numbers in a Section and the figures within () viz. 3048, 8040, 5941 represent account numbers dealt with in different seats. The files for seat No.-1 would be as below:-</p> <p>8-1-3048</p> <p>8-1-9484</p> <p>8-1-5634</p> <p>(3048, 9484, 5634 being account numbers of subscribers dealt with in seat No.-1)</p> <p>Similarly files for seat No.-2 would be</p> <p>8-2-8040</p> <p>8-2-10120</p> <p>8-2-5541</p> <p>(8040, 10120 and 5541 being account numbers of subscribers dealt with in seat No.-2) and so on for other seats in the section.</p> <p>2) Miscellaneous</p>
<p>9. Accounting of PF Transactions</p>	<p>1) General Rules & Orders relating to PF accounting</p> <p>2) Monthly accounts</p> <p>3) Correspondence in connection with 'Pink' transfer</p> <p>4) Correspondence on PF suspense</p> <p>5) Correspondence on assets & liabilities of estates</p>

	<p>relating to Provident Funds</p> <p>6) Correspondence on wanting vouchers & schedules</p> <p>7) Correspondence on annual closing of PF A/Cs & adjustment of interest</p> <p>8) Unclaimed deposit</p> <p>9) Suggestions to improve PF accounting procedure & work in PF Sections</p> <p>10) Miscellaneous</p>
10. Audit Notes & Objections Memos	<p>1) IAD test audit report</p> <p>2) IAD Triennial review reports</p> <p>3) IAD test audit reports of the Group</p> <p>4) Miscellaneous</p>
11. Fortnightly, Monthly, Quarterly, Half Yearly, Thrice in a Year & Annual Returns & Correspondence thereon	<p>1) Fortnightly reports on progress of compilation of accounts</p> <p>2) Fortnightly report to A.G on disposal of letters</p> <p>3) Monthly arrear clearance report on Final Payment & letters</p> <p>4) Correspondence on monthly arrear clearance report</p> <p>5) Monthly report on clearance of Missing Credits/Debits & unposted items</p> <p>6) Consolidated arrear report of Fund Group</p> <p>7) Correspondence on consolidated arrear report</p> <p>8) Quarterly report on outstanding Final Payment cases</p> <p>9) Correspondence on quarterly report on outstanding FP cases</p> <p>10) Report on incomplete accounts, Missing Credits/Debits & unposted items</p> <p>11) Correspondence on report on incomplete accounts, Missing Credits/Debits & unposted items</p> <p>12) Review of Balances</p>

	<p>13) Half yearly review of OB suspense Broad sheet etc.</p> <p>14) Annual closing of accounts & report on despatch of account slip</p> <p>15) Annual review on the working of Treasuries</p> <p>16) Annual report on volume of work done</p> <p>17) Report regarding emoluments etc. for deduction of Income Tax & surcharge</p> <p>18) Occasional return & correspondence thereon</p> <p>19) Miscellaneous</p>
12. Miscellaneous	<p>1) Staff case of Fund Group</p> <p>2) Preparation of Budget estimates & revised estimates under "249-Interest"</p> <p>Note:- Separate files to be maintained for each financial year</p> <p>3) Formation of Fund Library</p> <p>4) Filing (stitching) of vouchers, schedules, files etc.</p> <p>5) Sending of records to Old Record Branch</p> <p>6) Certificate of destruction of records sent to Old Record</p> <p>7) Printing & Stationary</p> <p>8) Functioning of U.P Cells</p> <p>9) Clearance of Missing Credits/Debits & Unposted Items by Sections (Follow up action as per F.M Circular No.-261 dt.02.09.1977)</p> <p>10) Posting orders of S.G.A Stenographers</p> <p>11) Posting & Transfer of S.G.A</p> <p>12) Posting & Transfer of S.G.A Ar./Clerks</p> <p>13) Leave cases Staff of Fund Group</p> <p>14) Overpayment cases in Fund Group</p> <p>15) Retention of Staff in the same Section/Seat/Group</p> <p>16) Budget provision of Honorarium/Overtime for</p>

	<p>Fund Group</p> <ol style="list-style-type: none">17) Honorarium/Overtime allowance of Staff18) Character Rolls of S.O/S.G.A/Ar./Clerk19) Personnel selected for field parties20) Posting & Transfer of Daftaries21) Absentee statement of Fund Group22) Revision of Manual of Fund Department23) Calculating Machine24) Distribution of work in the Section25) Verification Sectional Library Books26) Correspondence on good & bad work done by the Staff27) Materials for A.G's handing over note28) Materials for Addl. A.G's handing over note29) Materials for Group Officer's (DAG) handing over note30) Materials for conference of Accountant General31) Programme of peripatetic parties32) Revision of file headings33) Miscellaneous34) Inspection of the office by Director of Inspection.35) Handing over note of Section Officer.36) Posting and transfer order of Group D staff and correspondence thereon.37) Surprise scrutiny of Diary by Group Officers.38) Leave cases of Group D staff.39) Absentee statement of Group D staff.40) Character Rolls of Group D staff.41) Materials for discussion with Chief Secretary/Secretary Finance Department/Joint Secretary Finance Department.
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- 42) Organisation and Method unit.
- 43) Separation of Audit and Accounts.
- 44) Material for D.O letter to Head Quarters.
- 45) Group 'D' personnel selected for field parties.
- 46) Requisition for ledgers from Fund Library.
- 47) Requisition for Nominations/Extract of Nominations.
- 48) Requisition for ledger cards from Fund Library.
- 49) Requisition for authority books and verification of stock.
- Note:-** The approval file headings should be opened with effect from 1.4.78. Instructions for marking & filling papers given in Para-218 of the Manual of General Procedure read with Annexure-II to Chapter-VI thereof should be followed strictly.
- Note:-** Cases should be put of for approval in concerned files after properly linking the previous papers & the tendency to put up cases in loose case covers instead of dealing with the cases in proper files should be curbed. The Branch Officer/Section Officer should ensure this. "Guard files" containing copies of important orders should also be maintained in terms of Para-100 of M.S.O (Admn.) Vol-I, so that the same would be available for reference as and when necessary.

APPENDIX- F

Calendar of Returns of the Fund Section.

Sl. No.	Name of Return	To whom Due	When Due	Authority
Daily				
1.	Attendance Register	Branch Officer	Daily	Para 10 of the Manual of General Procedure
Bi-Weekly				
1.	Reminder Register	Branch Officer	Monday/ Thursday	Para 166 of the Manual General Procedure
2.	D.O/Express/ Telegram/Register	Branch Officer	Monday/ Thursday	Para 177 of the Manual General Procedure Para 1756 of the Manual General Procedure (For D.O letters only)
Thrice a Week				
1.	Diary Register of U.O Cases from C & A.G	Branch Officer	Monday/ Wednesday / Friday	O.O.A.3743 dt.24.04.1967
Weekly				
1.	Inward Diary Register of letters (Ordinary)	Branch Officer	Monday	Para 159 of Manual of General Procedure
2.	Inward Diary Register of letters	Branch Officer	Monday	Para 159 of Manual of General

	(G.I & C.A.G)			Procedure
3.	Other Section Register	Branch Officer	Monday	Para 1609 of Manual of General Procedure
4.	Calendar of Returns	Branch Officer	Monday	Para 100 of Manual of General Procedure
5.	Diary Register for admission & nomination cases	Branch Officer	Monday	On the analogy of Para 159 of M.G.P & 00B 1046 dt.31.08.1964
6.	Final Payment Diary Register	Branch Officer	Monday	On the analogy of Para 159 of M.G.P & 00B 1046 dt.31.08.1964
7.	Weekly report on items under Triennial Review by I.A.D	Branch Officer	Monday	00B 1107 dt.20.11.1965
8.	Inward Diary Register for watching receipt of disposal of I.A.D Review notes	Branch Officer	Monday	00B 715 dt.06.12.1957
9.	Register for watching disposal of Transfer cases	Branch Officer	Monday	CAG's letter No.- 293 Tech.Admn.II.37.6 6 dt.05.02.1966 (Fund V Only)
10.	Diary for communication in	Branch Officer	Monday	00A 3135 dt.20.08.1951

	Hindi			
11.	Transit Register	Supdt.	Monday	00B 924 dt.08.02.1962
12.	Despatch Register of account slips	Branch Officer	Monday	00b 1040 dt.04.05.1964
13.	Register to watch the disposal of authorities received from other Audit Circles	Branch Officer	Monday	On the analogy Para 159 of M.G.P
14.	Register showing progress in concurrent settlement of mistakes in P.F schedules	Branch Officer	Tuesday	(i) F.M Circular No.-38 dt.15.03.1966 (ii) DAG's orders at P.-1 & P.-27 of Cell File for 66-67
15.	Supdt.'s Memorandum Book for clearance of Missing Credits	Branch Officer	Thursday	F.M Circular No.- 52 dt.03.03.1967
Fortnightly				
1.	Report on clearance of outstanding difference between ledger & Broad sheet	Branch Officer	5 th /20 th	F.M Circular o.-28 dt.30.10.1965

	up to 1962-63 (till the differences are written off)			
2.	Half Margin Register	Branch Officer DAG	15 th /Last working day of the month Last Monday of the month	Para 169 of M.G.P.
3.	Report on payment of P.F dues to displaced persons in India	T.M	15 th /Last working day of the month	DAG's order on Dy.TM-BO-Fd-15- of 62-63
Monthly				
1.	General Note Book	Branch Officer	3 rd	Para 117 of M.G.P.
2.	Auditor's Note Book	Supdt.	3 rd	Para 117 of M.G.P.
3.	Dictionary of Reference	Branch Officer	3 rd	Para 118(V) of M.G.P
4.	Supdt. Note Book	Branch Officer	3 rd	Para 117 of M.G.P.
5.	Materials for monthly confidential D.O to C.A.G.	F.M.	3 rd	Orders taken on D.O. letter No.CAG.478 dt.6/64

6.	Calendar of Returns	A.G.	5 th	Para 109 of Orders taken on D.O. letter No.CAG.478 dt.6/64
7.	Arrear Report	A.G.	5 th	Para 114 of Orders taken on D.O. letter No.CAG.478 dt.6/64
8.	Attendance Register with CL & RH sheets	Branch Officer	5 th	00A 3552 dt.12.10.60
9.	Extract of Dictionary of reference	T.M	5 th	Para 118 (V) of MGP
10.	Receipt of the statement showing Temporary Withdrawals in respect of staff of the C.R.R.I & their reimbursements by means of Govt. drafts & Bank Drafts	T.M	5 th of the following month	F.M Genl.Misc.379(2) dt.8.1.1967
11.	Register of points for investigation of D.I	TM/IAD	5 th	00B 86 of 26.1.54
12.	Register for periodical verification of Tables & Drawers	Branch Officer	5 th	Para 64 of MGP
13.	Register for watching receipt of schedules & vouchers by schedule sorter	A.G	5 th	Para 38A of Fund Manual (old) Fd.14 only

14.	Special pending register F.P cases	DAG	5 th	Para 727 of Fund Manual
15.	Clearance of outstanding difference between ledger & broad sheet balances in respect of P.F	Book Section	5 th	00A 5640 dt.26.12.66 (Fd-XI only)
16.	Register of cases for inclusion in the digest of interesting & important cases	TM	7 th	Para 826 of 00A M
17.	Materials for monthly confidential D.O	Control Section	7 th	Order of A.G on D.O No.-CAG-478 of 6/64 (FM only)
18.	Outward Register	Branch Officer	10 th	Para 164 of MGP
19.	(a) Register for recording serious & interesting cases deserving mention in Audit Report (b) Report on the above	Branch Officer Report Section	10 th 10 th	00B 552 dt.20.2.54 00B 616 dt.19.6.55
20.	Progress of clearance of missing nomination in GA	DAG (A)	10 th of every month till all	DAG's order dt.18.5.66 (P/44 of File 8-27A-65/66)

			missing nominati ons are traced out	
21.	Register for Non- Refundable Advance	Branch Officer	10 th	Para 601 of Fund Manual
22.	Supdt.'s Memo Book	Branch Officer	10 th	00B 616 of 19.5.66
23.	Register for watching receipt of new Insurance Policies	Branch Officer	10 th	Para 811 of Fund Manual (Fd-1 only)
24.	Alphabetical Index Register	Branch Officer	10 th	FM Circular No.-13 dt.22.4.65
25.	Register for watching closure/regularisation of PFA/Cs leaving small/no balances	Branch Officer	10 th	FM Circular No.-48 of 3.12.66
To Watch				
26.	Receipts of statements of GPF advances to Central Subscription deputation to OSEB		10 th	Fd-1-8-14-3640 dt.27.12.63 (Fd.- V only)
27.	Receipts of statements in respect of State subscribers		10 th	Fd-1-8-14-3640 dt.27.12.63 (Fd.- VIII only)
28.	Receipt of statement		10 th	FM Gel.Misc.No.-

	showing GPF subscriptions & refunds recovered from the pay bills of the staff of the CRR I			379(2) dt.6.1.67 (Fd-V only)
29.	Unit Broad Sheet of PF suspense	DAG	10 th of 2 nd month following the month account	FM Circular No.- 7 of 31.12.64
30.	Outstanding list of objections as a result of scrutiny of premium receipt register of G.Os & Policy receipt Register of N.G.Os	Branch Officer	10 th	Para 811 of Fund Manual
31.	Register showing Vol. Of work done in the Section	Branch Officer	15 th of 2 nd succeeding month	00A 4322 dt.7.9.62
32.	Register of missing nominations	BO/DAG	15 th of 2 nd succeeding month	00B 1051 dt.29.8.64
33.	Register for Temporary Withdrawal	Branch Officer	15 th of 2 nd succeeding month	Para 504 of Fund Manual

34.	Issue of authority reimbursing Temporary advances to Central/State subscribers on deputation to OSEB	Branch Officer	15 th of 2 nd succeeding month	Fd-1-8-14-3640 dt.27.12.63
35.	Selection Register of ledger accounts for Audit review (for the examiners)	Branch Officer	15 th	Based on Para 423 of MSO (T) Vol.-I
36.	Register of financial losses, frauds, embezzlements & other losses not exceeding Rs.200/- each	Branch Officer	20 th	00B 606 of 11.3.55
37.	Date of receipt of schedules from Depttal. Sections	To watch	20 th	Note-1 below Para 405 of Fund Manual
38.	Report on serious & interesting cases of Fraud	IAD	20 th of the succeeding month	Based on Para 421 of O.A.A.
39.	Closing of A/L	Branch Officer	20 th of the	Based on Para

	Broad sheet		second following month	132 of OAAM (for Fd-XI only)
40.	Report on the	DAG	20 th	FM Circular No.-28 of 30.10.65
41.		DAG	20 th	Para 2 of the FM Circular No.-28 dt.30.10.65
42.		Record	8 25 th	Para 384 of MGP
43.		A.G	25 th	00A 1075 of 3.3.52
44.		DAG	25 th	Para 849 of
45.	Duty list Register	Branch Officer	25 th	00B 895 of 5.9.61
46.	Register of closed account	Branch Officer	25 th	Para 408 of MSO(T)
47.	Register of P.F suspense	Branch Officer	25 th	CAG's No.-889-I-286-57 dt.16.6.59
48.	T.E Register	Suptd.	25 th	00A 3553 dt.12.10.60
49.	Completion of current review by Suptd.	Branch Officer	26 th	00B 740 dt.1.4.58
50.	Filling of vouchers and schedules etc.	Branch Officer	28 th	00B 740 dt.1.4.58
51.	Register of cheques/drafts etc. towards GPF	Branch Officer	28 th	00B 457 of 10.8.56

	subscriptions			
52.	Register for noting breaches of financial property	AG	29 th	Para 841 of OAAM
53.	Register of financial irregularity	AG	29 th	Para 840 of OAAM
54.	Objection book & adjustment Register	Branch Officer	29 th	Para 826 of OAAM
55.	Six monthly Register	Branch Officer	29 th	Para 832 of OAAM
56.	Register of pending cases	Branch Officer	1 st Monday of the month	Para 163 of MGP
57.	Register of insufficient or irregular sanctions	Branch Officer	1 st Monday	Para 839 of OAAM
58.	Register of objections raised in Triennial Review	Branch Officer	1 st Monday	00B 84 of 10.11.64
59.	Register for watching the receipt of acknowledgment of accepted policies sent outside	Branch Officer	1 st Monday	00B 8474 of 13.12.54

