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MANUAL

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OF THE

PROVIDENT FUND SECTION

OF

THE OFFICE OF THE ACCOUNTANT
GENERAL, BOMBAY

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MANUAL OF THE PROVIDENT FUND SECTION

Office of the Accountant General, Bombay

Office of the Superintendent of Prisons

Department of the Interior, Bureau of Prisons

PREFACE

This Manual is issued in accordance with para. 38 of the Comptroller and Auditor General's Manual of Standing Orders, and contains orders and instructions issued from time to time by the Government of India, the Government of Bombay, the Comptroller and Auditor General of India and by this office in connection with the administration of Government Provident Funds. These rules and instructions are supplementary to the general rules and orders contained in other authorised Codes, Manuals and Publications embodying the several Provident Fund Rules issued by the Government of India and the Government of Bombay.

2. The orders, interpretations and decisions relating to the various Provident Funds have been incorporated in a separate Chapter for ready reference.

3. The Superintendents and Gazetted Officers of the Fund Sections are expected to scrutinise the contents of the Manual carefully in the course of their work and to bring to notice any inaccuracies or omissions or orders which have become obsolete or require amendments.

4. The Senior Superintendent of the Fund Section is responsible for keeping the Manual up-to-date by promptly incorporating in it all relevant orders.

BOMBAY;
The 11th June 1952.

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V. N. ADAVI,
Accountant General.

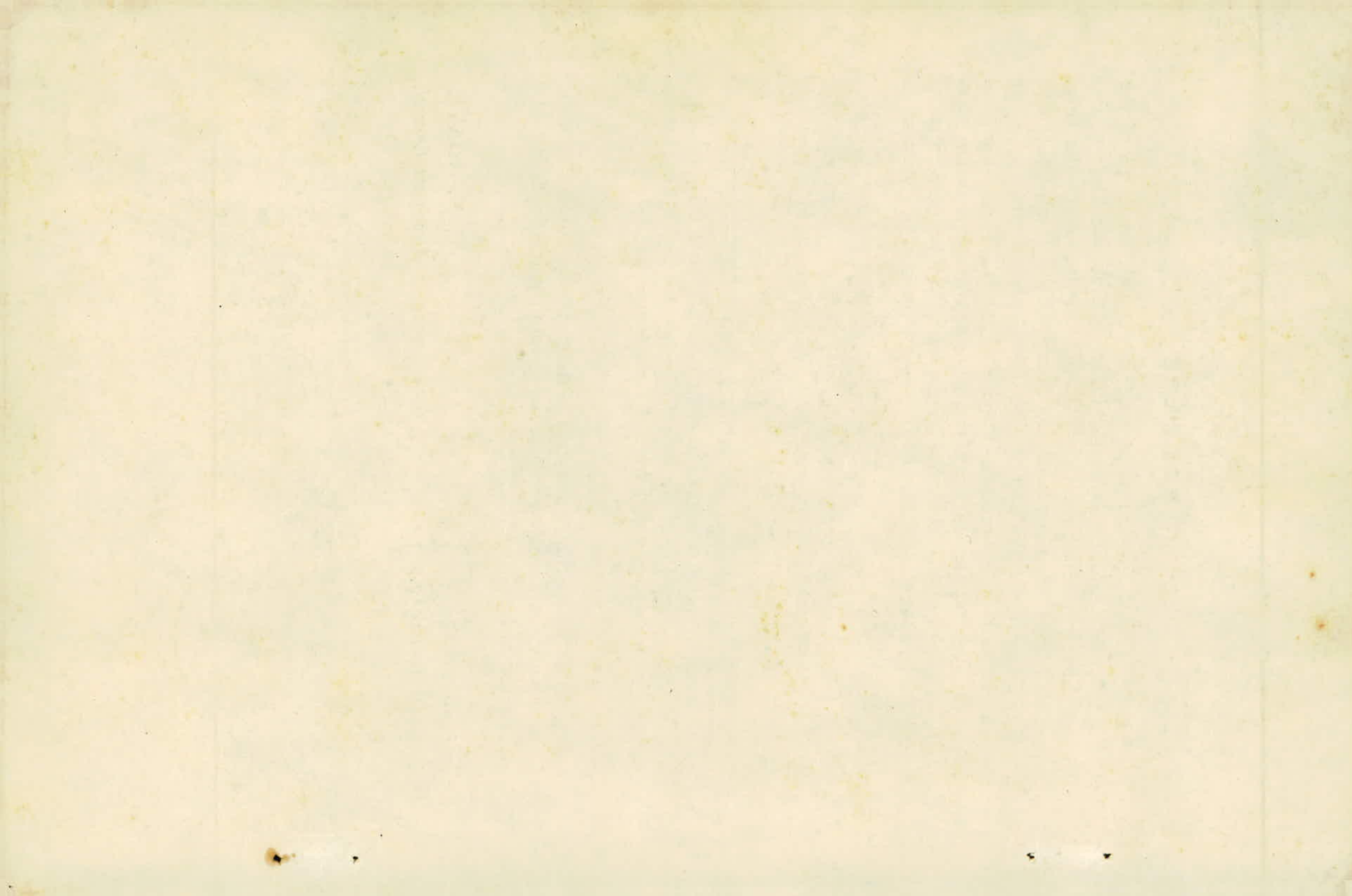


TABLE OF CONTENTS

PART I

CHAPTER I—GENERAL

	PARAS
Constitution and work	1—3
Distribution of work and division of duties	4—9

CHAPTER II—GENERAL PROCEDURE

General	10—14
Payment through the High Commissioner	15
Correspondence in connection with Provident Fund	16—18
Recovery from Provident Fund of amounts due to Government or under orders from a Court of Law	19
Applications for admission and their disposals	20
Assignment of Account Nos. to subscribers	21—24
Memo. of instructions for the preparation of the fund schedules in the offices of the Disbursing Officers	25
Check of General Provident Fund Schedules	26—30
Interest	31—35
Adjustment of Interest	36
Maintenance of Nomination relating to various funds	37—42
Weeding of closed ledger cards, nominations, etc.	
Temporary withdrawals	44—53
Audit of bills and vouchers	} 54—58
Pre-audit Bills	
Final withdrawals	59—74
Substitution of Life Insurance for subscriptions to the General Provident Fund and similar funds	75—87

CHAPTER III—MISCELLANEOUS

Unclaimed Deposits	88—91
Annual closing	92—94
Despatch of Annual Deposit Accounts	95
Miscellaneous	96—105

CHAPTER IV—LIST OF ELIGIBLE SUBSCRIBERS

Provident Fund for Non-I.C.S. Judges of the High Court	106—107
Officers whose services are pensionable from General Revenues but who are paid from Local Fund Revenues	108—109

CHAPTER V

Orders, interpretations and decisions issued by the Governments in connection with General Provident Fund Rules	109-A
---	-------

CHAPTER VI

Sterling Branches of Provident Funds	110—112
--	---------

PART II

CHAPTER VII—OTHER FUNDS

Procedure for Maintaining Accounts, etc.	113—120
--	---------

CHAPTER VIII

Indian Civil Service Provident Fund	121—139
---	---------

CHAPTER IX

Indian Civil Service (Non-European Members) Provident Fund	140—145
--	---------

CHAPTER X

Contributory Provident Fund (India)	146—156
---	---------

CHAPTER XI

Contributory Provident Fund (Bombay)	157—16
--	--------

APPENDICES

App. 1	Old Rule 21-A of the G. P. Fund Rules and order thereon.
App. 2	Extract from the Indian Majority Act, 1875.
App. 3	Rates of Interest on Deposits and balances in the G. P. Fund and other similar Funds from the date of institution of the Funds.
App. 4	Calendar of Returns.
App. 5	Progress Report.
App. 6	Calculation of monthly balances in cases where the 12 monthly credits are equal.
App. 7	Alternative method of calculating interest.

PART I

CHAPTER I—GENERAL

Constitution and Work

1. The work of the Funds Sections consists mainly of the preparation and maintenance of Fund Accounts, the issue of annual accounts statements, the payment and audit of temporary and final withdrawals of deposits of subscribers to the funds detailed below:—

- (1) General Provident Fund, Secretary of States Services (Rupee and Sterling branches).
- (2) General Provident Fund, Central Services (Rupee and Sterling branches).
- (3) Bombay General Provident Fund (Rupee and Sterling branches).
- (4) Indian Civil Service Provident Fund (Rupee and Sterling branches).
- (5) Indian Civil Service (Non-European Members) Provident Fund.
- (6) Contributory Provident Fund (India) (Rupee and Sterling branches).
- (7) Contributory Provident Fund, Bombay (Rupee Branch).
- (8) Overseas Communications Services Employees' Provident Fund—governed by set of drafts Rules which have not yet been finalised by the Government of India.
- (9) Workmen's Contributory Provident Fund (India)—governed by Contributory Provident Fund Rules (India).
- (10) Workmen's Contributory Provident Fund (Bombay)—governed by C. P. F. Rules (Bombay).
- (11) Defence Savings Provident Fund—Separate set of Rules in the case file. Subscriptions ceased from April 1947.
- (12) Contributory (Transferred Railway Personnel) Provident Fund.

2. The strength of the establishment of the fund section has been fixed on the following basis:—

- (a) one machinist for 4750 accounts, under the shift system. (Comptroller & Adr. Genl.'s No. 569 Admn./123-50, dated 24-2-51);
- (b) one auditor for 2500 accounts;
- (c) one additional auditor for 2750 policy cases;
- (d) three auditors for general work and maintenance of Broadsheet (Comptroller & Adr. Genl.'s letter No. 500-N.G.E./1/23-52, P.F. II, dated 16-2-52);
- (e) one Diarist for each section.

The Accountant General may vary within the standard rates, the duties of Auditor, Machinists, etc., in a minor degree without a reference to the Comptroller and Auditor General, but major variations, *e.g.*, Machinists doing audit work of more than a purely formal kind, should be reported to the Comptroller and Auditor General. The Accountant General may also propose increased check of postings where this has been proved to be necessary, a readjustment of 'Auditor' rates would then be permissible.

[Ar. Genl.'s No. 476-Admn. I/137-36, dated 2-11-1936.]

3. The sanctioned strength of the Provident Fund Sections is as detailed below :—

	Permanent	Temporary
S. A. S. Accountants	4	2
Asstt. Superintendent (U.D.C. with a special pay)	1	2
Upper Division clerks	35	16
Lower Division clerks	5	3
Machinists (L.D.Cs. with special pay of Rs. 15 p.m.).	14	12

4. The work of the Funds Sections is divided among the six Superintendents as shown below :—

Superintendent I.—

I.C.S.P.F. (Rupee & Sterling branches).

I.C.S. (N.E.M.) P.F.

Provident Fund Accounts of I.A.S. & I.P.S. Officers, C.P.F. (India) (Rupee & Sterling branches), C.P.F. (Bombay).

W.C.P.F. (India), W.C.P.F. (Bombay), O.C.S.E.P. Fund., C. III, C. IX, D.S.P.F.

Contributory (Transferred Railway Personnel) Provident Fund.

Maintenance of Consolidated Broad-sheets.

Superintendent II.—

(i) G.P.F. Accounts—Rupee branch under the following major heads :—

G.A., L.R., A.J., Met.

(ii) Matters connected with Insurance Policies and Objection Book.

Superintendent III.—

G.P.F. Accounts—Rupee branch under the following major heads :—

Police (P.C.), C.I., C. VII, P.W., Ign., and G.P.F. (Sterling Branch).

All work connected with States.

Superintendent IV.—

General Provident Fund Accounts, Rupee branch under the following heads :—

Police (P.N.), Agc. Agv., Medical, Jails, L.F., P.H., C. II, C. IV and Civil Defence.

Superintendent V.—

General Provident Fund Accounts, Rupee branch under the following heads :—

Police (P.B.), Misc., Stamps, Education, Stationery, Industries, C.V.