60.	Check Register for watching realisation of maturity proceeds of policies	Branch Officer	1 st Monday	CAG's letter No.-391 Admn.-II-56-63 dt.13.3.63
61.	Despatch Register of Account Slips	DAG	1 st Monday	00B 1040 of 4.5.64
62.	Register of credits/debits adjusted on the basis of collateral evidence	A.G	1 st Monday	FM Circular No.-47 dt.30.11.66
63.	Consolidated report on unposted items of all PF sections	AG	After reconciliation of each month's A/C	O.M No.-Fd-1-8-14-490 dt.4.3.64 (FM only)
64.	Register of unposted credits/debits	FM	After closing a month's A/C	DAG's orders dt.18.8.62 as further modified
65.	Due dates for closing of accounts	Branch Officer	April 17 th August, May 9 th September June 2 nd October July 27 th	Para 1015 of Fund Manual

			October August 21 st November September 16 th December October 10 th January November 4 th February December 1 st March January 26 th March February 19 th April March 14 th May	
66.	Register for avoidance of defect pointed of DI	Branch Officer	1 st of each month	00A 352 of 3.10.63
67.	Register of periodical adjustment	Branch Officer	Last working day	00A 1381 of 29.1.54
68.	T.E Review Register	TM	On or before 1 st of the 2 nd succeeding	00A 2610 of 7.3.58

			month	
69.	Submission of Review Register (current Review by Supdt.)	DAG	Last working day of the month	Based on para 139 of MSO (T) Vol.-I
70.	Register for selection of credit point by Exmr.	Branch Officer	As soon as the posit of a month is over	00B 1036 of 30.4.64
71.		Branch Officer	15 days after closing of accounts	00B 1036 of 30.4.64
72.		Branch Officer	After closure of a month's account	FM Circular 39 of 28.3.66
73.				
74.	Monthly closing of general broad sheet and pink broad sheet	Branch Officer	10 days after the date of closing the month's A/C	Para 413 of Fund Manual (Fd-XI only)
75.	Inward Diary of letters	AG	Last Monday of every month	00B 931 of 7.3.62
76.	Review Register Supdt.	BO/DAG	Last sorting day	00B 931 of 7.3.62

	PF A/Cs missing credits etc. b) Materials on incomplete PF accounts missing credits & unposted items for the quarters ending March, June, Sept. & Dec.	FM	15.4/Jan. 15.7/Mar. 15.10/June 145.1/Sept. 6.4/ 6.7/ 6.10/ 6.1/	11.14-60 dt.13.5.60 Based on Para 1040 (vii) of the Fund Manual
3.	Report on	TM	S.4/3.7/3.1 0/3.1	00B 45 of 3.11.51
4.	Points for investigation by D.I	TM	25.5/25.8/2 5.11/25.2	00B 86 of 26.1.54
5.	Quarterly verification of sectional library books	TM through BO	20.4/20.1/2 0.10/20.1	Para 226 of MGP
6.	Register for recording misclassification by Deptl. Officer	Branch Officer	25.4/25.7/2 5.10/25.1	00A 1116 of 27.5.62
7.	Register of important & interesting cases	AG	10.4/10.7/1 0.10/10.1	00B 552 of 20.2.54 00B 756 of 25.9.58
8.	Register of	DAG	20.4/20.7/2	00B 399 dt.5.5.50

	important points to be seen in local inspection		0.10/20.1	
9.	Quarterly report is State Govt. regarding outstanding FP cases (State)	G.O.F.D	25.4/25.7/2 5.10/25.1	FM Circular No.- 41 of 20.7.66 (FM only)
10.	Register of Registers maintained in the Section quarterly verification	Branch Officer	5.5/5.8.5.1 1/5.2	00B 221 dt.12.1.55
11.	Register of Dead Stock maintained in the Section quarterly verification	Branch Officer	15.4/15.7/1 5.10/15.1	Para 468 of MGP
12.	Register of watching return of vrs. sent to Police on other authorities	TM	20.4/20.7/2 0.10/20.1	00B 399 of 5.5.50 TM-I-55-3378 dt.5.5.52 & T<-I- 54-2104 dt.10.12.59
13.	T.E Register	Branch Officer	25.4/25.7/2 5.10/25.1	00A 3553 dt.12.10.60
14.	Transit Register	Branch Officer	1 st Monday of June, Sept., Dec.,	00B 1924 of 8.2.62

			March	
15.	Materials for quarterly Audit Bulletin	Admn. Sec.	30.4/31.7/3 1.10/31.1	00A 5046 of 24.2.65
16.	Review of Credit position by Exmr.	DAG	June/Sept./ Dec./March	00B 1036 of 20.4.64
17.		Old Record	22.6/22.9/2 2.12/22.3	00B 1063 dt.20.1.65
18.		TM	15.5/15.8/1 5.11/15.2	00B 756 dt.25.9.58
19.		TM	5.4/5.7/5.1 0/5.1	00B 75 of 25.9.58
20.			10.1/10.7/1 0.10/10.1	00B 552 of 20.2.54
21.	Duty list Register	DAG		
22.	Missing Credit Register	D.A.G	30/11 28/2 31/5 15/9	Para 429 of M.S.O (T) Vol-I- CAG's No.-2406- T-Admn-II/232- 67 dt.21.09.67 read with his No.- 2939-T.A-II/232- 67-KW-II dt.20.11.67.
23.	Six monthly Register	AG	29.4/29.7/2 0.10/29.1	Para 832 of OAAM
24.	Report on delay in receipt of wanting paid	TM	10.4/10.7/1 0.10/10.1	00A 846 of 8.5.50

	vouchers			
25	Quarterly report on performance as per citizen charter Qr. ending 31/3, 30/6, 30/9 and 31/12	C & AG	15/1 15/4 15/7 15/10	C &AG circular No.8 vide letter No.663 AC-II 207-2003 Vol-II dt.26.12.03
Thrice in a year				
1.	Transmission of vouchers & schedules Report on (a) above	Old Record DAG	30.9/31.3 1.10/1.4	00A 15 dt.16.2.57 00A 15 dt.16.2.57
2.	Draft para on the improvement in the accounts as the suggestion of Audit	AA Section	15.7/15.1	00A 1172 dt.29.10.52
3.	a) Progressive use of Hindi in the work of Govt. of India submission Report b) Report on (a) above	CAG through Admn. Admn.	10.7/10.1 2.7/2.1	00A 3843 dt.27.4.61 00A 3843 dt.27.4.61
4.	Dictionary of Reference	TMB	1.9/1.3	Para 18(v) of MGP
5.	Six monthly report regarding	TM	10.8/10.2	00B 1009 dt.31.8.63

	emoluments etc. for deduction of Income Tax & surcharge			
6.	Review of the Report of the preservation of accounts records of all kinds connected with outstanding items in the Broad sheet	TM	20.6/20.1	00B 593 of 14.1.55
7.		CAG	10.5/10.11	CAG's letter No.- 225 Admn.-II/236 dt.7.12.59 (Fd-XI only)
8.	Statement on the progress of settlement & adjustment of assets of the Ex- States taken over by Govt. of Orissa	CAG through Book Section	1.7/1.1	CAG's letter No.- 985/C-122-60 dt.8.9.61 (Fd-XI only)
9.	Review of objection books suspense regarding & Broad sheet	AG through TM	Review to be completed by 15.6/15.12	00A 5532 dt.1.9.66
10.		AG through	June, Dec.	DAG(A)'s order

		TM		No. dt.17.11.66 atop 17 of file Fd- X.IS.8.66.67
11.	Outstanding items under PF suspense	CAG	10.5/10.11	CAG's No.-8804- C/1-236-55 dt.16.6.50
12.	Report on half yearly verification of sectional library books	TM	15.4/15.10	00B 1078 of 1.6.65
13.	Exhibition of arrears in terms of mandays in despatch of account slips (To be shown in the Arrear report for the quarter ending 30.9/31.12)	CAG	30.9/31.12	CAG letter No.- 274 Admn.-11.61 dt.23.2.61
Annual				
1.	Completion report on Despatch of Annual Account slip	C & AG	08/08	MSO CS 147 dt.8.7.69

APPENDIX- G
(See Paragraph- 113)

Showing the period for which each class of Records is to be preserved the term “YEAR” denoting complete Account year.

(a)

Sl. No.	Name of Records	Period for which to be preserved in office	Authority for column 2
	(1)	(2)	(3)
		Years	
1.	G.P. Fund Schedule	3 years where the work of agreement of balance is complete and is not in arrears. Beyond 3 years when above work is in arrear.	Vide Head Quarters letter No.-263-TA-II/260-80 dt.04.03.81 (Dy-FM-CAG-12)
2.	Broad Sheet	5	Appendix-K (Part-I) to the G.P Manual
3.	Monthly Audit Sheet	2	(Ar. Gl.'s No.-716-Admn./34-Admn.-1-40, dt.16.12.40 U.P. Manual)
4.	Provident Fund Ledger Register	35 (As the ledger are found volumes, these are to be treated as a whole for the purpose of weeding)	I) Annexure- 1 to Para-343 of the C & A.G's MSO II) C & A.G's letter No.-1092-T-Admn-II/282-70 dt.19.06.70
5.	Provident Fund Ledger Cards	Follows the period prescribed for G.P Fund Vouchers of Final	Annexure- 1 to Para-343 of the Ar.Gl.'s Manual of the

		Payment	Standing Order
6.	Premium Receipt Registers	5	
7.	Registers of closed Accounts	5	
8.	Vouchers on which Final Payments of G.P Fund money are made to persons other than the subscribers :- (i) to minors (ii) to other than minors (a) not in accordance with the declaration of subscribers (b) in accordance with the declaration of subscribers	30 30 6	Annexure- 1 to Para-343 of the Ar.Gl.'s Manual of the Standing Order Annexure- 1 to Para-343 of the Ar.Gl.'s Manual of the Standing Order Annexure- 1 to Para-343 of the Ar.Gl.'s Manual of the Standing Order
9.	G.P. Fund Vouchers of Final Payments other than those mentioned in item 10	6	Annexure- 1 to Para-343 of the Ar.Gl.'s Manual of the Standing Order
10.	G.P Fund Voucher relating to Non-	6 years from the date of sanction of withdrawal	C.A.G's letter No.-1306-Admn.-II/186-

	Refundable Withdrawals		63, dt.26.07.63 (Dy.-1-10-CAG-2)
11.	G.P Fund Debit Vouchers	6	CAG's letter No.-1306-Admn.-II/186-63, dt.26.07.63 (Dy-1-10-CAG-2)
12.	Application form for admission to G.P Fund received from subscribers	1	CAG's letter No.-1306-Admn.-II/186-63, dt.26.07.63 (Dy-1-10-CAG-2)
13.	Calendars of returns	1	
14.	a) Provident Fund Nominations relating to A/Cs in which final payments were/are to be made to subscribers themselves or to the major members of the family in accordance with those nominations.	6 years in case where payments were made prior to 01.04.64 and 3 years where payments are made after 31.03.64	{C.A.G's letter No.-1092-Tech-Admn-II/282-70 dated 19.06.70 to A.G., Maharashtra Dy.FM.CAG-1.10.15)
	b) Provident Fund Nominations relating to A/Cs in which final payments	30 years where payments were made prior to 01.04.64 and 25 years where payments are made after 31.03.64	{C.A.G's letter No.-1092-Tech-Admn-II/282-70 dated 19.06.70 to A.G., Maharashtra

	were/are made to either (a) Major & Minor members of the family to only minor members of the family of the subscriber in accordance with the nomination executed by him or in any other manner.		Dy.FM.CAG-1.10.15) CAG's letter-1489-TA-II/282-70 07.08.70 to this Office Dy.FM.1-10-CAG-31.
15.	Note & Order books of the Permanent Section		
16.	Case Registers	Follows the period for G.P Fund Vrs. for Final Payments	
17.	Objection Book	3	
18.	Provident Fund Final Payment & policy cases in which payment is made to subscribers concerned on quitting service Provident Fund & policy cases in which payments are	6 Years	

	made to persons other than the subscribers :- (a) to minors (b) to other than minors (i) not in accordance with declaration of subscribers (ii) in accordance with declaration	30 30 6	Annexure-1 to para-343 of the Ar. Gl.'s Manual of Standing Orders
19.	Sectional Diaries & Despatch Register	5	
20.	Book of Transfer Entries		Ar. Gl.'s letter No.-716-Admn.-34-Admn./1-40 dt.16.12.40
21.	Bill Register		
22.	Register of Temporary Withdrawal from G.P Fund		Appendix to the Manual of General Procedure
23.	P F Ledger cards in the case of Govt. servants transferred from one Audit Circle to another or from one Govt. to another	5 years after settlement of all the missing credits and debits upto the month of transfer of the account	C A G's Circular letter No.868-ch.Admn.II/7-66 dt.11.4.67 red through No. Cent. Misc.A G's Conf. 14 dt.26.4.67(Dy.FM.47)

(b)

I- It has been decided by the Comptroller and Auditor General that in cases of payments made on or after 1.4.1964, the Provident Fund vouchers should be preserved for the periods noted belows;

Name of the record 1	Period of preservation 2	Authority 3
A. Ledger cards and vouchers Final payments		C & AG's letter No.3258-tech.Admn.II/294 dt.15.10.66.
(i)Where payments have been made to persons other than subscribers. (a) to minors (b) to persons other than minors (i) not in accordance with the nominations of the subscribers (ii) in accordance with the nominations of the subscribers (1) where payments have been made to subscribers	25 years 25 years 5 years 5 years	
B. Provident Fund vouchers of non-refundable withdrawals.	5 years from the date of sanction of withdrawals.	

II. The existing periods of preservation of the records in cases of payments made before 1.4.1964 will remain unchanged.

APPENDIX- H

Procedure relating to Provident Funds of Former State Employees now taken over under the Union Government/State Government.

The Government of India have had under consideration the question of how the Provident Fund Accounts of the employees of the former merged, continuing and new Unions of States that have, following the merger or the financial integration, come under the administrative control of the Union Government should be dealt with. So they have in the Ministry of Finance letter No.-D-3323-BI/50, dated 5th April, 1950, decided that for the present and until the matter has been further considered the following provisional arrangements should be made :-

- (a) Except to the extent mentioned in paras (b) and (c) below, the Provident Funds should be treated as those of the continuing State or Union and in the case of merged States of the State in which the former Indian State has merged. Employees taken over by the Central Government will continue to be subscribers to the Provident Fund and recoveries from them will be credited to the Accounts of the State.
 - (b) When for Central Service like Railways a separate Provident Fund was maintained the whole of that Fund should be treated as transferred to the Centre. The question of how the Fund should be taken over in the Central Accounts will be decided separately but the Centre will retain the further subscriptions.
 - (c) For Railway and Defence personnel taken over by the Centre who may be subscribing to composite Provident Fund their Provident Fund balances should be treated as transferred to the Centre and will be dealt with as in para (b) above.
- 2) A separate communication will issue regarding policies in State Insurance Fund (Government of India, letter No.-D-3323-BI/50, dt. 5th April, 1950, Dy.Fd-I-

10/83). The G.I.M.F., have amplified the intention of para 1(a) of their letter No.-D-3323-BI/50, dated 5th April, 1950, in the following terms :-

“Only those staff taken over the State as a result of the Federal Financial Integration who are still on the States scales of pay and other service conditions, should be allowed, to subscribe to the States Provident Funds, provided they were subscribers to those Funds before the Federal Financial Integration. All other should subscribe to the Central Government Provident Fund”.