Superintendent VI.—

General Provident Fund Accounts, Rupee branch under the following heads :—

Police (S.D.), Forest, B.D., Registration, Other Taxes, Famine Relief, Scientific Depts. Excise, Agriculture, C. VI, C. VIII (M.S.D.) and C. X to C. XV.

5. Each Superintendent is responsible for the efficient management of all the work entrusted to his charge and to carry out personally the checks, reviews and other duties prescribed in the Audit Code and Audit Manual. He also exercises close supervision over the objection book, unposted items, missing credits, attests the annual closing balances on the ledger cards and is responsible for the submission of monthly master cards complete in all respects of all the groups under his charge through F.I. Section and Calendar of Returns to G.O. and for the completion of all items of work in the section on the due dates. The Senior Superintendent in charge of P.F.I. Section in addition to attending to the general duties of the Superintendent, will be responsible for the general supervision of all the fund sections regarding administration, Machine system of posting, Budget, monthly reconciliation of Broad-sheet, Annual adjustments and Fund Manual. Cases involving important principles, or complications due to the non-existence of nominee or due to the existing nomination becoming invalid, etc., and cases having legal complications or where orders of Court have been received should be submitted through Senior Supdt., F.I. section.

6. (i) *Asstt. Superintendent, F.I.*—He will help the Supdt., F.I., in the disposal of all the correspondence including half margin references of a routine nature and examines the work of the auditors in his charge. He checks pre-audit bills not exceeding Rs. 2,000 where sanctions have been admitted. He passes claims for final withdrawals not exceeding Rs. 500 in each case, where payment is authorised to subscribers. He maintains the Departmental note book and prepares draft paras. and corrections for the manual where necessary. All Government orders of permanent interest and all case files are maintained under his supervision. He is also entrusted with the charge of D.S.P.F. work till it is finally wound up.

(ii) *Asstt. Superintendent Machinists I.*—He will be in charge of 2 groups of Machinists. In addition to the general duties as shown in sub-para. (iv) below, he will also deal with all correspondence regarding repairs, bills, etc., in respect of the machines, will maintain the history registers and will keep a watch over the expenditure under contingencies. He will also be in charge of all the Accounting Machines.

(iii) *Asstt. Superintendent Machinists II.*—He will be in charge of 2 groups of Machinists. In addition to the general duties as shown in sub-para. (iv) below, he will also deal with all miscellaneous works such as special pay of Machinists, provision for temporary staff of Machinists, submission of statements regarding concurrent settlement of mistakes in P.F. Schedules, etc.

(iv) *General duties of Asstt. Supdt. Machinists.*—Each Asstt. Superintendent is entrusted with the close supervision of the outturn of work of the machinists and is responsible for the smooth and timely postings of ledger cards and compilation of monthly accounts and all other items of work including balance compilation statement referred to in para. 233(2) of the Audit Manual which devolve upon the machine group. He must check the verification of opening balances both Treasury-wise and Department-wise and trace 10% entries appearing in the outward Register into inward Register as soon as the posting of the month is completed. He should check the diaries of the machinists. He should also maintain and submit to the G.O. the register showing the daily progress of posting verifying the number of accounts shown as posted by the machinist with reference to audit sheets.

7. *Duties of Machinists.*—The posting of the fund accounts is done according to the shift system instead of the "Full time system". Each Machinist works on the machine for half the day, and the other half of the day he utilises in arranging the Ledger cards for the next day's posting work, putting up the cards required by the auditors and such other mechanical work in respect of the accounts entrusted to him. He should keep the ledger cards properly arranged in the steel cabinets and keep the notes of the movements of the cards and will be responsible for the loss

of any ledger card. He posts the ledger cards with all connected processes; proves the monthly posting; maintains Inward and Outward Registers; prepares the annual balance compilation statements and notes in the respective ledger cards the pay drawn by each subscriber in respect of the 31st March each year from the schedule for April. He is also responsible for verification of the yearly balances.

8. *Duties of Auditors.*—Each auditor is responsible for the efficient audit of the ledger cards entrusted to his charge. He (1) checks the eligibility of applications for admission to the General Provident Fund, assigns account numbers to new subscribers and maintains the Index and Alphabetical Registers, (2) examines the validity of declarations, (3) audits all sanctions, (4) checks G.P.F. schedules when received from D.A.D. sections, (5) checks 10% of the postings in ledger cards with reference to the entries in the Fund schedules, and audits the remaining ledger cards independently without reference to the schedules, (6) audits all vouchers of withdrawals both temporary and final and watches the recovery of repayment of advances, (7) conducts correspondence resulting from audit or otherwise in matters pertaining to his charge and takes timely action for the clearance of items in the Objection Book, (8) receives schedules with covering lists from the Departmental and Account Current sections, (9) checks the correctness of the rate of subscription with reference to the pay entered in the schedule attached to the pay bills for March, (10) examines the entries generally in the remarks column of the monthly schedules and takes action for closing the accounts whenever entries regarding the retirement death, etc., of a Government servant appear therein, (11) in the case of final withdrawals he verifies the credits in the subscriber's accounts appearing after the last agreement of the closing balances with reference to the schedules, calculates interest and closes the accounts and submits the ledger cards with refund orders to the Superintendents for check, (12) watches the receipt of the disbursement certificates, (13) maintains the half margin registers, and (14) attends to the filing work. He is also responsible for the timely issues of annual accounts statements of subscribers.

9. There are no separate record clerks or sorters in the fund section of this office as the machine posting of the accounts is done on the "shift system" and each machinist is his own record clerk. The duties of the record clerk mentioned in Chapter 10 of the Audit Manual (First Edition) are therefore performed in this office by the machinists themselves. Similarly there are also no Examiners in the Fund Section of this office. The duties of the Examiner mentioned in the several paras. of the Audit Manual are performed in this office by the members noted against each.

Reference to the para. of the Audit Manual.	By whom the duties of the Examiner are performed in this office.
Para. 230	By the respective auditors.
Para. 231(vi)	By the Machinists.
Para. 239	By the respective auditors.

CHAPTER II—GENERAL PROCEDURE

General

10. The General Provident Fund was instituted on the 1st August 1909 under the Govt. of India, Finance Department Resolution No. 2986-P, dated the 14th June 1909 to encourage public servants in India to make prudential savings. The responsibility for the administration of the various Provident Funds rests with the Govt. making the rules. All matters relating to the administration of a particular Provident Fund should therefore be referred to the Govt. concerned.

11. All questions relating to the General Provident Fund which require the administrative decision of the Govt. of India, Ministry of Finance, with reference to their resolution No. 2364-F.E. of 14th November 1921 should be submitted to that department direct and not through the Comptroller and Auditor General.

[Auditor General's No. 3871-E-916-24, dated 1st September 1924, A.G.C.R.'s Manual.]

12. These rules shall be so framed that in the case of a person who before the commencement of Part III of the Govt. of India Act of 1935 was serving His Majesty in a civil capacity in India, no order which alters or interprets to his disadvantage any rule by which his conditions of service are regulated shall be made except by an authority which would have been competent to make such an order on the 8th March 1926 or by some person empowered by the Secretary of State to give directions in that respect.

13. It is desirable that, as far as possible, there should be uniformity of interpretation of identical rules, and for this reason the Govt. of India communicate to Local Govts. for information any important interpretations of rules that they issue.

[G. I. (F.D.) No. F. 22-XII-R.II/34, dated 25th June 1934.]

14. With a view to securing uniformity of interpretation of identical rules, when the interpretation of a rule given by a Local Govt. is doubtful and when the rule and any other relevant rules are identical in substance with the Govt. of India rule, the Accounts Officer should suggest to the Local Govt. that it should consult the Govt. of India in the matter.

[Ar. Genl.'s No. T-847-NGE/262-34, dated 10th August 1934.]

15. Under clause 5(c) of the order in Council, dated the 13th August 1920, the Secretary of State in Council has assigned to the High Commissioner for India the conduct, with effect from 5th February 1924, of all business arising in the United Kingdom out of the administration in accordance with the rules from time to time prescribed by the Secretary of State in Council, of the General or any other Civil Provident Fund.

[Resolution by the Secretary of State in Council, dated 5th February 1924 and G.I.F.D. No. 690-F.E., dated 22nd March 1924.]

On the analogy of the rules of Provident Funds governing final payment of deposits, applications for the payment of advances and withdrawals through the High Commissioner should be rejected. Gazetted Officers on leave should arrange to draw the advances sanctioned by the Competent authority through their duly authorised bankers or agents. The resolution dated the 5th February 1924, however, enables the High Commissioner to reassign the Insurance policies.

[G.I.F.D. No. D.285-IR. II of 3rd Nov. 1931 and No. 453-R. II of 18-2-1932.]

16. There is no legal bar to the granting to a Govt. servant's estate the benefit of an amendment or a new rule introduced between the date of the Govt. servants' death and the date of payment to his estate of the balance at his credit.

[Secretary of State No. F. 6773-27, dated 24th Nov. 1927 and G.I.F.D. No. F. 42-VII.R.II dated 9th Feb. 1928 received with G.I.F.D. No. F. 42-VII-R.II, dated 20th Feb. 1928 A.G.-C.R.'s Manual.]

NOTE.—*Vide* also in this connection Art. 313 of the Constitution of India regarding Transitional provisions.

17. The rules of procedure laid down in connection with General Provident Fund deposits will apply *mutatis mutandis* to other provident funds so far as they are not inconsistent with the provisions of the Provident Fund Rules themselves.

[Letter No. T. 123-Admn. I/42-36, dated 16th May 1936 from the Ar. Genl. A.G.C.R.'s Manual.]

18. All correspondence in connection with the Provident Fund is received from the Heads of offices for non-gazetted establishments and from Gazetted Officers direct on their own behalf. In the case of Local Board employees, the Presidents of District Local Boards communicate with this office. Correspondence including the grant of advances in connection with the General Provident Fund of Primary School Teachers (handed over to the Local authorities) should pass through the Educational Inspector of the Division. The teachers concerned should not, however, correspond direct with the Educational Inspector but through the School Board Administrative Officers of the local authorities under which they are employed.

[G.R., E.D. No. 3853, dated 19th Aug. 1927.]

19. (i) The amounts at credit of subscriber, compulsory or optional, are, under section 2(a) of the Provident Fund Act of 1925, Compulsory deposits and are therefore protected from attachment by a Court of Law under Section 3 *ibid.*

[G.I.F.D. No. 6212-P, dated 11th December 1909.]

(ii) The definition of Compulsory deposits covers the deposit of optional subscribers as well as the optional part of the subscriptions of compulsory subscribers.

(iii) It has since been decided that it is inconsistent with section 3(1) of Provident Funds Act, 1925, for Govt. to deduct any amount due to them by a subscriber from his accumulations in the General Provident Fund at the time of his retirement or from undisbursed 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.

In cases where a subscriber or nominee is willing to repay the amount due to Govt. 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. Thereafter the payee may be called upon to make good the Govt. dues.

[G.I.F.D. No. 20 (2)R.II-45, dated 28-2-45 and Govt. of Bombay P. & S. Deptt. No. 1575-34, dated 16-4-1945.]

(iv) Even money due to Govt. by a deceased officer on account of advance of pay or on account of embezzlement of Govt. money found after his death cannot legally be deducted from any amount standing at his credit in the fund.

[G.I.F.D. No. 99-EA., dated 10-3-1913 and 302-FE, dated 10-4-46 C.G.'s letter No. 1071-E 331-6, dated 22-5-1916.]

(v) Since deposits in the General Provident Fund are protected under the P. F. Act, against all creditors, Govt. should not use their position as custodians of the Fund to put themselves in a better position than other creditors. Govt. have issued definite orders on the subject with the object of making it perfectly clear that, whatever be the legal position the amounts detected as over payments in the course of audit and other claims of Govt. should not be compulsorily recovered from the balance at a depositors credit in the General Provident Fund.