The Government of India have further observed that the accumulations in the States Provident Funds of those who are now subscribers to the General Provident Fund (Central Services) will be transferred to their present Fund Account with the Central Government and in the over-all settlement with the States concerned the amount of such liability taken over by the Centre will be taken into account.

[Dy-Fd-1-10-81 (Comptroller & Auditor General letter No.-2774-NGE-II/304-50, dated 19th November, 1951).]

The Government of India, Ministry of Finance, have decided that in the case of merged States, the Provident Funds of the erstwhile Indian States should be treated as those of the States (Province) in which they have merged, and that all such funds would be taken into account in the over-all settlement between the Centre and the States. Such subscribers as have been absorbed in the service of the Central Government are allowed to subscribe to the Provident Funds of the States until they elect the Central scales of pay and other conditions of service, and thereafter they will subscribe to the Central Government Provident Funds, and earn interest at the rate applicable to those funds. Until then State Governments will pay interest at rates to be determined by them.

[Government of India, Ministry of Finance, letter No.-F-39(4-E.V./51, dated 31st January, 1952, Dy.Fd-GI-1-10-101).]

It has been decided by the Government of India, Ministry of Finance, that in the case of an employee taken over by the Government of India, from part ‘D’ States who

elects the Central Government scales of pay and allowances and other conditions of service as a whole and who was subscribing to a C.P. Fund he will be brought on pensionable service under the Central Government and he will not be allowed to subscribe to the C.P. Fund under the Central Government. Separate orders will issue as regards the extent to which past service will count towards pension and the disposal of the balance in the Provident Fund Accounts of the employees.

[Para-5(b) of Government of India, Ministry of Finance, Department of Revenue and Expenditure, letter No.-F-6(2)E-III/52, dt. 18th February, 1952 Dy-Fd-1-10-15180).]

Subjects :- Provident Funds of the employees of States which were integrated with the Province of Orissa 1st February, 1948/1st February, 1949.

The orders contained in the Government of Orissa, Department letter No.-5219-F-F. 71/48, dt. 5th April, 1949, 1505F, dt. 29th October, 1949, and in No.-4227(31)-F/Pen-27/52, dated the 28th March, 1952, on the above subject are reproduced below :-

- 2) General observations and time limit for exercising the option of remaining under Contributory Provident Fund or electing pension rules, etc.- (i) The Accountant General, Orissa, has enquired whether the Provident Funds Act, 1925, has been extended to the States area and he has suggested that it should be so extended retrospectively from the 1st January, 1948. This matter is under examination separately. Meanwhile Government have been pleased to decide that the Provident Fund Accounts of State Employees from the 1st January, 1948.
- (ii) Government presume that in none of the States integrated on the 1st January, 1948, any General Provident Fund was instituted but that there were only Contributory Provident Fund in lieu of pensionary benefits. They are, however, pleased to direct that both the General Provident Fund Rules (Orissa) and the Contributory Provident Fund Rules (Orissa) will be treated to have come into force in the States with effect from the 1st January, 1948. The General or the Contributory Provident Fund Rules of the several States have accordingly ceased to have force from the date, but any act done, subscriptions of contributions paid,

withdrawals allowed under these States' Rules between the 1st January, 1948 and the date of this order in so far as they are not covered by the General or the Contributory Provident Fund Rules (Orissa) as the case may be will not on that ground alone be treated as ultra vires or invalid.

- (iii) (a) In Para (4) of the Press Communique, dated the 5th March, 1948, the following announcement was made "Where an employee is at present in a State pensionable service he will continue to be in the pensionable service of Government and his past service will count for purpose of pension. Where such an employee is a subscriber to a State Contributory Provident Fund, he will be given the option between the Government Contributory Provident Fund and absorption in pensionable service. In the event of his electing pensionable service under Government his past service will count for purpose of pension ; on the other hand, the contributions made to his Provident Fund by the State concerned will be credited to the Provincial Revenues. In a case where a State employee is at present neither in pensionable service nor is a subscriber to a Contributory Provident Fund, he will be deemed to be a new entrant in Government pensionable service. The case of contract officers will be dealt with individually in accordance with the circumstances of each case".

These orders are confirmed subject to the following amplifications, viz., (i) resolution No.-8688-F, recorded in this Department on the 21st December, 1946, a copy of which is enclosed as Appendix-A will be applicable to State employees to the same extent as it applies to Provincial Government servants, and (ii) State employees who were not in pensionable service and had no Contributory Provident Fund, will be taken into pensionable service only if posts of the same or equivalent category in the Provincial area are pensioable.

- (b) Government have been pleased to decide that the option to remain under the Contributory Provident Fund system or to choose pensionary benefits must be exercised by the employees concerned in writing on or before the 30th September, 1949 and once exercised it will be final. In the case of Gazetted Officers, the original letter of election should be forwarded through the Head of the

Department and the Administrative Department of Government to the Accountant General, Orissa, for record in his office. The choice should be noted in the History of Services of Gazetted Officers, Orissa. In the case of non-Gazetted Officers, the letter of election should be forwarded to the Head of the Department and a note should also be made by the Head of the Office in the Service Book of the employee concerned. The Head of the Department will prepare a consolidated statement showing the names of the persons who choose to remain under Contributory Provident Fund and of those who choose the pensionary benefits. In every case the statement will show the number of the Contributory Provident Fund account of the subscriber. This statement may be prepared and sent in batches to the Accountant General, Puri, and the final batch should be sent to him not later than the 15th November, 1949.

The letter of election of the non-Gazetted Officers will be retained in the office of the Head of the Department.

Government of India Decision No.-1- Counting towards pension the past service of the permanent staff taken over by the Government of India from Part-C States and States merged with Part-A State, who were subscribing to a Contributory Provident Fund :-

- (i) The amount of his own subscriptions together with interest thereon standing to the credit of an officer in his Contributory Provident Fund on the date of absorption in Central Government Service shall be transferred to his credit in the General Provident Fund (Central Services).
- (ii) The amount of contributions by the State Government concerned together with interest thereon standing to his credit in the fund on the date of the officer's absorption in the Central Government Service shall be transferred to the Central Revenues (Civil).
- (iii) The employee shall, in exchange, be entitled to count towards pension the service rendered by him prior to the date of his absorption in the Central Government Service to the extent indicated below, as if such service had been rendered in a

pensionable establishment under the Government of India, provided that the benefit of pensionable service shall accrue only in respect of the period or periods during which the subscribed to the State Contributory Provident Fund :-

- (a) The whole of permanent service.
- (b) The whole or officiating/temporary service which would have qualified had the provisions of Article 370/371 of the Civil Service Regulations been applicable ; and
- (c) Half of the remaining officiating/temporary service subject to the conditions indicated in Paragraph-7 of this Ministry's Office Memorandum No.-F #91)-Est. (Spl.)/47, dated the 17th April, 1950.

These orders applicable to Ex-State Employees taking over by the Indian Audit and Accounts Department.

[Government of India, Ministry of Finance Office Memorandum No.-F-7(47)-EV/54, dated the 17th July, 1954. (Dy.FDI-1-10-29).]

Government of India Decision No.-2- Counting towards pension the past service of the permanent staff taken over by the Government of India from Part-B State who were subscribing to a Contributory Provident Fund.

- (i) The amount of his own subscription together with interest thereon standing to the credit of such an officer in his contributory provident fund on the 31st March, 1951, shall be transferred to his credit in the General Provident Fund, (Central Services).
- (ii) The amount of contributions by the State Government concerned together with interest thereon standing to his credit in the fund on the 31st March, 1951, shall be credited to the Central Revenue (Civil).
- (iii) The employee shall, in exchange, be entitled to count towards pension the service rendered by him prior to the 1st April, 1951, to the extent indicated below, as if, such service had been rendered in a pensionable establishment under the Government of India, provided that the benefit of pensionable service shall accrue

only in respect of the period or periods during which he subscribed to the State Contributory Provident Fund :-

- (a) The whole of permanent service.
 - (b) The whole of officiating/temporary service which would have qualified had the provision of Article 370/371 of the Civil Service Regulations been applicable ;
and
 - (c) Half of the remaining officiating/temporary service subject to the conditions indicated in Paragraph-7 of this Ministry's Office Memorandum No.-F-3(1)-Est. (Spl.)/47, dated the 17th April, 1950.
- 2) These orders are applicable to Ex-State Employees taking over by the Indian audit and Accounts Department.

[Government of India, Ministry of Finance Office Memorandum No.-F-7(47)-EV/54, dated the 17th July, 1954. (Dy.FDI-1-10-29).]

- 3) Procedure for opening the Provident Fund Accounts in the Comptroller's Office.-
- (a) the employees who were on the list of subscribers to the Contributory Provident Fund of a State on the 31st December, 1947, may be classed as follows :
 - (i) Employees whose services terminated on or before the 31st December, 1947 or who were on leave preparatory to retirement which leave continued beyond that date or were on leave but did not return to duty.
 - (ii) Employees who were taken over in Government service but were discharged subsequently, or have retired in the usual course.
 - (iii) Persons who, pending decision about their retention in Government service or otherwise, were not fitted in any specific post on the 1st January, 1948, but have since been taken in Government service.
 - (iv) Persons who were taken over in Government service on the 1st January, 1948, and are still continuing.

In all these cases the Provident Fund Account of every person should be prepared in 'Form-A' (individual accounts) and an abstract of the individual accounts should be prepared in Form-B (abstract account). They should be prepared by the Administrator of the State in which the employee concerned was in service on the 31st December, 1947. No transaction beyond the 31st December, 1947, should be shown. Three copies of 'Form-A' and two copies of 'Form-B' should be prepared. One set of Forms 'A' and 'B' will be kept in the Administrator's Office, and other set will be sent to the D.A.G, Puri. The third copy of Form 'A' and a relevant extract from 'B' should be sent to the Head of the Department under whom subscriber is employed at present. The Head of the Department will arrange to send the copy of Form 'A' to the subscriber and obtain his acknowledgment for it. The fact that this has been done in all cases should be communicated to the Accountant General, Puri.

The subscriber should scrutinise the account and bring discrepancy, if any, to the notice of the DAG through the proper channel for settlement in consultation with the Administrator from whom the account were received.

- (b) The Administrators should complete this work not later than the 31st May, 1949. But in States in which the number of accounts is not large, it should be possible to report to the Chief Administrator and Special Commissioner cases of failure to observe the above time limit. The Chief Administrator may allow further time but not beyond the 30th June, 1949, if he is satisfied of the necessity for such extension.
- (c) The Accountant General reports that he has already received accounts from some of the Administrators. He requested to inform them whether they should submit fresh accounts in Forms 'A' and 'B'. If the accounts already submitted will serve the purpose, fresh statements in Forms A and B may be dispensed with, but in that case the Accountant General may arrange to send the accounts to the individual subscribers, through the Head of the Department concerned as provided in clause (a) above.
- (d) The Administrator, Keonjhar, has enquired whether the Provident Fund registers relating to the period up to the 31st December, 1947, will be sent to the Accountant General. This should not be done. The registers should be preserved

carefully in the office of the concerned Administrator who will reconcile all discrepancies and answer all queries that may arise.

- (e) He has also enquired whether the Provident Fund accounts for the year 1947-48 will be audited by the Accountant General. The latter will audit the accounts from the 1st January, 1948 only. The concerned Administrator will be responsible for the correctness of all accounts up to that date. He will exercise discretion whether to accept or re-check the accounts already audited by the State Auditor and will arrange for the effective check of the accounts from the date up to which the accounts were last audited. An Auditor's own accounts must be checked thoroughly.
- 3) Accounts from the 1st January, 1949, till the 31st March, 1949 and onwards- (a) The audit and maintenance of the Accounts from the 1st January, 1948 will be the responsibility of the Accountant General just in the same way as in the case of other fund accounts. The peculiar feature of the period from the 1st January, 1948 to the 31st March, 1949, is that different treasuries have adopted different procedure for adjustment during this period. An extract of para 4 of Accountant General's letter No.-Fd(s)-108, dated the 20th October, 1948, on this subject is enclosed as Appendix- "B". Administrators are requested to draw the attention of Treasury Officers to the said instructions and see that they are carried out. As laid down in the last sentence therein, treasury officers should not adjusted the Provident Fund deductions in future.
- (b) As soon as the Accountant General desires that the nominations made by the subscribers should be forwarded to him. This should be done as early as possible. The attention of subscribers should also be invited to Rule 5(3) of the Contributory Provident Fund Rules (Orissa) in which revised forms of nomination have been prescribed. In their own interest subscriber should where necessary make fresh nomination in the revised forms.
- 5) Final Withdrawal of accounts of State employee- (a) It is under examination whether in cases where a subscriber's service terminated on or before the 31st December, 1947, or who was on leave preparatory to retirement or who was on

ordinary leave but did not return to duty will be sanctioned by the Chief Administrator and Special Commissioner under para 8 of the Administration of Orissa State's Order, 1948. The orders will be issued as early as possible.

- (b) In the case of employees who were taken over in Government service but were discharged subsequently or have retired in the usual course between the 1st January, 1948, and the date of this order :-
 - (i) If the Final Payment has already been made, the case need not be reopened ;
 - (ii) If the application for Final Withdrawal is pending, it should be returned to the Administrator of the State in which the officer was serving on the 31st December, 1947. The Administrator should report to the Accountant General the balance at the subscriber's credit on that date (31st December, 1947) and on authority of this report the Accountant General will authorise payment of 75 percent of that balance immediately. In sending his report, the Administrator should carefully check the balance. Final settlement of the account should be made in the usual way. The Accountant General is requested to take up the settlement of such account as soon as possible after he received list in Forms "a" and "B".
- (c) The Final Withdrawal of Provident Fund of States employees who are still continuing in service will be dealt with under the provisions of the Contributory Provident Fund Rules (Orissa). Employees who have not yet been absorbed permanently in any post but who are still continuing in service will come under this category as also persons of the category mentioned in para 3(a) (iii) above.
- 6) Advances from fund where advances have already been sanctioned under the rules in force in the State are confirmed -
 - (a) From the date of this order advances will be sanctioned under Rules 12, 13 and 14 of the Contributory Provident Fund Rules (Orissa) except that until further orders advances to non-Gazetted Officer should in all cases be sanctioned by the Head of the Department and not by the Head of the Office. The question of authorising Heads of offices to sanction advances will be considered after the 31st March, 1951, by which time it is hoped they will have become familiar with the rules.

- (b) This restriction that advances will not be sanctioned by Heads of offices will also apply to cases in which a Government servant in the State (whether previous State employee or not) asks for advances from the eneral Provident Fund.
 - (c) Under rule 15 of the Contributory Provident Fund Rules (Orissa) subscriptions to a family pension or payment towards an insurance policy may at the option of a subscriber be substituted for the whole or part of the subscription to the Fund. Government have decided however that except in cases where this concession is already being enjoyed by a State employee under the State Provident Fund Rules no subscriber will be allowed this concession until further orders.
- 7) Procedure for disposal of Contributory Provident Fund a State employee who elects to come under pension rules- (a) As soon as the Accountant General receives intimation that a state employee who was enjoying Contributory Provident Fund benefits has elected to come under pensionary benefits, he will follow the procedure laid down in rule 28(b) of the Contributory Provident Fund Rules (Orissa) with the following modifications :-
- (i) As the pensionary benefits will be chosen, clause (a) of sub-rule (1) of rule-28 will not apply.
 - (ii) As provided in clause b) (ii) of the same sub-rule the amount of contribution by the State with interest thereon shall be repaid to Government. It is presumed that Government's share of contribution from the 1st January, 1948, has not been adjusted in any case.
 - (iii) An account should be opened for him under the General Provident Fund Rules (Orissa) and his subscription and interest thereon should be credited to that fund and he may thereafter continue to subscribe to the fund under the rules of that fund.
 - (iv) Subject to the provisions of the rules (to be issued shortly) regulating the past service of State employee for pension, the whole of the State service will as announced in the Press Communique, dated the 5th March 1948, count towards pension for the purpose of clause (b) (iv) of sub-rule (1) of rule 28 *ibid*.
- (b) The Inspector General of Police raised the question as to who will calculate the State's share to the Contributory Provident Fund and interest thereon. The

information have been given in Forms A and B as provided in para 3(a) above, but if in a particular case the information is not readily available or defective information has been given or for any other reasons the Accountant General considers that accounts should be rechecked, he will settle the matter in consultation with the Administrator of the State in which the person concerned was in service on the 31st December, 1947.

- 8) Adjustment of employers contribution – Government contribution from the 1st January 1948, and arrears, if any, of State's share up to that date need not be worked out and adjusted until the employee exercises his option of continuing to enjoy Provident Fund benefits, or to elect pensionary benefits. If he elects pensionary benefits, no adjustment of the arrear of the State's share and of Government's share of contribution need be made. On the other hand, if he elects to continue to subscribe to the Contributory Provident Fund the adjustment of the arrears of State's share up to the 31st December 1947 and of Government's share from the 1st January 1948 will be made by the Accountant General and interest thereon will be calculated by him as if the shares were paid on the due dates under the rules.
- 9) Interruption in recoveries – If for any period between the 1st January, 1948, and the date of this order there has been interruption in the recoveries of subscription from the States employee he may at his option, and in addition to current subscription, pay the arrears in such number of installments, not exceeding 12, as he may desire. If, however, he does not desire to pay the arrears and choose to remain under the Contributory Provident Fund benefits the matter should be reported to Government through the Head of the Department for decision as to whether Government's share of the contribution which would otherwise have been payable will be withheld or not. The circumstances in which the interruption occurred should be fully explained.

Any interruption in the recovery of advance for reasons other than those mentioned in rule 14(2) of the Contributory Provident Fund Rules (Orissa) will be treated as if it was interrupted under that rule.

- 10) **Statement of Accounts** – (a) The statement of accounts up to the 31st December, 1947, will be furnished to the subscriber as provided in para 3 above.
- (b) Ordinarily an account made up to the 31st March, 1948, should also be sent to the subscriber, but Government have decided that a continuous account for fifteen months from the 1st January, 1948, to 31st March, 1949, will be made up by the Accountant General and furnished to each subscriber in due course as provided in rule 31 of the Contributory Provident Fund Rules (Orissa).
- 11) **General report by Administrator** – Within fifteen days of forwarding individual accounts and abstract statements in Forms A and B, the Administrator will submit a report to the Accountant General in Form C and another copy of the same report (without Form A and B) to Government in the Finance Department.
- 12) 100 copies of Form “a” and 10 copies of Form “B” are being forwarded to each Administrator. They are requested to communicate to this Department at an early date their additional requirements of the two forms. Typed copies of Form “C” may be used.
- 13) Contributory Provident Fund Rules (Orissa) are being printed. Copies of these will be supplied separately.
- 14) Heads of Department and Heads of officers are requested to inform the Ex-State employees whom these orders concern that under para 2(b) above they are to choose between Contributory Provident Fund or Pensionary benefits not later than the 30th September, 1949.

[Government of Orissa, Finance Department, No.-5219-F-F-/71/48, dated 5th April, 1949, to the Chief Administrator and Special Commissioner, Orissa]

Government have been pleased to decide that orders issued in this Department letter No.- 5219-F, dated the 5th April, 1949, addressed to the Chief Administrator and Special Commissioner will apply mutatis mutandis to the case of Ex-Employees of Mayurbhanj, subject to the modifications noted below :-

- (1) The date 31st December, 1947 referred to in Para 3, 4 and 10 therein shall be changed to 31st December, 1948.

The date 1st January, 1948 in para 2(i) and (ii), 3, 4 and 10 therein shall be changed to 1st January, 1949.

The date 30th April, 1949 in para 3(b), thereinn shall be changed to 30th November, 1949.

The date 31st May, 1949 in para 3(b) therein shall be changed to 31st December, 1949.

The date 30th June, 1949 in para 3(b) therein shall be changed to 31st January, 1950.

The date 30th September, 1949 in paras 2(iii) and 14 therein shall be changed to 31st March, 1950.

The date 15th November, 1949, in paras 2(iii) and 14 therein shall be changed to 15th May, 1950.

- 2) Final Withdrawal of accounts of State Employees dealt with in para 5(a) of G.O No.-5219-F, dated the 5th April, 1949, read with the above modification should be governed by the instructions issued in Home Department State Memo No.-1811(2) States, dated the 9th and 10th September, 1949, copy forwarded to all District Magistrates in Memo No.-1812(60) of even date.

The position stated in the last sub-para of para 1 of your letter that in view of the special feature of State contribution of the Mayurbhanj State the procedure suggested in para, 2 (iii) (a) of this Department letter No.-5219-F, dated the 5th April, 1949, is not necessary in the case of Ex-Mayurbhanj employees is correct c.f para 8 of that letter.

- 1) In your letter No.-344 dated the 24th September, 1949, you have reported that 31 cases of Final Withdrawal of Provident Fund are pending disposal. Out of these cases those relating to Ex-employees, who retired before the 1st January, 1949, should now be disposed, in accordance with the instructions issued in Home (State) Department order mentioned above. The cases of others will be dealt with by para 5(b) of Government of Orissa No.-5219-F, dated the 5th April, 1949. The verification and report of the title to pension of those who retired on or before the 31st December 1948 have to be done by you. Steps may be taken by you accordingly. Orders are being issued shortly regarding the procedure of sanction of pension of the 6 retired persons referred to in your letter.

[Government of Orissa, Finance Department No.-15056-F, dated 29.01.1949, to the address of the District Magistrate, Mayurbhanj]

I am directed to invite a reference to the Departments letter No.-5219-F, dated the 5th April, 1949, on the subject indicated above. The Ex-State employees, who were enjoying the Contributory Provident Fund system in the states, were allowed in para 2(b) thereof to opt either the Pension Rules of the State Government or to remain under the Contributory Provident Fund system. Some of those who have opted to remain under the Contributory Provident Fund scheme have represented inter alia, that the pension rules in the Civil Service Regulations only were in force at the time when they were asked to exercise the option ; that the pensionary benefits admissible under the rules have since been liberalised ; and as such they should be allowed to revoke their previous election and come over to the new pension rules.

- 2) The State Government have carefully consider the question. As it is a fact that the terms of the liberalised pension rules were not known when they had to exercise their option and as the intention of Government is that the benefits allowed under the liberalised pension rules should be made available to almost all their servants, as will be evident from para 11 of those rules, the State Government have been pleased to decide that those Ex-State personnel who have elected to remain under the Contributory Provident Fund Scheme should be allowed a fresh chance now to elect pensionary benefits, if they so desire. They are accordingly permitted to do so on or before the 31st July, 1952.
- 3) The option referred to above is open only to those who have retired or may retire on or after the 20th of June, 1950, and not to those who have retired before that date or who having retired on or after the 20th June, 1950, have been paid their Contributory Provident Fund balance.
- 4) The procedure for the adjustment of the States contribution to the Contributory Provident Fund, in the case of those who now elect the liberalised pension rules, will be the same as that laid down in paras 7 and 8 of this Department's letter No.-5219-F, dated the 5th April, 1949.

Similarly, the procedure prescribed therein for the submission and record of the election should be followed here also. The final list of election should be sent to the

Deputy Accountant General, Puri, by the 31st August, 1952, at the latest. The question of recovery of arrears, if any, if subscription due from them and the payment of the State's contribution to their Contributory Provident Fund account will not arise in the case of those who now elect the pensionary benefits.

- 5) It is requested that the above orders of Government may be brought to the notice of all those Ex-State employees who have elected and continue under the Contributory Provident Fund Scheme to enable them to exercise the option.

[Government of Orissa, Finance Department No.-4227(31)-F, dated 28.03.1952 to all Heads of Department.]

Government of Orissa Decision

- 1) (i) Option to remain under the Provident Fund System or to choose pensionary benefits by the Ex-State employees :-

It has been decided that according to para 2 (iii) (b) of Finance Department's letter No.-5219-F, dated 5th April 1949 the option to remain under the Contributory Provident Fund system or to choose pensionary benefits must be exercised by the employees concerned on or before 30th September, 1949 and once the option exercised it will be final. As sufficient time was allowed to exercise that option it is presumed that all officers have done so. In any case Government have decided that all persons who have not exercised that option on or before that date should be deemed to have forfeited for good their right of election and should be brought over to the Provincial Government Pension Rules.

- (v) In this connection it is pointed out that there might be some cases in which officers, who would have opted for pension, have under a misunderstanding opted for Contributory Provident Fund (Orissa) Rules. Now that the exact benefits admissible under the Government C.P. Fund system have been communicated in Finance Department circular letter No.-19194(50)-F, dated 24th December, 1949 and to the relative pensionary benefits admissible have also been set forth in Finance Department Resolution No.-18006-F, dated the 13th December, 1949, it is possible that some officers would be eager to revoke their previous election to continue under the C.P. Fund if permitted to do so. Government have, after

careful consideration of the question decided that such officers should be given a chance to do so. It has therefore been decided that in individual cases applications will be considered on merit for revoking the election made to continue under the C.P. Fund and opting for pension system. Such application should be made immediately and referred to Government for orders. No case will be referred to Finance Department. No revision will be allowed in cases of officers who have elected the pension system.

[Based on Govt. of Orissa, Finance Department No.-4227(31)-F, dated 4th January, 1950.]

in this connection G.O Finance Department No.-4227(31)-F, dated 28th March 1952 as reproduced above may please be referred to.

- 2) Certain doubts being raised as regards payment of Provident Fund Dues of Ex-State Employees, the following clarifications have been received from Government :-
 - (a) Those who were on the C.P. Fund system and have retired prior to 30th September 1949 (31st March 1950 in case of Ex-state of Mayurbhanj employees) the last date for declaring option should continue to be on that system if they had not elected specifically for pension system.
 - (b) Those on the Contributory Provident Fund system who died on or before 4th January 1950 without exercising a specific option for the pension system should be deemed to continue on the C.P. Fund system. In no case should heirs of the retired employees be called upon to exercise the option at this stage or to interpret the intentions of those employees.
 - (c) Cases which have been settled hitherto on different principles than those given here should not be reopened.
 - (d) Those on C.P. Fund system who continued in active service beyond 30th September 1949 (31st March 1950 in case of Ex-State of Mayurbhanj employees) but are not covered by the principal at (b) above should take the consequences of their failure to exercise the right given to them to continue on the C.P. Fund

system. In other words the decision in G.O. No.-277(40)-F, dated 4th January 1950 that those who have not exercised specifically should be brought on the pension system will apply to them.

[Based on Govt. of Orissa, Finance Department letter No.-Pen-63/58-3066-F, dated 31st July 1958.]

- 3) The State Government have formed common cadres both for Ex-State personnel and those who were serving under the Government of Orissa at the time of merger. The general policy of Government being to rationalise the conditions of service of all Government servants and lay down uniform principles for all, it is considered undesirable that the Ex-State employees who were paid back their accumulations in Contributory Provident Fund should be placed in a less advantageous position than those who were under pension system during that period and continued to remain under that system till the date merger of the Ex-State. Thus it has been decided that those Ex-State employees who exercised option to continue under the Contributory Provident Fund system should be given a further option to change over to the pension system. This decision will also apply to the cases of all concerned Ex-State employees who have retired since merger with the Contributory Provident Fund benefits. The option should be exercised within a period of three months by the employee who are in service on the date of issue of this Finance Department resolution and within a period of six months by the retired employees. If no option is exercised within the prescribed date it will be presumed that they offered for the pension system. The option once exercised will be final. In case of gazetted officers the original letter of election should be sent to the Accountant General, Orissa, under intimation to the Administrative Department of Government and the Head of Department concerned. In the case of non-gazetted officers, the letter of election should be sent to the authority competent to sanction pension and a note should be made in the Service Book.

[Based on Government of Orissa, Finance Department Resolution No.-28155-Pen.-225/69-F, dated 11th July 1962.]

applicability of orders contained in Government of Orissa, Finance Department Resolution No.-28155-225/62-F, dated 11th July 1962 to Ex-State employees of Education Departments is under consideration of Government.

4) Education Department.

For the purpose of administrative convenience and uniformity in management of high schools and middle schools in the Province and integrated states it has been decided to classify and regulate them as follows :-

(a) The following High Schools in the integrated States which are at District Headquarters and which may ultimately be converted in to Technical High Schools will be similar in type to the Government High Schools and the District Headquarters in the Province and at Rayagada in the Koraput District :

- (i) Dhenkanal High School, Dhenkanal
- (ii) Keonjhar High School, Keonjhar
- (iii) Bolangir High School, Bolangir
- (iv) Sundergarh High School, Sundergarh

In the States, the high schools other than those at the district headquarters mentioned above will be of two types. The complete high schools will 'A' type schools and the incomplete high schools, 'B' type schools.

The 'A' type schools will be similar to the Government High Schools in the State other than those at the District Headquarters. The services of the staff of such high schools will be pensionable and transferable and the teachers will get pay and dearness allowance at the rates prescribed for Government servants.

'B' type schools will be Government managed. The staff will get pay and dearness allowance at rates prescribed for Government servants. The services of these teachers will not be pensionable. They will have the benefit of the Contributory Provident Fund to which Government will contribute at the rate of 6 pies in the rupee of the salary.

Middle Schools.

Government do not propose to introduce any change in the Government middle schools in the State as their number is very small.

As regards complete and incomplete middle schools in the States, they should be treated in the same manners 'B' type Government managed high schools.
Primary Schools.

Primary Schools in the States will also be Government managed. The teachers will be having no pension as in the cases of primary schools teachers in State.

[Based on Govt. of Orissa, Education Department letter No.-27-E, dated 5th January 1949.]

- 5) In partial modification of orders issued in Government of Orissa Order No.-27-E, dated 5th January 1949 (incorporated as G.O. decision No.-4 above) it has been decided that pending detailed examination the following procedure should be adopted in disposing of cases of Ex-State employees of the Education Department who have retired, died, resigned, dismissed etc. between 1st January, 1948 and 31st May, 1953 (extended up to 31st May 1962) :
- (i) All Ex-State employees of the Education Department who were in permanent and pensionable service in the Ex-States on the date of merger should be given pensionary benefits for their entire service, irrespective of the category of the educational institution in which they were serving after the date of merger until retirement.
 - (ii) Those Ex-State employees of the Education Department who were confirmed in District Headquarters High Schools or 'A' type schools prior to their retirement should be given pensionary benefits irrespective of the fact as to whether they were enjoying pension or P.F benefits during their pre-merger service as laid down in the Education Department Order No.-27-E, dated 5th January, 1949.
 - (iii) Those Ex-State employees who were enjoying C.P Fund benefits on the date of merger will be given the same benefits unless they have been confirmed in

District Headquarters High Schools or 'A' type schools prior to retirement as stated in clause (ii) above.

[Based on Govt. of Orissa, Education Department letter No.-3254, dated 4th June, 1953 received with Govt. of Orissa, Finance Department Memo No.-11615-F, dated 17th June, 1953, Government of Orissa, Finance Department letter No.-15471-F, dated 2nd September, 1953, Government of Orissa, Education Department letter No.-17669(2)-E, dated 6th October, 1961.]

- 6) It has been decided that the employees of schools should come under the pervue of G.O No.-325-E, dated 4th June, 1953 and be classified for the purpose of these orders as employees of 'B' type schools where as those of E.T Schools should be brought under the preview of this order.