[G.I., F.D. No. 1753-FE, dated 21-7-1923, G.R.F.D. No. 2453, dated 3-8-1923.]

(vi) The deposits at credit of subscribers in the General Provident Fund or their own deposits in a Contributory 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 through

out that any statutory power given to Govt., to make good their losses from the deposits of a subscriber to his Fund would be inconsistent with the principles of a Provident Fund.

[G.I.F.D. letter No. F/66-II-FE. 27 of 19-9-1927 to the Bombay Govt. and G.R. (F.D.) No. 5435-F, dated 18-10-1927.]

(vii) In no circumstances should an Accountant General ignore an order of attachment of a 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. It may be stated in this connection that it has been ruled in Mr. Virchand's case (89 Bom. 259) that a deposit once compulsory remains compulsory and is not liable to attachment between the time when it becomes due for repayment and the time when it is actually repaid.

[G.I.F.D. endorsement No. 2631-FE, dated 20-12-1921.]

(viii) When an order for an attachment or a notice of assignment or other encumbrance is received the Accounts Officer will at once proceed to move the Court or party concerned to have the order or notice against the deposits of the subscriber in the General Provident Fund withdrawn. The amount at credit cannot, however, be paid unless and until the order or notice is withdrawn.

[G.I.F.D. No. 2328-FE, dated 10-11-1922.]

20. *Applications for admission and their disposal.*—When an application for admission to the General Provident Fund is received in G. P. Fund Form No. 3, and the applicant is found eligible, a new ledger card in A. T. M. form No. 69 should be opened under the initials of the Superintendent and the account number assigned in the respective Index Registers noted on it. The duplicate copy of the application form is then returned with the Account No. allotted.

No one should be allowed to subscribe for the first time without the previous permission of this office. If, however, a new name appears in the Schedule of General Provident Fund deductions (G.P.F. Form No. 8) the eligibility should be checked in the same manner as if he had applied for previous permission. His name will then be entered in the Index Register of the Department to which he belongs and an account number allotted, noted in the ledger card and communicated to him. An application in form No. 3 should also be called for in cases where the eligibility cannot be satisfactorily checked from the material available in this office.

NOTE.—The General Provident Fund is open to new subscribers at any time and not from the beginning of a financial year only.

21. Owing to the introduction of Departmental System of Account Nos. in the G. P. Fund, the following departmental series of account Nos. have been adopted :—

Distinguishing G.P. Fund	Department concerned
P. C.	For Police Central.
P. S.	„ Police Southern.
P. N.	„ Police Northern.
P. B.	„ Police Bombay.
G. A.	„ General Administration.
Exc.	„ Excise Department.
S.	„ Stamps.
F.	„ Forests.
R.	„ Registration.
Irr.	„ Irrigation.
A. J.	„ Administration of Justice.

Distinguishing G.P. Fund	Department concerned
J.	For Jails.
Ind.	Industries.
Sty.	Stationery.
Ed.	Educational Department.
M.	Medical Department.
P. H.	Public Health.
Agr.	Agriculture.
Agc.	Agriculture-Co-operative.
Agv.	Agriculture-Veterinary.
Misc.	Miscellaneous-Departments.
P. W.	Civil Works.
Cent. I	Central Department Income Tax.
" II	Central Department Central Excise.
" III	Central Department Audit.
" IV	Central Department Customs.
" V	Political and Western India agencies.
" VI	Currency and Mint.
" VII	Ports and Pilotage and Radio.
" VIII	Medical Stores Depot.
" IX	Kutch.
" X	Aviation Department.
" XI	Govt. Inspector of Railways.
" XII	Archaeology.
" XIII	Explosives departments.
" XIV	Ministry of Finance (Bombay).
" XV	Special Police establishment.
Met.	Meteorology.
L. F.	District School Board teachers, etc., and those paying subscriptions in cash.*

*NOTE.—Subscriptions recovered in cash are not accounted in this province in schedules of the respective major heads but under the head L.F. To this extent the procedure in this office differs from that prescribed in para. 224 of the Audit Manual.

22. In the case of officers in temporary employ, who are admitted under the rules of the fund, the word "temporary" should be prominently noted on the top of ledger card.

23. Cases of apparent ineligibility whenever found by the Audit Sections must at once be brought by them to the notice of the Fund Sections.

Ledger Cards

24. In the case of Europeans and Anglo-Indians, who begin subscriptions to the General Provident Fund (Central Services) as optional subscribers a note should be made on the Ledger card, that when they begin to draw the substantive pay of Rs. 100 they become compulsory subscribers. In the case of Bombay Govt. servants other than those admitted to the Contributory Provident Fund, subscription to the Bombay General Provident Fund is compulsory in the case of those who are in receipt of a pay of Rs. 50 on 20-3-1941 and in the case of those appointed after 20-3-1941 on their reaching the substantive pay of Rs. 25 (*vide* G. R. P. & S. Deptt. No. 1575/34, dated 20-3-1941). The fact of discontinuance of subscription in the case of optional subscribers otherwise than while on leave should be noted in the remarks column of the Ledger card. The fact of the subscriber having exercised the first, second or third option should be noted on the top of the Ledger Card.

Fund Schedules

25. *Memo. of instructions for the preparation of the Fund Schedules in the offices of the disbursing officers.*—(1) The fund schedules should be prepared in the revised General Provident Fund form No. 8 wherein the names of subscribers to the General Provident Fund should be recorded in the order of serial account numbers assigned to

them, *e.g.*, if in an office there are 4 subscribers to the fund bearing account Nos. 37, 49, 58 and 69 entries relating to No. 37 should appear first, then 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 the roneoed 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, which should be very rare, will be treated as provisional pending their admission as subscribers by this office. In such cases the words "New subscribers" should be entered in column "Account Nos." of the schedule.

3. When no recovery is made in the case of any particular subscriber, the reason for 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 the 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 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 remark "transferred to" and should be scored out from the schedules for subsequent months.

6. If a subscriber is transferred from another office, name of the office from which he has been transferred, should be recorded in the remarks column in the schedules, 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 audit office.

8. Whenever refunds of withdrawals appear in the schedules the number of instalments, which the present refund represents should be noted in the "Remarks" column of the schedule.

9. The Treasury Officers are to send their subsidiary registers of Receipts duly accompanied with the General Provident Fund schedules in the revised form 8, prepared by the District Boards, District School Boards and Municipalities with due regard to the following:—

(a) Recoveries made actually in cash and Huzur adjustments should be distinctly shown, in two different columns of the subsidiary registers.

(b) The dates of cash recoveries should be shown in the remarks column and where subscriptions are recovered at sub-treasuries the dates of actual receipts at the Sub-Treasury should be given in the column of remarks.

[General letter No. 3-No. P.F. 13/4079, dated the 1st September 1931, based on C.C.A.'s instructions contained in his letter No. T-597-Admn. 67-30 of 22-10-30 *vide* also circular letter No. F. I/General/3465, dated 8-3-1950.]

26. *Check of General Provident Fund Schedules.*—Immediately on receipt of bills the Departmental Auditor should see that the necessary General Provident Fund Schedules are attached to them, and if not, call for them at once quoting the No. and date of the memo. issued on the vouchers. After the checks prescribed in para. 224 of the Audit Manual are exercised and the necessary Certificates recorded and

attested, the schedules should be passed on by him to the funds section. The departmental auditor should also see that all the schedules are complete in respect of (1) the name of the month for which the pay is due, (2) the number of voucher and the month to which the payment relates, and (3) the name of the Treasury in which the payment of the bill is made. The funds 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, and all information necessary regarding new names, dates of leave, retirement or death, if not already given in the schedules should be called for and recorded in the remarks column.

As regards establishments audit of which is conducted by numbers and nominal check of the rates of pay is exercised twice a year in addition to the annual check with reference to the annual establishment return, the pay of the subscribers as shown in the G. P. Fund schedules attached to the pay bills for the month of March should be checked by the audit sections concerned with reference to Audit Register.

In the case of superior establishments (1) for which establishment returns are not received and (2) of establishments whose names are not shown in pay bills even though establishment returns are received, (for both of which the nominal check of the rates of pay is not exercised) a certificate from the Head of the Office concerned will be called for to the effect that the rates of subscription shown in the G. P. Fund schedules for March are in accordance with the G. P. Fund Rules. Such establishments are detailed below :—

- (1) Temporary establishment sanctioned from time to time (Land Revenue and Public Works Department).
- (2) Talati Establishment.
- (3) Jail warders.
- (4) Constabulary.
- (5) Petty Officers of the Excise Department.
- (6) Piece and Task workers in Government Presses
- (7) Forests Guards.

[C.C.A.'s No. T-392-Admn. I/181-32, dated 2-6-1932.]

As the rate of subscription can be altered once a year by making the first deduction at the altered rate from the pay bills for March and as the maximum and minimum rates of subscription are applicable in respect of the pay drawn in April, or would have been so drawn had the subscriber been on duty, the column for 'Pay' in the schedule may be left blank for other months but in the case of an officer who was on leave on the 31st March and had elected not to subscribe during leave the rate of pay on the date of return to duty should be noted in the schedule for the month in which he joins duty.

For the first eleven months of the year, G. P. Fund schedules should be made over monthly to the fund section by the Departmental Auditor on the day following that on which the accounts are passed. But to enable the fund section to close and despatch the annual accounts before the 30th June, a special effort should be made to send the schedules for March to the fund section as soon as the vouchers are received, *i.e.*, before the Departmental Accounts are compiled.

[Ar. Genl.'s No. 1437-Admn. 5/21-27, dated the 22nd October 1927 and C.C.A.'s No. 211-Admn. 521-27 of 10-2-1928.]

27. *Checks of rates of subscription.*—At the time of posting the schedules for April (pay for March), the machinists are required to note in the ledger card the rate of pay of each subscriber drawn in respect of 31st March preceding, as certified by the Departmental Audit Section to enable the auditor to exercise the necessary check of the rate of subscription prescribed in para. 212 of the Audit Manual.

28. Objections raised regarding (1) irregular subscriptions, (2) non-recovery or irregular recovery of advances, and (3) want of reasons for non-recoveries in the fund schedules, should be sent through the audit sections, when necessary, and if not satisfactorily explained should be forwarded to the officer concerned.

29. Treasury Officers are required to accept subscriptions to the G. P. Fund from officers on foreign service when it is not convenient for the latter to remit the subscriptions direct to the Account office.

[C.G.'s letter No. 1462-E-549-13, dated the 18th July 1913.]

30. In the case of the Local Board-employees who are subscribers to the G. P. Fund, the G. P. Fund credits are adjusted by the Treasury Officer from paid local fund cheques at the time of the pay of such officers for each month is drawn at the Treasury by the Local Boards concerned. Subscriptions should not be paid in advance except in cases where pay is drawn in advance owing to transfer or long leave out of India.

[C.G.'s No. 1694, dated 30-8-1919.]

Interest

31. 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 cash payment.

32. Subscriptions recovered by Treasury adjustments in the case of Local Board Teachers and other employees are to be considered as having been recovered on the first of the month in which the adjustments are made.

33. No interest is admissible on the amount recovered on account of G. P. Fund subscriptions in excess of the actual amount due. Excess interest if allowed should be deducted from the interest due to the subscriber concerned for the year then open.

[C.G.'s No. 1753-396-15, dated 5-10-1915 and G.I.F.D. No. F. 30(2) R. II/39, dated 9-12-1933.]

When the excess payment of subscription is adjusted by short payment in subsequent months, interest should be allowed for those months on the full amount due, and not only on the amount actually recovered, the balance having been already received in the former months.

34. On the question whether it is within the competence of the Government of India to allow *ex gratia* payment to a subscriber under the Rule making control of the Secretary of State or other entitled persons by way of compensating him for the loss of interest entailed by the delay in final payment of Provident Fund money, in cases where the final payment is for some reason or other made only after the date upto which interest on Provident Fund deposits may be credited to the Fund Account (namely upto the end of the month preceding that in which payment is offered or upto the end of the sixth month after the month in which such amount became payable, whichever is earlier) under the existing provisions of the relevant rules [*e.g.*, the I.C.S. Provident Fund, I.C.S. (N.E.M.) Provident Fund and the Secretary of State's Services G. P. Fund Rules], the Comptroller and Auditor General has held that as such a payment is inevitably subsidiary to the payment to the amount at the credit of the subscriber and as such would contravene the statutory provisions of these rules, sanction of the Secretary of State would be required for the payment of such an amount under section 247 (7) of the Government of India Act, 1935.

[Auditor General's Circular Memo. No. 411-A-126-45, dated 11-10-1945 to all Accountants General Ind. No. PF-2925.]

35-38]

35. Amount paid at Sub-Treasuries after the Sub-Treasury accounts are closed for the month on account of withdrawals from the G. P. Fund will not carry interest for that month, though such payments are not exhibited in the Treasury accounts in the month of payment, but shown in the subsequent month.

Adjustment of Interest

36. The interest allowed for the year will be available on preparing the balance compilation sheet in G. P. F. Form No. 74. A transfer entry for the total interest credited to the Account should be made and the amount added to the receipts by debit to "22—Interest on Debt and other obligations—B—Interest on Unfunded Debt—State Provident Funds—Interest on General Provident Fund" for Central and Provincial separately. This entry should be made in time to be included in March final accounts. This transaction must include the debits on accounts of interest paid during the year on closed accounts, which during the currency of the year is debited to the fund itself.

Adjustments of interest on accounts transferred from other Provinces, Governments etc.

The Government of India have decided 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 and that in cases of temporary transfers and of transfers of officers of joint cadres the balance may continue to be kept by the parent Government or the Government to which the officer permanently belongs.

The interest should be credited by the transferring Government to the transferred Government along with the 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 Account balance of the subscriber at the end of the year.

This decision takes effect from 19th July 1941.

[Government of India letter No. I.D. N. D. 6652-F/41, dated 19-7-1941 to the Financial Secretaries of all Provincial Governments.]

Copy endorsed to all Accountants General under No. PF/150, D. 6652-F/41, dated 19-7-41.

37. *Maintenance of Nominations relating to various funds.*—The nominations with which this office is concerned relate to the following Funds.—

1. General Provident Fund (Central Services).
2. General Provident Fund (Bombay).
3. Contributory Provident Fund (Central).
4. Contributory Provident Fund (Bombay).
5. I.C.S. (N.E.M.) Provident Fund.
6. I.C.S. Provident Fund.
7. Secretary of State's Services Provident Fund.
8. Defence Saving Provident Fund.

38. *General check of Nomination forms.*— On receipt of the nomination forms under the rules of the respective funds, they should be checked by the Auditor with reference to the rules relating to the respective funds. The following are the important checks to be exercised at the time of scrutiny of nominations :—

- (i) That the Account number has been quoted on the top of the forms.

(ii) That the prescribed forms, *i.e.*, for a subscriber having a 'Family' and for one having 'No Family', are correctly used for this purpose. The relationship with the subscriber shown in column 2 of the Nomination Form should be carefully examined to ensure the correctness of the form used with due reference to the definition of the term 'Family' given in the respective fund rules.

(iii) (a) That if more than one member is nominated, the appropriate form for nominating more than one member is used showing the shares payable to each and that the sum total of the shares shown against each member does not exceed one.

(b) That in case where an amount has been noted instead of a share, the stated amount is covered by the deposits already at the credit of the subscriber's account in fund.

(iv) That the name and address of the nominee or nominees, if there are more than one, are stated in column 1.

NOTE.—The nominee should be a natural person, a human being, and not an artificial person such as a corporation or an institution.

(v) That in the case of a nomination in favour of an adopted child there is a certificate that under the personal law of the subscriber, adoption is legally recognised as conferring the status of a natural child. In case of doubt, a reference should be made to the law officers of the Government concerned as prescribed in the respective fund rules.

(vi) That the age of the nominee or nominees is stated in the appropriate column.

(vii) That there are no conditions attached to the nomination or that the nomination is not simply in favour of a legal heir.

(viii) That the signature of the subscriber and witnesses as well as the place and date of execution are properly filled in.

(ix) That corrections, if any, are properly made and duly attested by the subscriber.

(x) That vernacular entries, if any, are transliterated.

If the nomination is found to be defective in any respect it should be returned immediately for correction and/or completion as the case may be and re-transmission.

Old Nominations

39. (a) All the nominations received prior to 6th June 1942 bear the same number as the corresponding ledger accounts by major heads and have been kept serially arranged in bundles in receptacles the keys of which are in the personal custody of the Gazetted Officer. When a revised nomination in replacement of such a nomination accepted before 6-6-1942 is received, the auditor will after the necessary scrutiny as in para. (38) above make an entry of the date of the revised nomination in the index register and after making the necessary note of acceptance of the nomination, submit the same to the Superintendent along with the index register. The Superintendent after check will initial the entry in the Index register and the endorsement of acceptance. The clerk-in-charge of the nomination will then take the register with the nomination to the Gazetted Officer's room for final acceptance. He will, at the same time, obtain the keys of receptacles from the Gazetted Officer and remove the corresponding old nomination form from the bundles, cancel and return the same to the subscriber after the necessary endorsement thereon and place the revised nomination in the proper serial place in the bundle.

(d) After allotting a serial number to each of the nominations received, entries therefor should be made in the respective registers referred to above the serial number being noted on the nomination and ledger account.

(e) When fresh nominations are received, they should be scrutinised in the section as detailed in para. (38) above. If after scrutiny they are found to be in order, the words "Accepted Dated" should be noted either at the top or bottom of the nomination form and the letter "N" should be prominently in red ink on the top of the ledger card, and these documents along with an acknowledgment card submitted to the Superintendent. The Superintendent will, after the requisite check, initial the letter 'N' on the top of the ledger card and attest the endorsement on the nomination and pass on the documents to the Gazetted Officer for final acceptance. A transit register of ledger cards sent to Gazetted Officer is maintained for this purpose. The G. O. after giving a note of acceptance on the ledger account and nomination will allot a serial number thereto and mark the same on the nomination, acknowledgment letter and the ledger account. The Gazetted Officer or a clerk working in the Gazetted Officer's room under his supervision will fill in columns 1-5 of the register of receipts and issues and file the nomination in the proper order in the relevant file.

(f) The note of the serial number on the ledger account will be an indication of the nomination having been received, accepted and placed in the custody of the Gazetted Officer.

(g) With a view (i) to guard against the possibility of the original nomination being replaced by another one when the nomination is received in this office is returned to the subscriber for any correction, and (ii) to decide the validity of a Nomination not formally accepted by the office before the demise of the subscriber all the nominations received in this office for the first time should be stamped with a rubber stamp by the auditors concerned. The date to be noted on the blank space will be the date on which the forwarding letter is received in this office.

(h) It is sufficient if the original entry of receipt of nomination on the ledger card is attested by a G. O. while admitting the nomination and that the carry forward entries in respect of such nominations may be attested by the Superintendent.

[Auditor General of India's letter No. 1823-Admn./206-1949, dated 24-9-49. Ind. FI-104.]

Issue of Nomination

41. (a) The nominations are at present removed from the Gazetted Officer's custody in the following cases:—

- (1) For making final payment to the subscribers or to the nominees.
- (2) For forwarding the nomination to other accounts offices in connection with the transfer of account.
- (3) For cancellation of the existing nomination on receipt of a revised nomination.
- (4) For furnishing particulars to the subscribers, if and when required, about contents, etc., of the nomination.

(b) When a nomination is required by the Fund Section in connection with items (1) and (2) above, the nomination clerk concerned should go to the Gazetted Officer with a note of the serial number (as noted on the ledger account) and on removal of the required nomination from the file fill in columns 6-8 of the respective stock register in the presence of the Gazetted Officer. When such a nomination is put up to G. O. for final disposal, the Gazetted Officer will fill in column 9 of the

42]

stock register. Until submission to the Gazetted Officer for final action, the responsibility for the preservation of the nomination will rest with the person who removed it as per column 6 of the register.

(c) Any nomination required for action as in items (1) and (2) which cannot be disposed of promptly for one reason or other, should not be removed from Gazetted Officer's custody or, if removed, should be returned to him after making a suitable note in column 10 of the register. For this purpose the Gazetted Officer will also review the register of receipt and issue of nominations fortnightly.

(d) In no circumstances should the nominations be removed from the Gazetted Officer's custody in respect of items (3) and (4) mentioned above. In the former case the revised nomination duly checked and with a note of the original serial number as per ledger account given thereon should be put up to the Gazetted Officer with the acknowledgment and the ledger. The G. O. on receipt will replace the old nomination by the revised one and the date of receipt of the revised nomination will be noted by him in column 10 of the register. The revised nomination should bear a note of acceptance by the Gazetted Officer and also remarks to the effect "The old 'N' dated cancelled and returned to the subscriber". Similarly, the old nomination should bear a note "Cancelled, *vide* revised 'N' dated revised". In the acknowledgment of the revised nomination, a note should, in all such cases, be inserted stating "Your old 'N' dated is returned herewith duly cancelled". The serial number originally given to any nomination will hold good in the case of one or more revised nominations relating to the subscriber concerned.

Verification of Nominations

42. (a) A complete verification of all the nominations should be done once in three years by the G. O. in charge and a certificate of verification furnished by him to the Accountant General. The G. O. need not do this verification personally. It is enough if this verification is carried out by a selected auditor, under the direction and supervision of the G. O. and in his presence.

(b) On completion of the verification a list of missing nominations and/or defective nominations, should be made out and immediate steps taken to obtain fresh nominations from the parties concerned or get the defects therein removed by correspondence.

(c) Apart from the check referred to in sub-para. (a) above the G.O. should conduct an intelligent test check periodically, *e.g.*, he might see if the serial numbers missing from the file have all been cancelled.

(d) When a change in charge of the G. O. occurs a certificate of handing and taking over the nominations should be signed by the relieved and relieving officers. It has been ordered by the Comptroller and Auditor General that an intelligent test check of nominations should suffice for this purpose before a regular certificate is recorded on the stock register.

(e) The register of receipts and issues of nominations will at all times remain in the custody of the G. O. and will, like nominations, be treated as a confidential record.

(f) The nominations are at present kept in receptacles the keys of which are in the personal custody of the G. O. Each time a nomination is required the keys are borrowed by the clerk-in-charge of nominations.

(g) The nomination forms should not be sent out of office except for strong reasons when orders of the D.A.G. should be obtained.

(h) Even when final payment is made to the subscriber himself on account of retirement, resignation or dismissal, the nomination form should not be returned

to the subscriber. The papers pertaining to each final payment should be separately filed with the nomination form attached thereto. The files should be preserved for the following periods :—

1. Cases when the final payment is made to the subscribers themselves or to the nominee or nominees other than minors in accordance with the nomination forms.....6 years.
2. Cases when the final payment is made to other than subscriber (1) to minors (2) to other than minors not in accordance with the nomination forms.....30 years.

[Vide period of preservation fixed in Chapter XI of the Auditor General's Manual of Standing Orders.]

The period of preservation and the year of destruction should be prominently noted on the cover of each file.

[(Vide Auditor General's letter 458-NGE/K.W.119-41 of 20-3-42 No. 614/NGE/119-41 of 7-4-43 and No. 1087-NGE/119 of 10-6-43 copy received with Accountant General, C. P. and Berar's letter No. PF/3417 of 3-12-43 (Ind P.F. 14014) P.F. Confidential No. 153 of 42-43.]