This classification of schools made in G.O. No.-27-E, dated 5th January 1949 should be treated as having retrospective effect from 1st January 1948 for the purpose of G.O No.-3254-E, dated 4th June, 1953.

[Based on Govt. of Orissa, Education Department letter No.-8177-E, dated 15th October, 1954 and concurred in Govt. of Orissa, Finance Department letter No.-6788, dated 30th August 1955.]

- 7) It has been decided that in terms of G.O No.-27-E, dated 6th January, 1949, the 'B' type schools in Ex-State areas are Government managed schools. The service of the employees in these schools are not pensionable. In view of the Government order referred to above employees retiring from 'B' type schools should get the benefits of C.P. Fund system even if they have started contributing after merger, but this will not be applicable to them whose services were permanent and pensionable before merger as has been laid down in para (1) of G.O No.-3264-E, dated the 4th June, 1953.

[Based on Govt. of Orissa, Education Department letter No.-21204-E, dated 10th December, 1949.]

APPENDIX- I

Decision of the Supreme Court of India that Execution can not be sought against the Provident Fund money by way of appointment of a Receiver

The judgement of the Court was delivered by Justice N. Chandrasekhara Aiyar

- 1) This court granted special leave to appear in this case on the Government agreeing to pay the costs of the respondents in respect of the appear in any event.
- 2) The decree holder was a lady named Hira Devi. The judgement debtor was one Ram Grahit Singh, who retired on 3rd January, 1947 as a Head Clerk in the Dead Letter Office, Calcutta. A money decree was obtained against him on 30th July, 1948. On 1st February, 1949 Receiver was appointed for collecting the moneys standing to the judgement debtor in a Provident Fund with the Postal authorities. The Union of India intervened with an application dated 20th September, 1949 for setting aside the order appointing Receiver.
- 3) Mr. Justice Banerjee dismissed the application of the Union of India, holding that a Receiver could be appointed for collecting the Fund. on appeal Travor Harries, C.J & Sinha J. upheld his view.
- 4) From the facts stated in the petition filed by the Union of India before the High Court, it appears that a sum of Rs.1394131/- represents arrears of pay and allowances due to the judgement debtor and a sum of Rs.1563/- is the compulsory deposit in his Provident Fund account. Different considerations will apply to the two sums, though in the lower court the parties seem to have proceeded on the footing that the entire sum was a “compulsory deposit” within the meaning of the Provident Fund Act, 1925.
- 5) The main question to be decided is whether a Receiver can be appointed in execution in respect of Provident Fund Money due to the judgement debtor.
- 6) Compulsory deposit and other sums in or derived from any fund to which the Provident Funds Act XIX of 1925 applies are exempt from attachment and sale under Section 60 (K) Civil Procedure Code.

- 7) “Compulsory Deposits” is thus defined in Section 2 (a) of the Provident Funds Act XIX of 1925 :-

compulsory Deposit means a subscription to, or deposit in a Provident Fund which under the rules of the Fund, is not, until the happening of some specified contingency repayable on demand otherwise than for the purpose of the payment of premia in respect of a policy of life insurance (or the payment of subscriptions or premia in respect of family pension fund), and includes any contribution and any interest or increment which has accrued under the rules of the fund or any such subscription, deposit, contribution and also any such subscription, deposit, contribution, interest or increment remaining to the credit of the subscriber or depositor after happening of any such contingency.

- 8) Such a deposit cannot be assigned or charged and is not liable to any attachment. Section 3(1) of the said Act provides.

3.(1) A compulsory deposit in any Government of Railway Provident Fund shall not in any way be capable of being assigned or charged and shall not be liable to attachment under any decree or order of any Civil Revenue, or Criminal Court in respect of any debt or liability incurred by the subscriber or depositor, and neither the official Assignee nor any Receiver appointed under the Provincial Insolvency Act, 1920, shall be entitled to, or have any claim on any such compulsory deposit.

- 9) it is obvious that the prohibition against the assignment or the attachment of such compulsory deposits is based on grounds of public policy. Where the interdiction is absolute to allow a judgement creditor to get at the fund indirectly by means of the appointment of a Receiver would be to circumvent the status. That such a frustration of the very object of the legislation should not be permitted was laid down by the Court of appeal as early as 1886 in the case of Lucas Vs. Harris (1) where the question arose with reference to a pension payable to two officers of Her Majesty’s Indian Army. Section 141 of the Army Act, 1881, provides.

Every assignment of, and every charge on, and every agreement to assign or charge any pension payable to any officer or soldier of Her Majesty’s Officer, or any pension payable to any such officer, or to any person in respect of any military service shall except so far as the same is made in pursuance of a royal warrant for the benefit of the

family of the person entitled thereto, or as may be authorised by an Act for the time being in force, be void.

In that case, the appointment of a Receiver to collect the pension was in question, Lindley L.J. observed :-

In considering whether a Receiver for a retired officer's pension ought to be appointed not only the language but the object of Section 141 of the Army Act, 1881, must be looked to ; and the object of the section would, in my opinion, be derated, and not advanced, if a Receiver were appointed.

Lord Justice Lopes reiterated same thing in these words :-

It is beyond dispute that the object of the legislature was to secure for officers who had served their country a provision which would keep them from want and would enable them to retain respectable social position. I do not see how this object could be affected unless those pensions were made absolutely inalienable preventing not only the person himself assigning his interest in the pension but also preventing the pension being seized or attached under a garnished order, or by an execution of other process of law. Unless protection is given to this extent the object which the legislature had in view is frustrated, and a strange anomaly would exist. A person with a pension would not be able to utilise his pension to pay a debt beforehand, but immediately his creditor had obtained judgement might be deprived of his pension by attachment, equitable execution, or some other legal process. It is impossible to suppose that the legislature could have intended such an anomaly.

- 10) Section 51 of the Civil Procedure Code no doubt recognises five modes of execution of a decree and one of them is the appointment of a Receiver. Instead of executing the decree by attachment and sale the Court may appoint a Receiver but this can only be in a case where a Receiver can be appointed. The Provident Fund money is exempt from attachment and is inalienable. Normally, no execution can lie against such a sum.
- 11) The learned judges in the court below rested their view on the authority of the decision of the Privy Council in *Rajendra Narain Singh Vs. Sundara Bibi (1)*. This decision has caused all the difficulty and has created a current of thought that

even though the property may not itself be liable to attachment a Receiver can be appointed to take possession of the same and to apply the income or proceeds in a particular manner including the payment of the debts of the judgement debtor. It is necessary, therefore, to examine the facts of the case carefully and find out whether the proposition sought to be deduced from it can be justified as a principle of general application apart from the particular circumstances. The original decision of the Allahabad High Court from which the appeal was taken before the Judicial Committee is reported in *Sundara Bibi Vs. Rajendra Narain Singh* (2) in a suit between two brothers, there was a compromise to the effect that the judgement debtor shall present and enjoy the immovable properties mentioned in the list and estimated to yield a net profit of Rs.8000/- a year without power of transfer during the lifetime of his brother, Lal Bahadur Singh, he undertaking to pay certain public exactions and other dues to his brother Lal Bahadur Singh amounting in all Rs.7870116/-, in 4 equal installments per annum, each to be paid a month before the Government revenue falls due. The arrangement was stated to be "in lieu of his maintenance". When the judgement debtors interest in the properties was sought to be attached and sold, he raised the objection that they were exempt from attachment and sale by reason of clause (n) of Section 60 of the Code which speaks of "a right to future maintenance". The High Court held that the words employed in sub-clause (n) contemplated a bare right of maintenance and nothing more a right enforceable by law and payable in the future and that in as much as in the case before them the properties had been assigned to the judgement debtor in lieu of his maintenance, it was not such a right, which alone was exempt from attachment and sale. They thought that it was a fit case for the subordinate judge for the appointment of a receiver after determining the allowance payable to the judgement debtor for his maintenance.

- 12) With this conclusion of the High Court the Judicial Committee concurred. But they also expressed the view that they did not agree with the High Court on the subject of the actual legal position of the right of maintenance conferred upon the judgement debtor. Taking the prayer of the judgement creditor to be that the right of maintenance be proceeded against, their Lordships observed that the right was

in point of law not attachable and not saleable. If it was an assignment of properties for maintenance, the amount of which was not fixed, it was open to the judgement creditor to get a Receiver appointed subject to the condition that whatever may remain after making provision for the maintenance of the judgement debtor should be made available for the satisfaction of the decree debt. The right to maintenance could not be attached or sold. In so far as the decree holder sought to attach this right and deprive the judgement for the appointment of receiver was more comprehensive and sought to get at any remaining income after satisfying the maintenance claim, the appointment of a receiver for the purpose was justified. The decision of the Privy Council does not appear to lay down anything beyond this. In our opinion, it is not an authority for the general proposition that even though there is a statutory prohibition against attachment and alienation of a particular species of property, it can be reached by another mode of execution viz. The appointment of a Receiver. On the other hand it was pointed out in the case of Nawab Bahadur of Murshidabad Vs. Karani Industrial Bank Limited (1) that as the Nawab had a disposing power over the rents and profits assigned to him for the maintenance of his title and dignity without any power of alienation of the properties, no question of public policy arose and that a Receiver of the rents and profits was rightly appointed. This line of reasoning indicates clearly that in cases where there is no disposing power and the statute imposes an absolute bar on alienation or attachment on grounds of public policy execution should not be levied.

- 13) Understood as mentioned above Rajendra Narain Singh's case creates no difficulty. We shall now refer to the decisions that followed or distinguished the same. In the Secretary of the State for India in Council Vs. Boi Somi and another (2) the maintenance of Rs.96/- per annum was made under a compromise decree a charge on the house which was to belong to the defendant. The Court fee due to Government was sought to be recovered by attachment of the house. The right to attach was negative ; the house could not be attached as it belonged to the defendant ; and the plaintiff's right to maintenance could not be attached under Section 60 clause (1). In dealing with a prayer made by the Government for the

first time in the High Court for an order appointing a Receiver of the Plaintiff's maintenance. Beaumont C.J. and another learned judge held that even this could not be done. The Chief Justice said "if these exempted payments can be reached in execution by the appointment of a Receiver by way of equitable execution, the protection afforded by the sanction is to a great extent lost". They steered clear of Rajendra Narain Singh's case by stating that there was in the judgement of the Board no clear expression of opinion and there was doubt whether the allowance then in question was maintained or not. The Madras High Court in the Secretary of State for India in Council Vs. Sarvepalli Venkata Lakshamma (3) has dealt with a question similar to the one in the Secretary of State for India in Council Vs. Bai Somi and another (2) but it merely referred to the ruling in Rajendra Narain Singh's case without dealing with the facts or the reason by a single judge and stands on the same footing as the Madras case. There is nothing else on this subject in the judgement than the short observation, "the Provident Funds Act does not in my opinion prohibit the appointment of a Receiver of the sum lying to the credit of the deceased in the Provident Fund". possibly the view was taken that on the death of the employee and in the absence of any dependant or nominee becoming entitled to the Fund under the rules, it became money payable to the heirs of the deceased and lost its original nature of being a compulsory deposit. The case of Dominion of India representing E.I Rly. Administration and another Vs. Ashutosh Das and others (5) refers no doubt to Rajendra Narain Singh's case but does not discuss it in any detail. "Roxburgh J. merely states surely it is an improper use of the equitable remedy to employ it to avoid a very definite bar created by the status law to achieving the very object for which the Receiver is appointed". The decision in Ramprasad Vs. Notiram (6) related to the attachment and sale in execution of money decree of the interest of a Khorposhdar in an Khorposh grant which was heritable and transferable. It affords us no assistance.

- 14) The learned counsel for the respondents replied on three decisions of the Privy Council as lending him support. One is the Nawab Bahadur of Murshidabad's case (1) already to, Vibhudapriya Tirthas Swamir Vs. Lakshindra Tirtha Swamidor (7) and Niladri Sahu Vs. Mahant Chaturbhaj Das and others (8) are the

other two cases and they relate to maths and alienations by way of mortgage of endowed properties by the respective Mahants for alleged necessity of the institution. They bear no analogy to the present case. The Mahants had beneficial interest in the properties after being provided with maintenance. A Receiver could be appointed in respect of such beneficial interest so that the decrees obtained may be satisfied.

- 15) With great respect of the learned judges of the Court below, we are of the opinion that execution cannot be sought against the Provident Fund money by way of appointment of a Receiver.
- 16) This conclusion does not, however, apply to the arrears of salary and allowance due to the judgement debtor as they stand upon a different legal footing. Salary is not attachable to the extent provided in Section 60 Civil Procedure Code, Clause (1) but there is no such exemption as regards arrears of salary. The learned Attorney General conceded that this portion of the amount can be processed against in execution.
- 17) The Provident Fund amount was not paid to the subscriber after the date of his retirement in January, 1947. This however, does not make it any the less a compulsory deposit within the meaning of the Act. Whatever doubt may have existed under the earlier Act of 1897 the decisions cited for the respondent Miller Vs. B.B. & C.I. Railway (1) and Raj Kumar Mukherjee Vs. W.G. Codfrey (2) art. Under that Act, the meaning has now been made clear by the definition in Section 2 or the present Act any deposit remaining to the credit of the subscriber or depositor after the happening of any such contingency is also a compulsory deposit, and the contingency may be retirement from service.
- 18) In the result, the appeal is allowed and the order of the Lower Court dated 1st February 1949 appointing a Receiver is set aside as regards the Provident Fund amount of Rs.1563/- lying to the credit of the judgement debtor. Under the condition granting special leave, the Government will pay the 1st respondent's of this appeal.

(Sd) MEHR CHAND MAHAJAN J.

(Sd) N. CHANDRASEKHAR AIYAR J.

(Sd) VIVIAN BOSE J.

APPENDIX- J

Payments exceeding Rs.75000/- made to the Government servant on account of Provident Funds and Death-Cum-Retirement Gratuities.----

- (i) Under the Estate Duty Act, 1953, Estate duty is payable on the principal value of the property passing or deemed to pass on the death of a person. The Estate inter alia, includes sums received by the deceased from Government on account of Provident Funds and death-Cum-retirement gratuities. The exemption limit fixed under the act in the case of self-acquired property of an individual is Rs.100000/-. In order to trace effectively the disposition of the amounts received by a retiring Government servant, the Central Board of Revenue desires that particulars of payments exceeding Rs.75000/- made during 1953-54 and subsequent years on account of Provident Funds and Death-Cum-Retirement Gratuities may be furnished to the Controller of Estate duty (All commissioners of Income tax are functioning as such in their respective jurisdiction) concerned.

Estate Duty Act – Intimation to the Commissioner of Income-Tax :-

- (ii) It has been decided that the responsibility of Accounts Officers for the above purpose will be confined to conveying an intimation to Commissioners of Income Tax, of payments in excess of Rs.100000/- and above at a time to a Government servant in respect of Provident Fund or Gratuity or Commutation of Pension as the case may be as and when each payment is authorised, irrespective of whether payment is made at the time of retirement or earlier for purposes of house building, marriage or higher education.
- (iii) The intimation may be sent endorsing copies of payment authorities to the respective Commissioner of Income-Tax at the time of issue.

[Based on Comptroller & Auditor General's letter No.-1486-Admn.-II/163-58, dated 23rd June, 1959 Dy-FDI-1-10-2828 and No.1200-AC.-II/34-83, dated 217.07.1986 (Dy FM 293) and No. 1707-AC II/34-83 dated 24.10.86 (Dy-FM-CAG-36 dated 6.1.1987)]

APPENDIX- K

The secretary of State's Service (Remittances in to and Payments from Provident Fund) Rules, 1959.