43. Weeding of closed ledger cards, nominations etc.—

1. The entries showing the periods of retention with the requisite details should be made at the top of the cards at the time of putting up authorities for final payments and initialled by Branch Officer at the time of passing the authorities.

2. In the case of subscribers, who receive the payments themselves both the vouchers and nominations should be pasted on the cards.

3. In the case of deceased subscribers, only the vouchers should be pasted on the cards.

4. The ledger cards with the vouchers and nominations pasted thereon as in (2) above and those with the vouchers pasted thereon as in (3) above should be kept arranged by departments in separate pads in a separate almirah under lock and key in the personal custody of the Branch Officer. A register should also be maintained in which the names and account numbers of the subscribers relating to the closed accounts which are deposited monthly in the almirah should be entered. The register will be kept in the almirah. These cards will be taken on requisition at the time of compilation of annual balance sheets and restored in the almirah as soon as the compilation is over. When the cards are required for proving the yearly debits and credits and the opening and closing balances of the annual balance sheets they should be consulted in the room of the Branch Officer.

5. After the opening and closing balances of the annual balance sheets for the year have been finally proved, the cards of each department will be sorted out according to the period of retention, *viz.*, 6 and 30 years and arranged in serial orders of account numbers and tied together with paste-board cover. A list showing the names and account numbers of the subscribers relating to the closed accounts will be pasted on the inner side of the cover board and the slip showing the year of account and the period of retention pasted in the outside of the cover board. The list should be compared with the annual balance sheet in order to see that the cards of all the ledger accounts whose balances have been nil during the year are included in the list.

6. A register should be maintained in which the names and account numbers of deceased subscribers should be entered over the initials of the Branch Officer at the time when extracts are taken from the nominations when the cases are first started. The register should be kept in the almirah containing the nominations.

When the cards of closed accounts have been arranged as in (5) above, the nominations of the deceased subscribers, whose accounts have been closed, will be separated from the main files of nominations with reference to the above register and the lists mentioned in (5) above, and kept with a covering list in a separate case cover with the year of accounts and the period of retention prominently marked on the case cover over the initials of the Branch Officer.

[Auditor General's No. 826-Admn. 546-48, dated 27-4-1949.]

Temporary withdrawals

44. Temporary withdrawals from the fund may be sanctioned by the authority empowered by the fund rules whose duty is to see that the conditions prescribed in the rules are fulfilled. The amounts sanctioned by the competent authority may be drawn from the Government Treasuries on simple receipt by G. O. on their own behalf, and by heads of offices on behalf of their establishments. In the latter case, the head of the office concerned should disburse the amount in the same way as pay and obtain the payee's receipt in his office acquittance roll and furnish a certificate of disbursement in his next establishment bill.

45. Orders sanctioning an advance should in all cases be communicated by the sanctioning authority at the earliest possible date to the Account Officer for information. The name and the Account No. with the designation and pay of the Government servant concerned and the office in which he is serving should be furnished in the sanctioning order. The sanction should also quote the purpose for which the advance is granted together with the reasons for the special treatment wherever they are required by the rules of the fund. In every case the sanction should quote the number of instalments in which the advance is to be repaid, the recovery being directed in not more than 24 instalments of whole rupees and of equal amounts.

[G.R.F.D. No. 4381, dated 29-9-1926.]

46. A certificate should be recorded on the advance order by the sanctioning authority that it has been ascertained by a reference to the last deposit account rendered by the Account Officer and the establishment bills for subsequent deductions that the amount of the advance is covered by the balance at credit. In cases where the sanctioning officer is not the head of the office, the certificate regarding the balance should be given by the head of office and not the sanctioning authority.

Treasury Officers should see that the certificate is invariably given on the bill before payment.

[C.G.'s No. 1863-E-685-13, dated 10/12-9-1913.]

47. Advances from G. P. Fund to subscribers who were permanently transferred to Local Fund can be sanctioned by the President, District Local Board, under section 23 of the Bombay Local Boards Act VI of 1923. In the case of officers who are lent to Local Boards, *i.e.*, in foreign service, the same sanction is necessary as if the subscriber was still in Government service in his substantive post.

48. Advances from the Provident Funds may be made on the authority and responsibility of the sanctioning authority; but in cases in which an audit officer considers that the advance is improperly granted, he should bring the matter in the first instance to the notice of the sanctioning authority. The rules do not empower the Accounts Officer to disallow advances sanctioned by competent authority but he should bring to the notice of the Government alleged violations of the spirit of the rules of the funds. The report is sent to Government in a consolidated form once a year on the 1st of April. The report in the case of the Central Government is sent through the Comptroller and Auditor General.

[Auditor General's No. 752-E/76-21, dated 21-2-1921 and No. 5408-E-284-22, dated 23-12-1922 and G.I.F.D. No. D/6973-R-11-28, dated 31-12-1928.]

49. A register of irregular advances is maintained in the Fund Section in which the following particulars are noted :—

- (1) Serial number,
- (2) Name of the subscriber,
- (3) Sanctioning authority,
- (4) Number and date of the sanction,
- (5) Amount sanctioned,
- (6) Purpose of advance,
- (7) Date, month and voucher number,
- (8) Number and date of Objection memorandum,
- (9) Initials of the Gazetted Officer,
- (10) Remarks.

Provincial and Central items should be listed separately. The register should be submitted to the Gazetted Officer in charge each time an irregular sanction is challenged, along with the draft of the letter bringing to the notice of the sanctioning authority the irregularity involved in it. Any items accepted on proper explanation or cancelled by recovery on the amount of advance may be removed from the register under the initials of the Gazetted Officer in charge.

The correspondence, relating to the irregular advances, should be separately cased for each year and put up at the time of the submission of the annual report to Government. The cases should not be considered as finally disposed of until the report is sent to Government and Government pass orders thereon.

[Accountant General's order, dated 14-4-1942.]

50. Accounts Officers when forwarding an application for an advance from the General Provident Fund should see (1) that the applicant has stated definitely that his pecuniary circumstances are such that the indulgence is absolutely necessary, (2) that the object of the advance has been stated, and (3) that it is covered by the rules. He may bring any defect to the notice of the sanctioning authority with whom it rests to decide if the advance may be granted, but should not object, unless the case is a clear violation of the rules.

[C.G.'s No. 2089-E, dated 19-11-1912 and No. 773-E-72-20, dated 2-3-1920.]

51. The Accountant General in forwarding the application of a Gazetted Government servant to the sanctioning authority should notify the latter of any advance of any description previously drawn by the Government servant, which may be outstanding at the time of the application and also indicate whether the grant of the advance will involve a departure from the ordinary rules.

52. The sanctions to advances to Gazetted Officers should after scrutiny be sent to the Gazetted Audit Section which should also watch the recovery of the Advance.

Copies of sanctions from the General Provident Fund granted to subscribers in the Civil Account Offices, together with a statement of the reasons for which and a reference to the rule under which such advances have been sanctioned should be communicated to the prescribed Audit Officer, for audit. The bills in which the advances are drawn need not, however, be sent for audit.

[C.C.A.'s No. 926-Admn. N/328-29, dated 24th June 1929.]

53. All sanctions to advances should be scrutinised in the fund section with reference to the instructions contained in para. 213 of the Audit Manual. It should also be seen that there is no tendency on the part of the subscriber to treat the Provident Fund as a cheap loan account. If any irregularity is noticed the

sanctioning authority should be addressed for its removal or for such action as may be necessary in the circumstances of the case. If the sanction is in order the auditor should make the necessary entry of the grant of the advance in the remarks column of the ledger card, and put it up along with the sanction to the Superintendent for review.

54. *Audit of Bills and Vouchers.*—

(i) Audit of bills for advances.—The audit of bills for advances consists of seeing (i) that a duly attested copy of the order sanctioning the advance is attached to the bill and that it is in accordance with the copy of the order already received and accepted by the Accounts Office, and (ii) that the voucher is otherwise in order. If it is found that a copy of the order sanctioning the advance has not been already received in the Account Office and accepted, the sanction should also be subjected to the checks prescribed in para. 53 above.

(ii) Audit of other payments vouchers.—(1) Bills for withdrawals for periodical payments of Insurance premia are examined to see that there is sufficient balance at the credit of the subscriber. The amounts are noted in the subsidiary objection book awaiting premium receipts. If the bill is for payment of first premium, the amount is directly taken to the objection book awaiting the receipt of the Policy duly assigned. If the payment is for a single premium policy, it should be seen that the claim has been pre-audited.

(2) Bills for final withdrawals should be admitted on the authority issued by the Accounts Officer being quoted in the bills, which should be verified, and on receipt of the disbursement certificate in cases where the payment has been authorised through the Head of the Office.

(iii) Pre-audit bills.—Bills for temporary withdrawals presented at the counter of this office should be scrutinised as in para. 53 above. The genuineness of the signature of the drawing officer should be tested with reference to the specimen signatures on record in the Gazetted Audit Department. These bills, after audit, are submitted to the Gazetted Officer with the Ledger cards for his signature in both the bills and ledger cards. Bills for payment of Insurance Premia are passed for payment after due verification of the balance at credit, with the Advance Register otherwise called the subsidiary objection book maintained for the purpose. A pencil entry is made in the ledger card at the same time to indicate the amount withdrawn pending the posting of the debit voucher along with the accounts in the usual course. Bills for payment of final withdrawals are passed against the original authority issued by the office and noted on the ledger cards under the initials of the Gazetted Officer.

NOTE.—All bills received for pre-audit from the Cash Section are entered in the Register of final post-audit or pre-audit bills in Audit Manual form No. 106 as in the case of other classes of bills.

55. At the time of auditing the vouchers for temporary advances and for payment of Insurance premia a suitable note showing the actual date of payment should be taken in the Ledger cards. This is required to enable the calculation of interest correctly particularly in cases where payments made at Sub-Treasuries by the end of the month, are incorporated in the Treasury Accounts of the next month.

The number and date of the voucher should be entered in the remarks column of the ledger card in all cases under the dated initials of the Superintendent or the Gazetted Officer in charge.

After audit, the vouchers for final payments should be sorted out according to the periods of their preservation (*vide* Chapter XI of the Auditor General's Manual

of Standing Orders) and filled in separate guard files with the year of destruction noted on them.

56. Excepting the advances from Provident Funds which may be drawn from the Treasury in accordance with the rules *vide* para. 48 no payment on account of any fund, whether as a refund of a subscription overpaid or as a repayment of the whole or a part of the amount accumulated at the credit of the subscriber, can be made without the express authority of the Accountant General. Payments authorised by the Accountant General will be made only on the personal receipt of the depositor, if a Gazetted Officer, or to the Head of Office, if a non-Gazetted Officer.

Miscellaneous

57. The postings on the ledger cards of the vouchers for payment on account of withdrawals from the General Provident Fund including temporary advances should be attested as follows :—

1. Upto Rs. 5,000 by the Superintendent.
2. Above Rs. 5,000 by the Gazetted Officer.

[Auditor General's No. 474-Admn.-439-23, dated 19-3-1924.]

58. The Gazetted Audit and Pension Sections should report all cases of retirement or death to the Fund Section which should note only such cases as relate to officers who subscribed to any fund and take early action for the completion of fund accounts. In the case of a non-Gazetted Officer, if an application has not been received the Fund Section should intimate the amount due (roughly) to the head of his office with a reminder that a claim for the amount must be presented to him furnishing the required information for the final closing of the Account.

[Auditor General's No. 183-Admn.-13-25, dated 9-2-1925.]

Final Withdrawals

59. The sum which accumulates to the credit of a subscriber in the General Provident Fund will not be his absolute property and will not be refunded until he finally quitted the service of Government or died. The heads of offices will report death, dismissal, resignation or retirement of officers, Gazetted or non-Gazetted, who are subscribers to the G. P. Fund, immediately after these events take place. The Fund Section on receipt of such report will in the case of death make preliminary enquiries regarding nominees or family, and will arrange for the payment to the proper party of the balance at the credit of the subscriber as shown on the books.

60. Matters relating to the payments of Provident Fund balances should be disposed of with the greatest possible expedition by all concerned to avoid inconvenience and hardship to the parties. The information required to enable this office to close the accounts, and authorise final payments, is described below :—

1. The actual date, forenoon or afternoon, of retirement, death, resignation or discharge.
2. A certificate from the sanctioning authority 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.
3. Whether any withdrawal from the fund was made during the previous twelve months for payment of premia on policies, and, if so, full particulars thereof.
4. Amount of the last deduction of the fund subscription with the number and date of the Treasury voucher or the number of the bill from which it was deducted with date of its encashment.
5. Name of the Treasury from which the payment is desired by the party concerned.

Subscribers who are Gazetted officers should send their applications for final refunds direct to this office with the necessary information. In the case of others, the concerned heads of offices should make the necessary reports together with the information required for the closing of the accounts.

[General letter No. 2 P.F. 4/3026, dated 20-6-1940 G.I. F.D. letter No. F. 5/F.E., dated 16-7-1924 and G.R.F.D. No. 3423, dated 5-8-1924.]

61. In the absence of the certificate referred to in para. 60(2) and (3) above the Accounts Officer will, as soon as he receives intimation of an officer's retirement, put himself in communication with the authority empowered to sanction advances to the retiring officer in order to obtain information of any advances sanctioned before retirement within the last 12 months.

It is not necessary to follow literally the procedure laid down for closing the fund account when an officer has retired after availing himself of leave out of India for 2 years or more as it is not usual in this class of cases for a subscriber to draw advance from the G. P. Fund within 12 months from the date of retirement and as even in such rare cases of such drawals the advances cannot be drawn without the knowledge of the Accounts Office. In the cases, therefore, in which in the opinion of the Accountant General, the final payment of the balance of the G. P. Fund can be safely made without obtaining the certificate referred to above the production of the certificate by the authority empowered to sanction advances may be dispensed with.

[Ar. Genl.'s No. 374-Admn. 6-24, dated 7-8-1924.]

62. Before an order for final payment of the fund balance is passed, it should be seen—

(1) that in the case of a Gazetted officer the date of retirement, resignation, discharge or death is verified by the G.A.D. ;

(2) that the recoveries of subscriptions and refunds of advances, not posted in the ledger accounts are verified by the Audit Sections concerned ;

(3) that the information mentioned in para. 60 is furnished correctly by the reporting authority ;

(4) that in the case of a dead subscriber who had filed a nomination form before 1-4-1934 or 1-10-1936 according as he is governed by the G.P.F. (Central Services) Rules, and the Bombay G. P. Fund Rules respectively, he has not married or remarried between the date of the nomination and 1-4-1934 or 1-10-1936 as the case may be ;

(5) that in the case of a dead subscriber whether proportionate recovery of subscription is made for the month in which the death occurred ;

(6) that the attachment order, if any, against the deposits of the subscriber, is withdrawn ;

(7) that in the case of a subscriber who has been declared insane under the Indian Lunacy Act of 1912 payment is authorised only to the Manager appointed to his estate by the competent Civil Court ;

(8) that in the case of nominees who are minors, guardianship certificate or indemnity bonds duly stamped and executed with two sureties are furnished whenever required by the rules and that they are in order ;

(9) that in calculating interest for the portion of the year in which the account is closed in case of accounts with balances of Rs. 10,000 and over the interest allowed during the previous 3 years at least is correct ;

(10) that the credits and debits to the accounts under closing for period after the last agreement of closing balances have been verified with original schedules and debit vouchers.

63. In the case of retirement, the G. P. Fund deposits will be paid to the officer on his personal receipt and proper identification if necessary, if he is a G. O., and if he is a non-Gazetted officer residing in the district where he was last employed, in a bill drawn by the head of his office who should hold his acquittance, if, however, the non-Gazetted officer resides outside the limit of the district where he was employed the officer named by the head of his office or the Treasury Officer of the district in which payment is desired nearest to the place where he is residing may be authorised to draw and disburse the amount and to furnish the usual disbursement certificate. In the event of the subscriber's death the money will be paid to the person or persons entitled to receive the payment on bills duly received by them after due identification.

[Auditor General's No. 726-E-78 of 13-2-1926.]

64. The procedure for final payment of G. P. Fund deposits of non-Gazetted subscribers, at the Treasury nearest to the place of residence of the payee, prescribed by the Comptroller and Auditor General in his No. 987-E/78-26, dated 21-2-1927 has been extended to the Sub-Treasuries having currency chests. But the refund order should, however, be addressed to the District Treasury Officer. The Treasury Officer may issue a cash order on the Sub-Treasury concerned in favour of the claimant and forward the documents received from the authority sanctioning the payment to the Sub-Treasury officer to enable him to satisfy himself as to the identity of the claimant.

[Auditor General's No. 1446-NGE/418-34, dated 11-10-1934.]

65. When any final payment of G. P. Fund deposits of subscriber is desired from a Treasury in another province the following particulars should be furnished to the Accountant General of that Province for transmission to the Treasury Officer concerned with a view to facilitate the identification of the payee :—

- (1) Personal marks of identification of the payee.
- (2) Thumb and finger impression of the left hand of the payee.
- (3) Specimen signature of the payee.

The documents containing the above particulars should be attested by competent authority. The procedure to be followed by the Treasury Officers in identifying the payees will be similar to that followed by them in paying gratuities.

66. In regard to payment to *pardanashin* ladies the following special procedure for identification of payees prescribed by Government of India, F. D. with the concurrence of the Comptroller and Auditor General should be followed :—

- (1) If the *pardah* lady does appear in person at the place of payment her left hand 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 previously that she is the proper payee.
- (2) If she does not appear in person at the place of payment she must first be identified by two responsible neighbours before an authority competent to give a life certificate and affix her left thumb mark on the document in his presence.

She must at the same time and place affix her mark on the receipt and have it authenticated by the same authority and endorse it for collection by an agent she should nominate in writing.

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, Imperial Secretariat No. Fund-22-26/D-S-498 dated the 24th September 1928.]

67. All cases requiring final closing of the accounts and for which payment orders have not been issued within three months from the date of occurrence of the event for any reason whatsoever, should be noted in the Register of pending cases. Besides, all cases which are pending disposal for want of information or documents, etc., should also be noted in this Register. This is submitted to the G. O. in charge of the Fund Section quarterly.

68. For final withdrawal, the refund order is passed by the G. O. in G.P.F. Form No. 11 prepared in duplicate (one copy being sent to the Treasury Officer) and a note stating the event which occasioned the closing of the account, the relevant rule of the Fund Rules, the amount authorised to be withdrawn, the officer authorised to withdraw the names of persons to whom payment is to be made and reference to the correspondence concerning the refund, is kept in the remarks column of the ledger card of the subscriber, under the initials of the Gazetted officer.

69. The authority for payment is current for three months. Any delay in payment after the issue of the necessary authority should be investigated.

70. If the refund order is to be issued in the last few days of a month, and if it is felt that the amount may not be actually paid to the party concerned before the last day of the month, the practice is to calculate the amount of interest up to the end of that month, if otherwise admissible. A note is added in the refund order to the effect that the amount is payable only on or after the 1st of the next month. In the case of pre-audit bills, it is arranged that the bills are preferred and paid on or after 1st when the letter intimating the balance at credit is expected to issue at the fag end of the month. To prevent claims for additional interest each order for final payment should embody instructions to the drawing and the Treasury Officers for drawing and tendering the money to the payee before a specified date and for intimating to the payee that he should receive payment before that date and that no further interest will be allowed.

71. Before the refund order issues, a note should be taken in the Register of closed accounts in Form No. 70 and in the General Index Register. The date of payment should be noted in Form No. 70 against each item on receipt of disbursement certificate or intimation of payment. Undue delays in payment should be inquired into.

72. When the amount authorised is actually drawn it is posted from the voucher in the column "withdrawals" of the ledger card, and the total of this column is carried to the memo of balances in the remarks column against the entry "Deduct withdrawals" and the word "nil" is written in the column for balances.

73. When it is noticed subsequently that a credit has not been taken into account at the time of closing either for refund of final withdrawal or for transferring the account to another audit officer care should be taken to take immediate action to authorise a supplementary refund or transfer this amount to the Audit Officer to whom the original account was transferred. No interest should be allowed in respect of the credit unless it is due under the Rules of the Fund. The balance remaining on the books after payment to the beneficiaries should not be carried forward unless it is ascertained that the amount is likely to be claimed within a short period. Interest can be allowed on the principal amount of the balance under rules, and if the amount is not claimed in time, it should be transferred to "Deposits" and the party concerned informed of the action taken.

74. Payment of G. P. Fund balances may be made direct to a well known Bank or to agents, who have executed General Indemnity Bond, only at the request of the officer concerned. In exceptional cases, orders of the Accountant General should be obtained before payment is made to Banks which have not executed Indemnity Bonds, as ordinarily payment should be made on the personal receipt of the depositor or when he is absent from India, on that of his duly authorised agent. In such cases a letter should be sent by the Government servant asking payment to be made to such Bank or Agent. In cases, however, where the personal receipt is sent with an endorsement to the effect that the payment should be made to the Bank or Agent, payment may be made to any Bank.

[D.A.G.'s Orders, dated 27-11-1932.]

Substitution of Life Insurance for subscriptions to the General Provident Fund and similar funds

Procedure for payment of premia on insurance policies out of deposits in the Funds

75. The sums actually required to pay the premia on the insurance policies may be drawn by the subscribers from the amount at their credit under the rules of the funds which provide for such withdrawal. The amounts should be drawn, at required intervals, on bills by heads of offices for their own subordinates and by Gazetted officers for themselves on their own authority and responsibility without previous reference to this office subject to the following conditions :—

No amount shall be withdrawn before the details of the proposed policy have been submitted to this office and accepted as suitable. Before accepting, it should be seen that the Insurance Company concerned is borne on the list of companies registered for carrying on insurance business in India. Withdrawals for payments exceeding Rs. 2,000 in any individual case at a time, and all withdrawals for purchase of single premium policies, require the previous sanction of this office. In all cases the drawing officer will be responsible for seeing that there is no over-drawal. The drawing officer of each such bill should furnish a certificate that the balance at credit on the date of withdrawal covers the sum withdrawn on the bills. This certificate should be furnished after examining the last fund account of the subscriber and taking into account any subsequent payment to, or withdrawal from the fund.

A statement in the following form should be attached to the bill.

Serial No.	Account No.	Name of fund	Name of Government servant drawing the advance	No. of insurance Policy and name of the Insurance Company	Amount	Remarks

In cases of funds where contribution is paid by Government the contribution portion should not be operated on.

[Correspondence ending with the Auditor General's No. 1896-NGE/57-31, dated 3rd September 1932—P.F. 123 and Circular Letter No. 4 No. P.F. 5/5715, dated 1st October 1932.]

76. The payment is made in accordance with the procedure laid down for temporary withdrawals. The payment of these withdrawals to banks or agents direct is governed by paragraph 74 above.

77. As soon as the premium is paid, the company's receipt should be forwarded to this office for note and return after affixing the stamp "No abatement of Indian income-tax admissible". The punctual submission of the premium receipts is watched through the subsidiary register to Objection Book, in which are entered all items of payments made on account of withdrawals for insurance premia. If the receipt is not obtained within three months, the item is transferred to the main Objection Book and simultaneously a reminder is issued to the officer concerned.

78. When an amount is drawn from the fund for the first time to meet the payment of an insurance premium, pending submission of the assigned policy to this office, the amount withdrawn should be kept in the Objection Book, till the policy has been assigned to Government within the prescribed date and duly accepted by this office.