- 1) (i) These rules may be called the Secretary of State's Services (Remittances in to and payments from Provident Fund) Rules, 1959.
(ii) They apply to persons, other than members of the Indian Civil Service or Indian Police who are governed by the Superior Civil Services (India Provident Fund) (Sterling Accounts) Rules, 1934.
- 2) In these rules ----
 - (a) 'Fund' means the Secretary of State's Services General Provident Fund ;
 - (b) 'Officer' means an officer of the Secretary of State's Services other than a member of the Indian Civil Service or the Indian Civil Service or the Indian Police.
- 3) Notwithstanding anything contained in the Superior Civil Services (India Provident Fund) (Sterling Accounts) Rules, 1934, the amount standing to the credit of an officer in the Fund at the commencement of these rules shall be converted in to rupees at the rate of 1sh. 6d. to a rupee.
- 4) Notwithstanding anything contained in the Superior Civil Services (India Provident Fund) (Sterling Accounts) Rules, 1934, on and after the commencement of these rules, all remittances in to and payments from the Fund shall be made in India and in Rupees ;
Provided that, where the payee is of non-Indian domicile, payments from the Fund maybe made through the High Commissioner of India in the United Kingdom either in the sterling medium or in rupees converted in to sterling at such rate of exchange as the President may by order prescribe.
- 5) If any question arises relating to the interpretation of these rules, it shall be referred to the Central Government whose decision thereon shall be final.

[Government of India, Ministry of Home Affairs, Notification No.-13/26/57-AIS(II)-A,
dated 20th February, 1959, Dy-Fd-I-1-10-247.]

APPENDIX- L

(See Para-1019)

I.

Sl. No.	Item of Work	Revised Rate
1.	Posting of Closing of Monthly Accounts	Rs.272/- per extra month's account posted over and above normal quota.
2.	Annual closing of Provident Fund Account	
(a)	Calculation of Interest	GPF Rs.43.20 per 100 accounts CPF Rs.59.20 per 100 accounts
(b)	Checking of interest calculation	GPF Rs.35.20 per 100 accounts CPF Rs.49.60 per 100 accounts
(c)	Preparation and Despatch of statements	GPF Rs.25.60 per 100 accounts CPF Rs.25.60 per 100 accounts
(d)	Honorarium to Examiner for annual closing work	Rs.400/-
(e)	Honorarium to AAO/SO for annual closing work	Rs.560/-
(Provided the time schedule for issue of Account Slips is strictly adhered to)		
3.	Opening of new ledger cards	Rs.25.60 per 100 accounts
4.	Posting of additional credits in Provident Fund Accounts	Rs.0.16 per credit

(Subject to conditions laid down in F.M Circular No.-319 dated 24.04.1981)

II.

1. The revised rates will take effect from 01.06.1993.
2. It should be ensured and verified before making payment that total work for which honorarium is being paid has actually been done. If it is found later on that the work is incomplete or that there has been deficiency in the work done, action may be taken to effect recoveries.
3. The claim for payment of honorarium should also be examined by Internal Test Audit to ensure that work has been carried out in accordance with the prescribed instructions and relevant records have been maintained.
4. The checks already prescribed in this office C.S No.-210 dated 11.11.1982 (Appendix-P) in connection with annual closing of Provident Fund Accounts should be strictly followed at all levels.
5. The other instruction and codal provisions regarding grant and payment of honorarium will be applicable as usual.

(Based on General Circular No.-12-AC-II/1993 circulated in Headquarters letter No.-502-AC-II/60-92 dated 09.06.1993-Dy-FM-CAG-4 dated 18.06.1993-File-FM-1-6/93-94)

The rates of honorarium fixed for the checking of interest as mentioned in it (2) above are only intended for those who are required to exercise cent per cent check in addition to his normal duties outside the normal office hours. When Superintendents, Examiners of P.F Sections are doing the work, honorarium is admissible for the work done in addition to the normal percentage, which they are to check. However, the Supervisory staff not belonging to Fund Sections are to be given honorarium on the basis of the total cards/accounts without any deductions.

The rates are applicable when such calculation etc., are done on a task work basis by clerks/supervisory staff in addition to their own duties outside the normal office hours. But they shall not be allowed to any overtime allowance envisaged the Government of

India, Ministry of Finance, O.M of 1st June, 1961 and this condition should be specified in the office order to the staff detailed for annual closing work.

[Based on C&A.G's letter No.-1515-NGE-1/224-61, dated 1st August, 1961 and No.-1813-NGE-1/224-61, dated 2nd December 1963 (DY-FD-I-CAG-18 and 55) and C&A.G's letter No.-1808-NGE-I/1988-65, dated 3rd August 1965 (DY-FM-8-14-66)]

APPENDIX- M

Central Services (Remittances in to and Payment from Provident Funds Rules, 1960)

In exercise of the powers conferred by proviso to Article 309 and after consultation with the Comptroller and Auditor General as required by Clause (5) of the Article 148 of the constitution, the President hereby makes the following rules, namely :-

1) Short title and application :

- (1) These Rules may be called the Central Services (Remittances in to and payment from Provident Fund) Rules, 1960.
- (2) They shall apply to persons who are governed by the Central Services (India Provident Fund) (Sterling Accounts) Rules, 1934.

2) Definitions.

In these rules :-

- (a) "Fund" means the General Provident Fund (Central Services) or the Contributory Provident Fund (India).
- (b) "Officer" means officer of the Central Services of other than officers belonging to the All India Services.

3) Conversion of existing credits in sterling in to rupees.

Notwithstanding anything contained in the Central Services (India Provident Fund) (Sterling Accounts) Rules, 1934, the amount standing to the credit of an officer in the Fund at the commencement of these Rules shall be converted in to Rupees at the rate of 1sh. 6d. (one shilling six pence) to a rupee.

4) Remittances in to and payment from the Fund.

Notwithstanding anything contained in the Central Services (India Provident Fund) (Sterling Accounts) Rules, 1934 on and after commencements of these rules, all remittances in to and payments from the Fund shall be made in India in rupees.

Provident that, where the payee is non-Indian domicile payment from the Fund may be made through the High Commissioner of India in the United Kingdom either in the

Sterling minimum or in rupees converted in to sterling at such rate of exchange as the President may by order prescribe.

5) Decision on questions.

If any question arises relating to the interpretation of these rules, it shall be referred to the Central Government whose decision thereon shall be final.

[Based on G.I.M.F. (Deptt. of Exdpr.) Notification No.-F-1-52(7)-EV/60, dated 27th June, 1960, copy received with A.G, Orissa, endorsement No.-TM-BO-FD-116, dated 6th August, 1960 (DY-FD-I-I-10-3315).]

APPENDIX- N

Vide Para-104

Accounting procedure relating to provident funds of the employees of the Central Research Institute, Cuttack consequent on its merger with the Indian Council of Agricultural Research.

Consequent on the decision of the Govt. of India to place the services of the Government staff employed in the Central Rice Research Institute, Cuttack on 31.03.1966 at the disposal of the Indian Council of Agriculture Research, the following procedure has been prescribed in respect of matters concerning General Provident Fund Accounts.

- 1) GPF subscriptions and recovery of GPF advances etc.
 - (a) The Director of the Institute should remit every month, the amount recovered from the salaries of the subscribers towards Provident Fund subscriptions and refund of withdrawal, if any, by bank drafts to the Accountant General, Orissa for collection and credit to the Govt. Account.
 - (b)
 - (i) He will also send by the 10th of each month a monthly statement of Fund recoveries made from the salaries disbursed on the first of that month (or the last working day of the previous month) with full particulars about the future of each subscriber, Account No. of the subscriber and amount recovered towards subscriptions and refund of withdrawal, if any to this office.
 - (ii) Recoveries, if any, made from the salaries disbursed later in a month should also be reported to this office before the end of the month along with the bank draft for credit to the Govt. Account.
 - (c) On their receipt in this office, the bank drafts should be sent to the Bank for encashment promptly by credit to the Head "Unfunded Debt.-State Provident Funds-G.P. Fund" and the credits adjusted in the subscriber's accounts in the month in which the Bank draft is encashed. But interest on such credits should be allowed from the month in which the amounts were actually recovered. In order to facilitate the work of calculation of interest on such credits, suitable notes to the months of recovery should be kept in the Ledger Account.

- 2) Advances from the Funds.
 - (a) The Director of the Institute has been delegated with powers sanction Temporary advances (both ordinary and special) under Rule 12 of GPF (Central services) Rules, 1960 in respect of the officers and staff at the institute. This power should be relegated by him to any other officer under him. Any advances to the Director himself would be sanctioned by the Ministry of Food and Agriculture.
 - (b) The Temporary Withdrawals should be sanctioned only after verification of the availability of Funds from the latest Account slip and subsequent recoveries made from him and the fact of such verification should be mentioned in the sanction themselves.
 - (c) The advances may be paid from out of the Council's Funds and then got reimbursed from the Govt. of India by submitting a monthly statement so as to reach this office not later than 5th of the month following that in which the advances are paid. These statements should contain full particulars of payments (i.e the name of the subscriber, Account Number, amount of advance paid and the date of drawl) and should be supported by attested copies of the sanctions.
 - (d) On receipt of the monthly statement of advances paid, which should be supported by the copies of sanctions and disbursement certificates, those should be subjected to audit in accordance with the provision of Para 394(i) to (iii) of the H.S.O (Tech.) Volume- I and if all the conditions are satisfied, the amount of advances paid, should be reimbursed by this office through a Bank Draft drawn in favour of the Director of C.R.R.I, Indian Council of Agricultural Research. The subscriber's accounts should be debited with the amounts of advances in the month in which the Bank Draft on account of reimbursement, in favour of te I.C.R is drawn, suitable notes as to the actual months of disbursement of advances to the subscribers by the I.C.R being kept in the Ledger Account for purpose of calculation of interest.
 - (e) The recoveries of refunds of advances should be watched in accordance with the provisions contained in paras 394(iv) and 39 of M.S.O (Tech.) Vol.-I.
- 3) Final Withdrawals and Non-Refundable Withdrawals.

- (a) Final Withdrawals and Non-Refundable Withdrawals should not be disbursed by the Director from out of the Council's Funds. These should be authorised by this office for payment at the Treasury as or through the Ministry of Food, Agriculture, Community Development and Cooperation by direct debit to G.P. Fund. No reimbursement on this account should, therefore, be made to the I.C.R. irrespective of whether such payments pertain to Class-IV Employees or officers and staff other than Class-IV Employees.
- (b) Gazetted officers of the Institute may draw the amount relating to Final Withdrawals from the Treasury on the basis of the authority received from this office in terms of Rule-609 of C.T.R. Vol.-I. Non-Gazetted officers desiring payments at a Treasury may also present the bills at the Treasury and get payments on the basis of the authority issued by this office.
- (c) When non-gazetted officers require the amount to be drawn on their behalf and disbursed to them, this would be done from the Ministry of Food and Agriculture.
- 4) Provident Fund accounts of Class-IV Employees.
- (a) GPF Accounts of the Class-IV Employees may continue to be maintained by the Director, C.R.R.I. He should arrange to remit the net amount realised (subscriptions recovered during the month less the amount paid as advance if any), through bank drafts in favour of the Accountant General, Orissa for credit to Govt. Account. This remittance should be supported by a statement showing the credits and debits separately.

The remittance on their receipt in this office should be credited to the head "Unfunded Debt- State Provident Funds-G.P. Fund of Class IV Servants".

- (b) Final withdrawals and Part Final Withdrawals of these employees should be arranged through the Under Secretary to Govt. of India, in the Department of Agriculture (I.C.R.) who will draw the money from the Treasury by debit to Govt. Provident Fund and disburse the amounts to the person concerned. An advise of such payment would be given to the Head of the Institute concerned for note in his Accounts records.
- (c) The GPF accounts of Class-IV Employees maintained at the Institute should be subject to cent per cent local audit by the Accountant General. These accounts

should be reconciled quarterly and annually. For this purpose the instructions contained in the note appended to circular letter No.-1369-Admn.-III/80-60 dt.07.07.60 may be followed mutates mutandis.

(Based on G.I.Min. of Food, Agri., C.D. and Cooperation No.-2-36/66-Peorgn (Admn.) dt.23.11.1966 and CAG's letter No.-3981-Tech.-Admn.-II/290-T.I/66 dt.30.12.66 Dy.1472 and CAG-66).

APPENDIX- O

Form of Bond of Indemnity for drawl of Provident Fund money due to the minor child/children of deceased subscriber by a person other than its/their natural guardian (to the extent of Rs.15000/-).

KNOW ALL MEN by these presents we (a) (1) -----
son/daughter/wife of ----- (herein after called
'obligor'), resident of ----- and (b) (1) -----
----- son/daughter/wife of ----- and resident of ---
----- and (b) (2) -----
----- son/daughter of -----
-- and resident of ----- (herein after called the
"Sureties") Sureties on her/his/their behalf are held firmly bound to be * President of
India/Governor (hereinafter called "The Government") in the sum of
Rupees..... (in words & figures) to be paid to
the Government or his successors or assigns for which payment to be well and truly
made, each of severally binds himself and his heirs, executors, administrators and assigns
and every two and all of us jointly bind ourselves and our respective heirs, executors,
administrators and assigns firmly by there presents.

Signed this day of One thousand, nine hundred and
.....

WHEREAS (c) was at the time of his death a
subscriber to the General Provident Fund and whereas the said (c)
..... died on the day of
One thousand, nine hundred and and a sum of Rupees
..... (in words & figures) payable by
Government on account of his General Provident Fund accumulation AND WHEREAS
THE above bounden obligor claim(s) @
the said sum on behalf of the minor child/children of the said (c)
..... but has/have not obtained a guardianship certificate.

AND WHEREAS the obligor(s) has/have satisfied, the (d)
(Officer concerned) that he/she/they is/are entitled to the aforesaid sum and that it would cause undue delay and hardship if the claimant were required to produce a guardianship certificate and WHEREAS Government desire to pay the said sum to this claimant but under Government Rules and orders it is necessary that the claimant should first execute a bond with two sureties to indemnify Government against all claims to amount so due as aforesaid to the said (c) (deceased) before said sum can be paid to the claimant which the obligor and at his/her request the sureties have agreed to do.

NOW THE CONDITION of this bond such that if after payment has been made to the claimant the obligor or sureties shall in the event of a claim being made by any other persons against Government with respect of the aforesaid sum of Rs..... refund to Government the sum of Rupees..... and shall otherwise indemnify and keep the Government harmless and indemnified from all liabilities in respect of the aforesaid sum and all costs incurred in consequence of any claim thereto THEN the above written bond or obligations shall be void but otherwise the same shall remain in full force, effect and virtue. The Government have agreed to bear the stamp duty if any chargeable on these presents.

IN WITNESS WHEREOF the obligor and the Surety/Sureties hereto have set and subscribed their respective hand hereunto on the day, month and year above written.

Signed by the above named 'obligor' in the presence of

1)

2)

Signed by the above named 'Surety/Sureties'.

1)

2)

in the presence of

(name & Designation of Witness)

Accepted for and on behalf of the President of India by

(Name & designation of the Officer,
director authorised, in pursuance of article
299(1) of the Constitution to accept the bond for and on behalf of the President)

*Strike out words required.

@ Here insert “to be entitled to” or “as guardian” as the case may be.

[Based on G.I.M.F (DE) O.M No.-F-35(3)-EV/67 dt.29.07.68, received with CAG letter
No.-1841-Tech-Admn-II/161 dt.08.08.68---- DY.C.A.G.1-10-38]

Appendix-P

Drill to be followed for Annual Closing of Provident Fund Accounts.