79. When insurance policies are received for instructions regarding assignment, or duly assigned, they are first entered in an interim register before they are finally admitted. In the case of assigned policies, the endorsements are carefully scrutinised by the Superintendent. They are then recorded in the Stock Register in G. P. F. Form No. 68, duly attested by the Gazetted officer after satisfying that all the requirements are fulfilled. The certificates of "no prior assignment" both by the subscriber and the insurance company, as well as the letter in original, of the insurance company registering the assignment to Government should be attached to the respective policies duly assigned to Government. The policies so completed are kept in the safe custody of the Gazetted officer.

NOTE.—Policies of I.C.S. Provident Fund subscribers are not required to be assigned to Government. It is enough if they are sent to this office for perusal and return (see also Part II, Chapter IX).

80. As soon as a report regarding the death or retirement of a subscriber is received, action should be taken for the re-assignment of the policy to the party concerned, if no application has been received in the meanwhile. In all other cases, action will be taken on the application of the parties concerned.

81. In the case of payments towards a policy of insurance being substituted for subscriptions to the funds, the procedure regarding assignment and re-assignment of policies is the same as detailed above. The premium receipts are received and returned after perusal but the "no abatement" stamp is not affixed if such abatement has not been claimed in the pay-bill in which the officer is deducting subscriptions to the fund.

82. Transfers from the General Provident Fund for the payment of single premium as well as of monthly subscriptions to the S. S. (India) F. P. Fund, may be made by Account Officers on the application of the subscriber without the specific consent of the Government of India in each case. Temporary withdrawals from the General Provident Fund for payment of single premium to this Pension Fund is, however, not admissible. In the case of payment of single premium to the S. S. (India) F. P. Fund the subscriber should produce a certificate from the Accountant General, Central Revenues, accepting his application to join the Fund.

[A.G.C.R.'s No. S.S.F.P. 2-308-2158, dated the 27th February 1929—P.F. 13885 and G.I.F.D. No. 4621-R. II, dated 26th July 1929.]

83. When a policy is required for reference in connection with re-assignment, the insurance clerk should take the Stock Register to the Gazetted officer and receive the policy on furnishing to the officer a requisition slip in Form S. Y. 301.

84. Subscriptions to a recognised family pension fund and/or payments of premia on account of a Postal Insurance Policy substituted for subscriptions to the

General Provident Fund should be adjusted monthly to the credit of the Pension Fund and the Postal Department respectively. The fact of such payments together with the amounts paid should be noted in the ledger accounts of the subscribers concerned.

85. Postal Insurance Policies, if assigned to Government under the rules in the Provident Funds are required to be sent to the Postmaster General of the Circle in which the policies were issued for registering the assignment on the records of his office under the Postal Insurance Rules.

86. A register in the sub-joined form should be maintained in the section with a view to the timely action being taken to collect the amounts due in respect of policies kept in the safe custody of this office maturing while the subscriber is still in service.

[Auditor General's No. 1304-Admn. 103-26, dated 21st December 1926.]

This register is to be submitted to the gazetted officer on the 10th of every month.

April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Remarks

*Items No. in the stock Register of policies (G.P.F. Form No. 68) should be entered in the proper column.

The register will be filled in at the time each policy is finally accepted for safe custody in this office in respect of which an entry is made in the Stock Register. Policies maturing at death of the subscribers are omitted from this register.

87. *Checks to be exercised by Account Officers in respect of Life Insurance Policies.*—“The Superintendent of Insurance having made it clear that more registration of Insurance Companies under section 3 or 70 of the Insurance Act, 1938, is no guarantee of the financial stability of a concern and conversely that non-registration does not necessarily indicate that a company is unsound the Comptroller and Auditor General has decided that it is clearly impossible to limit the financing of policies from Provident Fund deposits to those policies which have been taken out with concerns registered under the Insurance Act, as it would amount to unwarranted discrimination against companies which may be financially sound but for extraneous reasons are not required to register under the Act. He has therefore directed that no policies old or new of unregistered companies should be refused on that ground alone. In order to secure that policies of black-listed companies are not admitted automatically, he has decided with the concurrence of the Government of India that up-to-date lists of (1) insurers and provident fund societies registered respectively under sections 3 and 70 of the Insurance Act, 1938, and (2) of those of them whose registration has been cancelled but not revived should be furnished to all Accountants General once for all and should then be kept up-to-date by them by reference to the Gazette of India in which notification of cancellation and revival of registration will appear. To ensure accuracy of the lists he will obtain and furnish at the end of each financial year an up-to-date list of companies whose registration has been cancelled but not revived. *No new policies of such black-listed companies should be accepted without the explicit orders of the Government of India.*”

87]

In all other respects the Accounts Officers should continue to exercise their usual scrutiny in respect to the policies submitted to them under the 1st proviso to rule 17(b) of the G. P. Fund (C. S.) Rules.

[Auditor General's letter No. 32 N.G.E. 202-40, dated 9-1-43. Ind. P.F. 459. Forwarded with his endorsement No. 32-NGE/202-40, dated 9-1-43 Ind. P.F. 459.]

Policies of insurance issued by Provident Societies which are registered under Act V of 1912 or Act IV of 1938 may be financed from G. P. Fund Deposits. The criterion for distinguishing a Provident Society from an insurer is that the word 'Provident' must find a place in the name of the former while it should not in the name of the latter.

[Auditor General's letter No. 725-NGE/192-1943, dated 22-4-43 Ind. P.F.21.]

CHAPTER III

Un

88. The connected cases not be transferred to the Deposit and filed separately as the latter is money. The file should be preserved per

89. When a refund is claimed, the Fund the year in which the particular item was transferred the formalities for the withdrawal of money from the register maintained for the purpose. The refund Deposit Section, and the amount will be debited to the If it is a lapsed item, it will be classified accordingly.

90. When a depositor has retired on pension his whereabouts ascertained from the Pension Audit Section with a view to issue the rity, for the withdrawal of unclaimed deposits.

91. Under the Controller of Civil Accounts' letter No. T. 726-Ac. dated the 6th July 1929 to the Accountant General, Bengal, the transfer of provident fund money to "deposits" does not alter the fiduciary capacity in which the money is held by Government or relieve the account officer of the duty of ascertaining the proper person legally entitled to receive the amount at the contributor's credit, or of the responsibility of paying the amount to that person. To enable this being done, enquiries will be made in such cases as are necessary as per entries in the Register of "Unclaimed Provident Fund Deposits" at the time of transferring the unclaimed amounts of the year to "Deposits". This register will be submitted to the Gazetted officer on the 20th July each year.

Annual closing

92. Immediately after the posting of March preliminary schedules, the annual closing of the accounts should be undertaken and no time should be lost to ensure the closing of the accounts in which 12 months' credits have already appeared.

93. The rate of interest calculation should be 125 accounts per man per day in the case of men employed exclusively on this work and 75 accounts in the case of men doing audit work as well. (Auditor General's No. 476-Admn. I/137-36, dated 2nd November 1936.)

94. *Attestation of closing balances.*—The attestation of the closing balances in the General Provident Fund Ledgers is entrusted to the Superintendent of the Provident Fund Section. The signing of the annual statement of accounts to be sent to the subscribers has also been entrusted to the Superintendent who has been allowed to use a rubber stamp of his signature as for the Gazetted Officer-in-Charge. But statements intended for members of the All-India Services should be signed by the Gazetted Officer.

[C.C.A.'s letter No. 2357-NGE-422-29 of 11th November 1929—P.F. 141 Case file No. 183.]

95. The Fund Section will be responsible for seeing that all the accounts are duly despatched and acknowledgments of their receipt received and recorded. The accounts of Gazetted officers are sent to their current addresses and those of the non-Gazetted officers forwarded to their heads of offices in G.P.F. Form No. 17. In the case of Gazetted officers, it is seen that receipt of accounts is acknowledged individually, while in the case of other subscribers, the return of the memo. in Form No. 17 is watched through the half margin register to see that all the accounts have been distributed to the subscribers concerned and acknowledgments obtained by the heads of the offices.

Annual Statement in connection with the "Review of Balances"

96. A statement showing the opening balance, receipts and withdrawals and the closing balance should be prepared and furnished to the Book Department, for incorporation in the Review of Balances. The certificate that all the accounts of subscribers have been sent should also be furnished. The closing balance should be verified by the Book Section.

97. *Correspondence Files.*—The following correspondence files should be maintained and file No. assigned to each class of correspondence should be strictly followed :—

	Files	Period of preservation in complete account years
P F. 1	Rules and Orders, Government Resolutions, and important correspondence (separate file for each Fund).	Permanent.
3	Advance from Provident Funds	3 years.
4	Refund orders of final payments of General Provident Fund.	Follows the period of preservation of G.P.F. vouchers for final payment.
5	Advances for payment of Insurance Premia	3 years.
6	Accounts transferred to other Audit offices	3 years.
8	Annual Deposit Accounts	1 year.
12	Application for admission to the General Provident Fund.	1 year.
13	Miscellaneous correspondence regarding discontinuance of subscription, irregular subscriptions, printing of forms, subscribers' nomination forms, schedules not received, etc.	1 year.
	NOTE.—Half-margin memos. should be filled separately according to serial Nos.	
14	Balances remaining unpaid and transferred to 'deposits'.	Permanent.
15	Routine correspondence of Contributory Provident Fund (India).	3 years.
18	Routine correspondence of other Funds, other than I.C.S. and I.C.S.(N.E.M.) Provident Fund.	3 years.
21	Routine correspondence of I.C.S. Provident Fund and I.C.S.(N.E.M.) Provident Fund.	3 years.
27	Refund orders of final payments of all Funds other than the General Provident Fund and I.C.S. Provident Fund.	Follows the period of preservation of vouchers for final payments.

Departmental Note Book

98. A Departmental Note Book is maintained in which are entered all important departmental orders, Government resolutions and sanctions, etc. This register is submitted to the Gazetted Officer-in-charge on the 1st of each month.

Register of correction to the Manual

99. Orders affecting this Manual, when received should be incorporated as corrections and entered in a register maintained for the purpose. All draft corrections are first to be got approved by the Accountant General before copying them in this register. The approved drafts should then be copied in the register and put up to the Gazetted Officer-in-charge for his signature. The passed corrections will be numbered in a serial order, and will then be typed and forwarded to the press for print.

Preservation of Records

100. The records of the section other than those mentioned in Chapter IX of the Comptroller and Auditor General's Manual of Standing Orders should be preserved for the period mentioned against each in the following list :—

Name of Records	Period of preservation in complete account years	Reference to Rule
Fund schedules	3 years	C.G.'s No. 86 of 14th May 1915.
Broad Sheets	5 years	
Master Cards	5 years	Item 19 (iii) of V Chapter XI of the Auditor General's Manual of Standing Orders.
Register of temporary withdrawals .	5 years	Item 19 (iv) of V Chapter XI of the Auditor General's Manual of Standing Orders.
Transfer Entry number Book . .	3 years	Item No. 6 of V Chapter XI of the Auditor General's Manual of Standing Orders.
Objection Book	5 years	
Quarterly Verification Statements .	5 years	
Balance Compilation Statement .	5 years	
Correspondence files in connection with final withdrawals.	Follows the period of preservation for G.P.F. vouchers for final payment.	Auditor General's orders, dated 23rd December 1939.
General Index Register . . .	Permanent.	
Register of Provident Fund Balances transferred to Deposits.	Permanent.	

Calendar of Returns

101. A Calendar of Returns in the form shown in Appendix 4 should be maintained in order to observe the due dates prescribed for the various kinds of work in the section. The actual date on which the work is completed should be filled in by the Superintendent in each case and Calendar submitted to the Gazetted Officer along with the "weekly outstanding list on the 2nd, 9th, 17th and the 24th of each month. It should also be submitted with the Monthly Progress Report.