The existing instructions in connection with the Annual Closing of Provident Fund Accounts are summarised as under:-

- (i) The Annual Closing of Provident Fund Accounts for the year and calculation of interest is required to be done by the auditors.
- (ii) Calculations made by one auditor are to be checked independently by another auditor in order to ensure its correctness.
- (iii) The auditors who make the initial calculation and check the calculations are required to sign the ledger cards in the space provided for the purpose.
- (iv) The calculations of interest are required to be checked by Section Officers to the extent of 15% in addition to the 100% check of interest calculations by another Auditor as stated above. The Section Officer is also required to put his signature on the card in token of his examination in the space provided for the purpose.
- (v) On the basis of closing abstract in the ledger card the account statement is required to be prepared by the auditor.
- (vi) The ledger cards also provide for columns where Missing Credits and Debits and their adjustment is required to be noted by the auditors as a result of review of the ledger cards.
- (vii) The persons preparing the Account Statements are required to note down the Missing Credits and Debits in the account statements on the basis of details recorded in the ledger cards about the Missing Credits and Debits.
- (viii) The Closing Balance in the Annual Account Statements should be written both in words and figures.
- (ix) The Section Officer in charge is required to conduct a cent percent review of all the account statements and should initial the cards in token of verification to the effect that Account Statements have been properly prepared and all Missing Credits and Debits have been noted in the statements.
- (x) The Branch Officer is required to check 1% of the Account Statements.

- (xi) The Branch Officer of Fund Section should also conduct a random check of Accounts Statements in order to see that facsimile signatures of Section Officers have not been put on blank forms which are filled up latter. He is also required to initial the cards which have been subjected to scrutiny by him.
- (xii) Separate register indicating the work done by each auditor in regard to the Annual Closing of Provident Fund Accounts should be maintained by each Fund Section. This register should indicate the details of the cards which have been assigned to each auditor for the purpose of closing and the claim for honorarium is required to be prepared on the basis of entries in the register.
- (xiii) Instructions contained in Head Quarters Office Circular D.O letter No.-2459-TA/302-78 dt.03.10.1978 also provide that the Group Officer should generally ensure that all Missing Credits and Debits have been listed in the Accounts Statements along with the adjustment of earlier Missing Credits.
- (xiv) It is to be ensured that the total work for which honorarium was proposed to be granted had actually been done and that if in any case, it was latter on found that the work has not been done properly, recoveries should be made.

2) Besides, the above the following further checks have been prescribed in connection with the Annual Closing of Provident Fund Accounts.

- (i) The persons preparing the Account Statements should also sign the ledger cards in token of the preparation of Account Statements.
- (ii) The percentage of review of annual account statements by the Branch Officer has been increased from 1% to 5% so that there is more objective assessment of the work done by the auditors/Section Officers.
- (iii) The Group Officer in-charge of Provident Fund Sections should carry out a review of the Account Statements with a view to see that the Statements are complete in all respect.
- (iv) The registers indicating the allotment of work of annual closing of various auditors should be kept in the personal custody of the Group Officer in-charge of the Provident Fund Section so that the same can be referred to even at a distant

time for fixing responsibility in the case of incorrect or deficient account statements.

- (v) It should be ensured that the ledger cards are signed by posters, checkers and Section Officers instead of putting their initials in the ledger cards, so that it is possible to fix the responsibility with facility at a later date. Alternatively a record should be kept of the specimen signatures and specimen initials of the Auditors and Section Officers employed on the Annual Closing of Provident Fund Accounts including that of issue of account statements. A register should be maintained for this purpose which can be kept in the custody of the Group Officer.
- (vi) The claims for payment of honorarium in connection with the annual closing of account should also generally be examined by Internal Test Audit before making payment in order to ensure that the work has generally been carried out in accordance with the prescribed instructions and the relevant records have been maintained. Internal Test Audit should also check some of the Account Statements before issue to ensure that there is no deficiencies in the Statements prepared by the Fund Sections.
- (vii) Whenever any complaint is received by the Accountant General either directly or through the Headquarters Office in regard to the issue of incomplete or deficient account statements, the responsibility should immediately be fixed with a view to effecting recovery of the honorarium paid and/or to initiate disciplinary proceedings against the default officials.

[Based on Head Quarters Circular letter No.-944-TA-II/222-81, dt.17.08.82 (Dy-FM-CAG-14)]

Appendix- Q

ORDERS OF GOVERNMENT OF ORISSA REGARDING INTRODUCTION OF DEFINED CONTRIBUTION PENSION SCHEME

1) **Finance Department Notification No.-44451/F dated 17.09.2005.**

In exercise of the Powers conferred by the proviso to article 309 of the Constitution of India, the Government of Orissa is pleased to make the following rules further to amend the Orissa Civil Services (Pension) Rules 1992, namely:-

- 1) (1) These rules may be called the Orissa Civil Services (Pension) Amendment Rules, 2005.
- (2) They shall be deemed to have come into force with effect from the 1st day of January-2005.
- 2) In the Orissa Civil Services (Pension) Rules, 1992, after sub-rule (3) of rule 3 the following sub-rule shall be added namely:-

“(4) Notwithstanding any thing contained in these rules, all persons appointed under the Government of Orissa with effect from 1st day of January 2005 shall not be eligible for pension as defined under sub-rule (1) of rule 3 of the said rules but shall be covered by the defined contribution Pension Scheme as specified below :

- (i) The monthly contribution would be 10% of the salary and Dearness allowance to be paid by the employee and the Government would also provide a matching contribution. The contribution so made would be deposited in a non-withdrawable pension tier-1 account. Such funds will be invested by pension fund managers as approved by Pension Fund Regulatory and Development Authority (PFRDA) under different categories of scheme, which would be a mix of debt and equity. The fund managers would give out easily understood information about the performance of different investment schemes so that individual Government employee would be able to make informed choices about which scheme to choose.

- (ii) In addition to the above provision, each individual may also have a voluntary tier-II withdrawable account at his option. This option is provided as General Provident Fund will be withdrawn for employees recruited to the State Government Service with effect from 1st January, 2005. Government will make no contribution into this account. In tier-II system, the individual may subscribe 10% of his salary and these assets would be managed through exactly the above procedure. However, the employee would be free to withdraw part of all of second tier of his money at any time. This withdrawable account does not constitute pension investment and would attract no special tax treatment.
- (iii) At the time of retirement, Government servant will receive the lump sum amount of 60% deposited in pension tier-1 account as pension wealth and it is mandatory to the Government servant to invest remaining 40% of his pension wealth to purchase as annuity from an Insurance Regulatory and Development Authority-regulated life insurance company. The annuity shall provide for pension for the life time of the employee and his dependent parents and his spouse at the time of retirement. the individual would receive lump-sum of the remaining pension wealth, which he would be free to utilise in any manner. Individuals would have the flexibility to leave the pension system prior to age 58 years or 60 years as the case may be. In such case the mandatory annuitisation would be 80% of the pension wealth.

2) Finance Department Office Memorandum No.-Pen-40/2005-30132/F dated 13.07.2006

Sub:- Introduction of new restructured defined Contribution Pension scheme for new entrants in the State Government Service with effect from 01.01.2005.

The Government of India have already introduced a new restructured defined contribution pension scheme for the new entrants to Central Government Service with

effect from 1st January, 2004 vide Government of India, Ministry of Finance (Department of Economic Affairs), (ECB & PR Division) Notification No.-F.-No.-5/7/2003-ECB & PR dated 22.12.2003. The question of introduction of said pension scheme for the new entrants into State Government Service in the light of the principle adopted by the Government of India was under active consideration of the State Government for some time past.

- 2) After careful consideration, the State Government have been pleased to decide to introduce the said new restructured defined Contribution Pension Scheme for the new entrants into State Government Service with effect from 01.01.2005 in Pensionable Establishment in Finance Department Notification No.-44451/F dated 17.09.2005.
- 3) The procedures for introduction of new defined contribution pension scheme are as follows:-
 - (i) The new pension scheme will work on defined contribution basis and will have two tiers-Tier-I and Tier-II. Contribution to Tier-I is mandatory for all Government Servants joining Government Service on or after 01.01.2005 in pensionable establishment where as Tier-II will be optional and at the discretion of Government Servant. The employees joining against the pensionable establishment on or after 01.01.2005 in the Government Service become members of the Scheme.
 - (ii) In Tier-I each employee will pay a monthly contribution of 10% of the basic pay plus dearness allowance from his salary to the contribution pension scheme. An equal matching contribution will be made by the State Government for each employee who contributes to the scheme. The contribution towards the pension scheme shall be recovered from the salary of the employees every month. The said recoveries will start from the salary of the month following the month in which the Government Servant has joined Service. Therefore, no recovery will be effected from the month of joining. For example, for employees joining service in the month of January 2005, deductions towards Tier-I contribution will start from the salary bill of February-2005. No deduction will be made from his salary

earned in January, 2005. Similarly, deductions for those service in the month of February, 2005 will start from the salary bill of March 2005 and so on.

- (iii) In order to implement this, such investment would be made in different categories of schemes approved by Pension Fund Regulatory and Development Authority (PFRDA) which would be a mix of debt and equity.

The Fund Managers would give out easily under-stood information about the performance of different investment schemes so that individual Government employee would be able to make choice about which scheme to choose. In that case Government will not take any responsibility regarding liability of interest.

- (iv) As an interim arrangement till funds are transferred to Pension Fund Regulatory and Development Authority, the Accountant General (A&E), Orissa/Controller of Accounts, Orissa is authorised to appoint an Accounts Officer of his Office as Fund Manager who will regulate the new restructured defined Contribution Pension Scheme.
- (v) Till the accumulated balance under each individual account are transferred to Pension Fund Regulatory and Development Authority or Fund Managers or any other decision taken by the Government, it has been decided that such amount representing the contributions made by the Government Servants and the matching contribution made by the Government will be kept in the Public Account and this will be purely temporary arrangement.
- (vi) Immediately on joining Government Services, the Government Servant will be required to provide particulars such as his name, designation, scale of pay, date of birth, nominee(s) for the fund, relationship of the nominee etc. in the prescribed form (Annexure-I). The Drawing & Disbursing Officer concerned will be responsible for obtaining the information from all the Government Servants covered under the new pension scheme. Consolidated information for all those who have joined service during the month shall be submitted by the Drawing & Disbursing Officer concerned in the prescribed format (Annexure-II) to the Accounts Officer, Fund management office of the Accountant General (A&E),

Orissa/Controller of Accounts, Orissa by 7th of the following month. Annexure-I will be retained by Drawing & Disbursing Officer's.

- (vii) On receipt of Annexure-II from the Drawing & Disbursing Officer's, the Accounts Officer, Fund Management, office of the Accountant General (A&E), Orissa or Controller of Accounts, Orissa as the case may be, will allot a unique 14 digit Permanent Pension Account Number (PPAN). The first four digits of the number will indicate the calendar year of joining Government Service. The next 2 digits would represent the code number of allotting authority such as A.G for Accountant General (A&E), Orissa and C.A for Controller of Accounts, Orissa, as the case may be suffixing the departmental code i.e., M.S.D., EDN etc. and the last five digits will be running serial number of the individual Government Servant which will also be allotted by the Accountant General (A&E), Orissa or Controller of Accounts, Orissa as the case may be. The Accounts Officer, Fund Management office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa will allot the Departmental Code along with the serial number pertaining to individual Government Servant from '00001' running from January to December of a calendar year. The following illustration may be followed.

The first Government Servant joining service under State Government shall be allotted the PPAN in the following manner.

Calendar Year				Departmental Code Number to be allotted by the AG (A&E), Orissa/ Controller of Accounts, Orissa					Serial No. to be allotted by the AG (A&E),Orissa/Controller of Accounts, Orissa				
2	0	0	5						0	0	0	0	1

Soon after receipt of Unique Permanent Pension Account Number (PPAN) from the allotting authority as attested copy of the same shall be pasted in the Service Book of the concerned employee.

- (viii) The Accounts Officer, Fund management office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa will maintain an Index Register for

the purpose of allotment of PPAN to new entrants to Govt. Service. Format of the Index Register is given in Annexure-III.

- (ix) The Accounts Officer, Fund management office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa will return to the Drawing & Disbursing Officer concerned, a copy of the statement duly indicating therein the Account Numbers allotted to each individual by 10th instant. The Drawing & Disbursing Officer in turn will intimate the account number to the individual concerned and also note in the pay bill Register.
- (x) The Drawing & Disbursing Officer will prepare separate pay bill Register in respect of the Govt. Servants joining Govt. Service on or after 01.01.2005. The Drawing & Disbursing Officer will have to prepare separate pay bills in respect of these Govt. Servants and will send the same with all the schedules to the Treasury on or before 25th of the month to which the bills relate for pre-check and payment.
- (xi) The Drawing & Disbursing Officer will prepare a recovery schedule in duplicate in the prescribed form (Annexure-IV) for the contributions under Tier-I and attach them with pay bills. The amount of contributions under Tier-I should tally with the total amount of recoveries shown under the corresponding column in the pay bill.
- (xii) The amount recovered from the pay bill shall be credited to the following new Deposit Head of Account by the Pay and Accounts Office/Treasuries/Special Treasuries/Sub-Treasuries in respect of Govt. employees.

Head of Account

“8342-Other Deposits-

117-Defined Contribution Pension Scheme for Government Employees”

- (xiii) The said schedules shall be removed and handed over to Accounts Officer, Fund Management, Office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa in separate cover by the Treasury Officers/Pay and Accounts Officer every month. Arrears of subscription to the contribution scheme from 01.01.2005 will be deducted from the new employees already joined after 01.01.2005 along with current month and one additional subscription for arrears.

- (xiv) The reasons for non-recovery from a particular employee in any month should be furnished by the Drawing & Disbursing Officer concerned in the recovery schedule without fail.
- (xv) The Govt. contribution and the employees contribution shall be adjusted by the Accountant General (A&E), Orissa/Controller of Accounts, Orissa every month and the total of the both contribution have to be transferred to Pension Fund Regulatory and Development Authority for the purpose on monthly basis after obtaining clearance from Pension Fund Regulatory and Development Authority (PFRDA). The Govt. Contribution to the Scheme shall be debited to the following Head of Account.

Head of Account

Demand No.-5-2071-Pension and other Retirement Benefits-01-Civil-117-Government Contribution for Defined Contribution Pension Scheme-42007-Government Contribution”.

By book adjustment by the Accountant General (A&E), Orissa/Controller of Accounts, Orissa with reference to the amount contributed by the employees and initially credited to “8342-other Deposits-117-Defined Contribution Pension Scheme for Government Employees”.

- (xvi) The accounting procedure for these deduction is being finalised soon after the said procedure is finalised by Govt. of India for their employees.
- (xvii) The Drawing & Disbursing Officer shall prepare a separate bill along with the salary bill for the Government Servants for drawl of matching contribution to be paid by the Government and credited to Pension account of the employees concerned who join in Government Service on or after 01.01.2005. The bill for drawl of matching contribution should also be supported by schedules of recoveries in form (Annexure-V).
- (xviii) On receipt of the Salary bills in respect of Government Servants joining Service on or after 01.01.2005, the Treasury Officer will exercise usual checks and pass the bills and make payment. After the payment is made and posting done in the detailed posting Register, one set of schedules relating to Pension contributions

will be detached from the bills as done in the case of other schedules such as GPF long term advances. The Schedules will then be utilised for posting the credits of contributions in the Detailed Ledger Account of the individual.

- (xix) The employees contribution under Tier-I and Government contribution should be posted in different columns of the individual Ledger Account (to be maintained in the format in Annexure-VI) and Broad Sheet tallied with the accounts figures as being done in the case of GPF.
- (xx) These account should not be mixed with General Provident Fund accounts and these records/ledger accounts should be independent of GPF accounts maintained in the case of pre 01.01.2005.
- (xxi) The Treasury Officer/Special Treasury Officer/Sub-Treasury Officer concerned will consolidated the information available in the new pension scheme schedules received from the various Drawing & Disbursing Officer's and forward the same in the prescribed form (Annexure-VII) to the Accounts Officer Fund Management Office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa by 12th of the month following the month to which the credit pertains.
- (xxii) Whenever any Government Servant is transferred from one office to another, the Drawing & Disbursing Officer should clearly indicate in the LPC of the individual the unique account number, the month upto which Government servants contribution and Government's contribution have been transferred to the Pension Fund.
- (xxiii) Detailed instructions on the interest payable on Tier-I balances shall be issued in due course soon after the same is issued by Government of India for their employees.
- (xxiv) At the end of each financial year, the Accounts Officer Fund Management Office of the Accountant General (A&E), Orissa./Controller of Accounts, Orissa will prepare annual account statement for each employee showing the opening balance, details of monthly deductions and Government's matching Contributions, interest earned, if any and the closing balances. The Accountant General (A&E), Orissa/Controller of Accounts, Orissa will send these statements to the Drawing & Disbursing Officer concerned.

(xxv) After the closing of each financial year, the Accounts Officer, Fund Management, Office of the Accountant General (A&), Orissa/Controller of Accounts, Orissa will have to report the details of the balances of each office to the Drawing & Disbursing Officer concerned for the purpose of reconciliation of any Missing Credits arise in the individual accounts.

4) Nominations:-

Nomination has to be filed by the employees concerned at the time of admission to the scheme and has to be revised upon marriage of the subscriber and thereafter once in five years if necessary. Necessary entry to the effect of filling nomination along with name of nominee(s) should be noted in the Service Book of the concerned employee.

5) (i) At the time of retirement, Government servant will receive the lump-sum amount of 60% deposited in pension tier-I account as pension wealth which he would be free to utilise in any manner. But it is mandatory to the Government servant to invest 40% of his pension wealth to purchase an annuity from an Insurance Regulatory and Development Authority regulated life insurance company. In case of Govt. employees, the annuity shall provide for pension for the life time of the employee at the time of his retirement and after his death, his dependant parents and his other eligible family members.

(ii) The Government Servants would have the flexibility to leave the pension system prior to age of 58 years or 60 years as the case may be. In such cases, the mandatory annuitisation would be 80% of the pension wealth.

6) (i) In addition to the above provision, each employee recruited on or after 01.01.2005 to the State Government Service may also have a voluntary tier-II withdrawable account like General Provident Fund at his option. Government will make no contribution into this account. In tier-II system, the employee may subscribe 10% of his Basic Pay and this Contributions will be kept in a separate account withdrawable at the option of the Government servant. Government will not make any contribution to tier-II account. The employee would be free to withdraw part or full of the tier-II of his money at any time. This withdrawable account does not constitute pension investment and would attract no

special tax treatment. The amount deposited by the employee in tier-II account will be kept in public account and will carry interest as decided by the State Government from time to time.

- (ii) No deductions will be made towards General Provident Fund contribution from the Government Servants joining in the Service on or after 01.01.2005 as the General Provident Fund contribution scheme is not applicable to them.
- (iii) The employees contribution under Tier-II should be posted in the column prescribed in the format in Annexure-VIII as being done in case of General Provident Fund contribution.
- (iv) It has also been decided that Tier-II will not made operative till funds under Tier-I are transferred to Pension Fund Regulatory and Development Authority (PFRDA) or Funds Manager or any other decision is taken thereof.
- (v) At any time on joining Government Service, the Government servant desires to subscribe to Tier-II account, he will be required to provide particulars such as his name, designation, Basic Pay, date of birth, nominee(s) for the fund, relationship of the nominee etc. in the prescribed form in duplicate (Annexure-IX). The Head of Office/Department shall consolidate the information for all those who desires to subscribe to Tier-II Account and forward the same in duplicate to the Accounts Officer, Fund Management, Office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa.
- (vi) Soon after receipt of the required information in the prescribed format in respect of each Government employee, the Accounts Officer, Fund Management, Office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa shall allot the Accounts number in respect of each employee in the prescribed column of the said form and retain a copy with him and return another copy to Head Office/Department for information of the employee concerned.
- (vii) At the end of each financial year, the Accounts Officer, Fund Management, Office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa will prepare annual account statement for each employee showing opening balance, details of monthly deduction, interest earned and the closing balance. The Accountant General (A&E), Orissa/Controller of Accounts, Orissa will send

these statements to Drawing & Disbursing Officer concerned as early as possible to hand over the same to concerned employee.

- (viii) The Government servant joining in Government service on or after 01.01.2005 who desires to subscribe to Tier-II account shall require to furnish the nomination form along with the Forms prescribed in Annexure-IX in duplicate nominating his family members for the Tier-II system.

Soon after receipt of the same, the Head of Office/Department shall forward a copy of the same along with prescribed form in Annexure-IX to the Accounts Officer, Fund Management, Office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa for acceptance and the other copy shall be pasted in the Service Book of the concerned employee for future guidance.

- 7) All the Autonomous bodies, Local bodies, Aided Educational Institution etc. having their own pension rules and such pension liability is met from the consolidated fund of the states fully, the respective Administrative Departments shall issue guidelines for operation of the restructured defined contribution pension scheme with prior concurrence of the Finance Department.
- 8) After issue of detail orders from Government of India introducing new pension scheme to their employees, the State Government will if necessary, modify these orders and issue rules and regulations for the new restructured defined contribution pension scheme for the State Government employees joined on or after 01.01.2005.

3) Finance Department Circular letter No.Pen-40/2005-16950(255)/F Dated 02.04.2007 addressed to The Principal Secretary/Commissioner-Cum-Secretary/Special Secretary/Secretary to Government, All Department/All Heads of Department/All Collectors.

Government have introduced a Defined Contribution Pension Scheme (DCPS) vide Finance Department Notification dated 17.09.2005. The procedures for introduction of the new pension scheme have been defined in Finance Department O.M No.-30132/F

dated 13.07.2006. All persons appointed in Government establishment with effect from 01.01.2005 under pension-able establishment shall be covered under the Defined Contribution Pension Scheme. As required, the Drawing & Disbursing Officers after receiving information from the concerned employees in Annexure-I shall furnish the required information in the prescribed format (Annexure-II) to the Accountant General (A&E), Orissa/Controller of Accounts, Orissa, as the case may be, for necessary action. those who are appointed in a pension-able establishment against regular vacancies would only be eligible to come under the New Pension Scheme. Now it has come to the notice of the Government that from the information forwarded by some Drawing & Disbursing Officers to the Office of the Accountant General (A&E), Orissa in Annexure-II, it is not possible to know whether such appointments are made in a pension-able establishment against regular vacancies in the regular scale/at consolidated salary or in a consolidated pay under Work-charged establishment/Job Contract establishment etc. Therefore, it has not been possible to implement the scheme although number of appointments has been made with effect from 01.01.2005.

- 2) After careful consideration the State Government have been pleased to issue the following clarifications/guidelines in regard to implementation of the New Pension Scheme.
 - (i) The employees, who joined on or after 01.01.2005 in Govt. of Orissa and that too only in a pension-able establishment, shall become member of the scheme.
 - (ii) The Drawing & Disbursing Officersconcerned shall obtain the required information from the concerned Government servant in the prescribed proforma (Annexure-I) as per Finance Department O.M No.-30132/F dated 18.07.2006. It will be the responsibility of the Drawing & Disbursing Officers for obtaining such information from the Government servants.
 - (iii) Soon after receipt of the information from all the Government servants covered under the New Pension Scheme, the Drawing & Disbursing Officer shall furnish consolidated information for all those employees for the month to office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa as the case may be by 7th of the following month. Besides the information furnished by the

Drawing & Disbursing Officer, the appointing authority shall also furnish a certificate in Annexure-II itself to the following effect.

“This is to certify the employee/employees mentioned above is/are appointed in a pension-able establishment against a regular vacancy/vacancies”.

Name & Signature of the Appointing Authority

(With Seal)

- (iv) It must be ensured that the information furnished in Annexure-II must carry the necessary certificate from the appointing authority. A sample copy of Annexure-II is enclosed for reference.
- (v) For the purpose of validation of the appointments made so far on or after 01.01.2005, fresh information in Annexure-II (As indicated) shall be furnished to Accountant General (A&E), Orissa/Controller of Accounts, Orissa as the case may be, with a copy to Finance Department. Any wrong information furnished in Annexure-II shall be the responsibility of the Appointing Authority as well as the Drawing & Disbursing Officer.
- (vi) No recovery will be made from the salary of the person for the month in which he joins in Government service. The recovery will start from the salary of the following month in which the Government servant has joined in service.
- (vii) The Drawing & Disbursing Officer will maintain separate pay bill register in respect of the Government servants joining Government service on or after 01.01.2005. The Drawing & Disbursing Officer will have to prepare a separate pay bill in respect of these Government servants and will send the same with all the schedules to the Treasury.
- (viii) The Drawing & Disbursing Officer will prepare a recovery schedule in duplicate in the prescribed form (Annexure-IV) as per Finance Department OM No.-30139/F dated 13.07.2006 indicating the contribution of each employee under Tier-I and attach it with the pay bills.
- (ix) The amount to be recovered from the pay bill of the employee(s) towards his/her contribution will not be exhibited in the inner column of the pay bill. Bank Draft towards the employee's contribution will be obtained as per the schedule of recovery attached to the pay bill. Thus the net salary payable exhibit employee's

contribution to DCPS for which BD is obtained and the balance amount payable to the employee(s) concerned. the Drawing & Disbursing Officer will maintain a separate register for the purpose.

- (x) The amount recovered from the pay bills shall be remitted in shape of Bank Draft along with a copy of the recovery schedule in Annexure-IV under Tier-I to the designated officer in the Office of the Accountant General (A&E), Orissa/Controller of Accounts, Orissa, as the case may be, in respect of the establishment(s) in his/her charge.
- (xi) Arrears of subscriber to the contribution scheme from 01.01.2005 will be deducted from the employees, who joined on or after 01.01.2005 along with current amount. One additional installment of subscription per month shall be recovered from the concerned employee(s) till recovery of the entire arrear amount.
- (xii) The reasons for non-recovery from a particular employee in any month shall be furnished by the Drawing & Disbursing Officer concerned in the recovery schedule without fail.
- (xiii) Tier-II will not be made operative till funds under Tier-I are transferred to Pension Fund Regulatory & Development Authority or Funds Manager or any other decision is taken to this effect.

I would therefore, request you kindly to bring it to the notice of the Drawing & Disbursing Officers under you for necessary action at their end.

4) Extract from Finance Department letter No.-30439/F dated 18.07.2007 addressed to Sr. DAG/F

I am directed to invite a reference to your letter No.-FM/1-1/2007-08/66 dt.08.06.2007 on the subject noted above and to clarify the points raised in your letter referred to above as follows.

- 1) It has already been clarified in the Department letter No.-17114/F, dt.04.04.2007 that the pensioner who are appointed under Job-Contract and Work charged

establishment prior to 01.01.2005 and brought over to regular establishment on or after 01.01.2005 are not come under the coverage of the O.C.S (Pension) Amendment Rules, 2005 as notified in Finance Department Notification No.-44451/F, dt.17.09.2005. Their cases would be governed in terms of O.C.S (Pension) Rules, 1992 and existing GPF(O) Rules would be applicable to them.

Similarly the O.A.S officers of 2000 batch regularly recruited under Revenue Department Notification No.-3199/RCS, dt.10.12.2004 shall be treated as 10.12.2004 and as such they will be governed under the pre-amended O.C.S (Pension) Rules, 1992 which was in force prior to Finance Department Notification No.-44451/F dt.17.09.2005 as has been clarified in erstwhile Revenue Department letter No.-643/R dt.25.03.2006 addressed to the Commissioner-Cum-Secretary, Board of Revenue, Orissa, Cuttack. As such the existing GPF (O) Rules would also be applicable to them.

- 2) As regards teaching and non-teaching staff of the Aided Educational Institutions working in personable establishment in the event of taking over of such institutions by the Government on or after 01.01.2005, their case would be governed under the O.C.S (Pension) Rules, 1992 and exiting GPF (O) Rules would be applicable to them.
- 3) The case of other employees whose Services are being regularised on or after 01.01.2005 will be clarified later after due examination of their cases as and when such contingency will arise.
- 4) As regards allotment of GPF account numbers in respect of the employees joined on or after 01.01.2005 and prior to issue of Finance Department Notification No.-44451/F dt.17.09.2005, it is not clearly understood as to how, the GPF Account numbers were allotted in their favour when they have not completed one year of continuous Service as per of Rule-4 of GPF(O) Rules. The matter may be clarified.

- 5) As regards amendment to Orissa GPF Rules on account of introduction of new pension scheme, 2005, requisite proposal has been sent to Parliamentary Affairs Department for placing the same before the cabinet for approval. As such necessary orders in the matter will be communicated in due course.
- 6) All Departments of Government/Heads of Department etc. are being requested separately to issue suitable instructions to all Drawing & Disbursing Officers under their administrative control not to forward any applications of their employees joined in Government Service under pensionable establishment on or after 01.01.2005 to the Accountant General (A&E), Orissa, Bhubaneswar or Controller of Accounts, Orissa as the case may be for allotment of GPF account numbers in respect of such employees since the existing provisions of GPF(O) Rules are not applicable to them. They are also being informed that while sending the application forms of the employees as indicated at Para-1 & 2 above for allotment of GPF account numbers in their favour to Accountant General (A&E), Orissa or Controller of Accounts, Orissa as the case may be such application forms must bear the reason for applicability of GPF(O) Rules in their favour.

5) Copy of Government of Orissa, S.T. & S.C. Department letter No. 13855/SSD/Pen(misc.)-4/2007 dated 15.04.2008-

Sub: Issue of clarification on applicability of the OCS (Pension) Rules, 1992 in the case of regularly recruited OWS officers of 2000 batch

I am directed to say that the State Government have introduced “the new restructured defined contribution pension scheme” for the new entrants in the State Government service w.e.f. 1.1.05 by amending the relevant provisions of OCS(Pension) Rules, 1992 & notified the same vide FD Notification No. 44451/F dt.17.9.05. Accordingly, the existing provisions of OCS(Pension) Rules, 1992 and GPF(O) Rules, 1938 are not applicable in case of such employees.

But OWS officers directly recruited in the OCS combined competitive Recruitment Examination, 2000 & appointed vide ST & SC Dev. Notification No. 40375/SSD, dt. 31.12.04 will be governed under the pre-amended OCS (Pension) Rules, 1992 which was in force prior to Finance Department Notification No. 44451/F dt. 17.9.05 as has been clarified by Finance Department in their UOR No. 220-CS-III dt. 21.11.07. As such, the existing GPF(O) Rules, 1938 would also be applicable to them.

6) Finance Department Order No.-OFS-ID-08/08-28789/F dated 6th June 2008

G.A Department in their No.-29267/Gen. dated 01.11.2004 has forwarded a select list of 56 candidates who come out successful in the Orissa Civil Service Examination, 2000 conducted by Orissa Public Service Commission for appointment to the O.F.S Cadre under Finance Department.

But out of the above list, the following candidates were appointed in O.F.S-II Cadre in Finance Department Notification No.-258/F dated 04.02.2005 and No.-4683/F dated 29.01.2005 due to procedure delay on verification of their antecedents and graduation certificates. So, they joined in O.F.S-II Cadre after 01.01.2005 i.e., after introduction of the new restructured Contribution Pension Scheme, 2005.

- 1) Sri Sidharth Rao
- 2) Sri Ashok Kumar Behera (SC)
- 3) Smt. Pusparani Toppo (ST)
- 4) Sri Sanjay Lugun (ST)
- 5) Sri Sidharth Sankar Achary

Since, the above five O.F.S Officers joined after 01.01.2005 against vacancies of 1997, 1998, 1999 & 2000 and were the successful candidates of the select list of the Combined Competitive Examination of O.C.S Examination, 2000. Government have been pleased to exempt them from the coverage of the “New Contributory Pension Scheme, 2005” and they will come under the provisions of the Orissa Civil Service (Pension) Rules, 1992 and Orissa Civil Service (Commutation of Pension) Rules, 1992 and the existing GPF (O) Rules, 1938 like other candidates who had joined in OFS Cadre prior to 01.01.2005.