Destruction of Records

102. The Fund Section will keep the current and previous year's records in the section and send the others to the Old Record for preservation until they are due for destruction. Regarding the period for which such records are to be preserved *vide* also the Record Department Manual.

Categories of officers who are governed by G.P.F. (C.S.) Rules, but whose balances are maintained in the Provincial Section of accounts

103. *I.A.S. and I.P.S. Officers.*—(i) The officers appointed or to be appointed in these services will subscribe to the General Provident Fund and will be governed by General Provident Fund (Central Services) Rules.

[Auditor General's circular letter No. 4610-NGE/199-48, dated 12-8-48.]

The fund accounts of these officers should be maintained by the Accounts Officers of the Province on whose Cadre the officers are borne and Provident Fund transactions should be adjusted in the Provincial Section of the accounts as in the case of the officers of I.C.S. and I.P.

[G.I. Ministry of Home Affairs No. 20/24/49-GS, dated 6-7-1949.]

(ii) They will contribute compulsorily towards a Provident Fund, etc., from the date they are made permanent.

[G.I. Ministry of Home Affairs No. 60/4/47-G.S., dated 23-9-1948.]

(iii) The probationers are not debarred from subscribing voluntarily to the G. P. Fund during the period of their probation and are free to discontinue their voluntary subscription to the fund as per rule 7(i) of G. P. F. Rules.

(G.I. Ministry of Home Affairs No. 60/4/47-G.S., dated 18-11-1948.)

104. *Divisional Accountants.*—The Provident Fund balances pertaining to Public Works Divisional Accountants and Divisional Accountants attached to the Audit office as well should be classified as "Provincial".

The Provident Fund matters of Divisional Accountants are, however, governed by the General Provident Fund (Central Services).

[Auditor General's Nos. 1019-Reforms/141-37, dated 19-8-37 and No. 1034-Reforms/141-37 of 1-9-37.]

105. *Change of Names of Subscribers.*—The Heads of Departments may, on sufficient cause being shown, sanction the change of names in the case of non-Gazetted officers, sending an intimation of the fact to the Accountant General. Cases of Gazetted officers should be submitted for the sanction of Government.

[Bombay G.R.F.D. No.2556, dated the 13th July 1882—Paragraph 35c of D.A. Manual (General) 1930 Edition.]

CHAPTER IV—LIST OF ELIGIBLE SUBSCRIBERS

Provident Fund for Non-I.C.S. Judges of the High Court

106. In accordance with rule 44 of the High Court Judges (India) Rules, 1922, as amended by the Secretary of State by a Resolution, dated the 31st day of March 1937, under sub-section (1) of Section 104 of the Government of India Act, "A Judge who is not a member of the Indian Civil Service shall be entitled to subscribe to the General Provident (Superior Civil Services) Fund 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 a Civil Service of the Crown in India less favourable terms in regard to General Provident Fund benefits than those to which he would be entitled as a member of the Civil Service if he had not been appointed a Judge".

[Government of India, Home Department, Notification No. F. 59/1/37-Judicial, dated the 4th May 1937.]

107. European and Anglo-Indian Judges who are not members of the Indian Civil Services and were appointed before the 1st April 1937, should be regarded, like other non-Indian Civil Service Judges, as optional subscribers to the General Provident Fund. As regards the non-Indian Civil Service European and Anglo-Indian Judges, appointed on or after that date under paragraph 26 of the Government of India High Court Judges Orders, 1937, the General Provident Fund (Superior Civil Services) Rules apply to them, and they must be regarded as compulsory subscribers to the General Provident Fund under rule 6(1) of those rules.

[G.I.F.D. letter No. F. 22(13)-R. II/37, dated the 24th November 1937 to the A. G. U.P., P.F. Case File No. 377].

Officers whose services are pensionable from General Revenues but who are paid from Local Fund Revenues

108. In accordance with C.G.'s No. 2134 dated the 8th October 1909, primary school teachers and other employees of Local Funds on whose behalf pension contribution is paid to Government under Article 802, Civil Service Regulations, were erroneously admitted to the benefits of the G. P. Fund. Some primary school teachers for whom pension contribution has ceased to be paid to Government, have also continued to subscribe to the G. P. Fund. The Government of India have permitted these subscribers to continue to subscribe to the Fund on certain conditions; new subscribers of this class are not to be admitted to the G. P. Fund. The relevant orders of the Government of India have been tabulated below :—

	Those for whom pension contribution is paid		Those for whom pension contribution is not paid or has ceased	
	Local Board employees other than primary school teachers	Primary school teachers	Local Board employees other than primary school teachers	Primary school teachers
1	2	3	4	5
Subscription	To continue to subscribe provided it should be stopped as soon as a new P.F. is started by the Local Authority or Government and is open to them.	Same as column 2	Not allowed to subscribe.	Same as column 2.

		Those for whom pension contribution is paid		Those for whom pension contribution is not paid or has ceased.	
		Local Board employees other than primary school teachers	Primary school teachers	Local Board employees other than primary school teachers	Primary school teachers
1	2	3	4	5	
With- drawal.	If and as soon as the Local Authority or Government consents to take over the accumulations of the subscriber in the G. P. Fund into the P.F. constituted by it, he <i>shall</i> be made to withdraw. He <i>may</i> withdraw as soon as another fund is started to which he is eligible to subscribe, but he must withdraw as soon as the P.F. is started to which he is eligible to subscribe and which provides for the transfer. The transfer to the new fund is left to his option.	The amount shall be retained and disbursed with interest when the subscriber dies or leaves or retires from the service. But if the Government or Local Authority consents to the transfer of the accumulations to their funds the teacher shall be made to withdraw with the transfer to the new fund being left at his option.	Does not arise.	Same as column 3.	

[G.I.F. D. No. D/2890-R. II, dated the 23rd July 1929 P.F. 82; G.R.F.D. No. 6642 of 30th August 1929 and D. 6936-R. II of 11th January 1930—P.F. 175 G.R.F.D. No. 6642, dated the 31st January 1930 and G.I.F.D. endorsement No. 6979-R.II, dated the 7th January 1930—P.F. 177, G.R.F.D. No. 3853, dated the 11th February 1930.]

NOTE.—From 1st October 1936 the above subscribers are governed by the Bombay General Provident Fund Rules.

109. The position of the Military Subordinates in civil employ has been made clear in Army Instruction (India) 38 of 1934. Such personnel will continue to be governed by the General Provident Fund Rules as they stood prior to 1st April 1934 until further orders.

(G.I.F.D. No. F. 22-XXXI-R. II/34, dated the 29th November 1934—Ind. P.F. 602.)

CHAPTER V—ORDERS, INTERPRETATIONS AND DECISIONS
ISSUED BY THE GOVERNMENTS IN CONNECTION WITH
GENERAL PROVIDENT FUND RULES

109-A. Orders, interpretations and decisions issued by the Governments in connection with General Provident Fund Rules.

Reference to Rule of the General Provident Fund			Orders, interpretations and decisions	Authority
Secretary of States Services G.P.F. Rules	Central Services	Bombay Services		
1	2	3	4	5
..	Rule (2)(1)(a)	..	The Auditor General has appointed the local Accountant General as the Accounts Officer for purposes of these rules.	Auditor General's letter No. T. 516 NGE/438-32, dated 3-7-34 (P.F. Ind. No. 416).
Rule 2(4)	Note 2 below Rule 2(1)(c)	Note 2 below Rule 2(1)(c)	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.	G.I.F.D. No. F. 22(1) R.II/36, dated 30th January 1936 to the A.G.P.T. (Ind. P.F. 382). Govt. of Bombay F.D. Memo. No. 497/33-F, dated 17th February 1936 (Ind. P.F. 385).
Rule 4(1)	Rule 6(1)	Rule 5(1)	<i>Compulsory subscribers.</i> —As the executive authority is in the best position to judge of a subscriber's nationality in order to prevent the recurrence of omissions to recover subscriptions from compulsory subscribers to the General Provident Fund, a report should be made by the Executive authorities to the audit officer concerned whenever an officer becomes liable to subscribe to the Fund. After the receipt of that report the responsibility for recovering subscriptions from a compulsory subscriber will rest entirely on the Fund section.	G.I.F.D. No. 3921 of 6th April 1925 containing G.I.F.D. No. D-574-F. E. 25 of 18th March 1925.
			2. A Government servant coming under this rule, who is appointed on probation in the first instance should not be regarded as a compulsory subscriber during the period of probation. He should be required to join the fund only from the date of confirmation though he would be eligible to subscribe to the fund at his option during the period of probation.	G.I.F.D. letter to the Auditor General No. F.22(4)-R., II/38, dated 2nd May 1938. Crown Finance Officer's letter No. F.10-A/37, dated the 3rd June 1938 Ind. P.F. 87. Bombay Govt. Pol. and Services Deptt. No. 1575/34, dated the 4th June 1938.

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- Rule 4(2) . Rule 7(1) Rule 6(1). In view of the fact that the rules of the General Provident Fund nowhere explicitly provide for crediting of arrears to the Fund and as the existing rules already grant a generous concession in providing for three breaks in the case of an optional subscriber there is no justification for permitting by executive order that these breaks may be ended by payment of arrears in respect of the period for which no subscription was paid. Furthermore, a provident fund exists for the purpose of encouraging thrift through it and is not merely a means for investment (at the convenience of the subscribers) of sums saved otherwise. It follows also that sums once withdrawn from a Provident Fund cannot be repaid to it, unless such repayment is covered strictly by the rules of the Fund.
- Govt. of India Finance Department No. F.22(I). R.II/37 dated 17th June 1937 Ind. No. P.F. 98 case file 337. Govt. of Bombay Political and Reforms Deptt/Resolution No. 1557/34, dated 6th July, 1937. Crown Finance officer's letter No. F. 39 Fed. II/37, dated the 14th July 1937 (Ind. No. P.F. 128).
- Rule 5 . Rule 8 . Rule 7 . As sub-rule (9) of Rule 8 of the General Provident Fund (Central Services) and General Provident Fund (Secretary of States services) Rules give continued validity to the old nominations no longer valid under the new rules, declaration forms under old rules wherein guardians have been nominated to receive payment on behalf of minors remain valid and payment have to be made to such guardians even under the new rules.
- G.I.F.D. letter No. F. 22 (30). R. II/36, dated 5th Feb. 1937 Ind.No. P.F. 770 and Bombay Govt. P. & R. Deptt. No. 1575/34 dated 25th Feb. 1937 (Ind. No. P.F. 820).
- Under Rule 15 of the old General Provident Fund Rules a nomination became invalid on the marriage or remarriage of a subscriber even if such nominations had been made in favour of a member of his family. A declaration made in favour of a member of a subscriber's family and accepted under the old rules would continue to be valid automatically if the subscriber remarries after the new rules came into force. Thus the new set of rules legalises nominations which would have become invalid if the old set of rules had continued.
- G.I.F.D. No. 22(30) R. II/36, dated 17th March 1937 Ind. No. P.F. 837 Bombay Govt. P. & R. Deptt. No. 1575/34-D, dated 2nd April 1937 (Ind. P.F. 7).
2. A declaration with a condition or in favour of legal heirs cannot be accepted. A subscriber who desires to include the money at his credit in his will and does not wish to file a declaration should be informed that the General Provident Fund money will be disposed of in terms of General Provident Fund Rules. In such a case, the necessary note should be taken in a declaration form and kept on the file of declarations for record.
- C.G.'s No. 253-D. dated the 20th April 1910.

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Incomplete declarations should not be accepted and depositors cannot be compelled to submit declarations.

3. The fact that the General Provident Fund Rules exclude a married daughter whose husband is alive from participating in the distribution of the amount at her father's credit in the Fund in the event of her father dying without making any declaration does not debar a subscriber from directing in the form of declaration that the amount should be paid to his married daughter whose husband is alive. R.L.A.'s No. 4159, dated the 29th July 1931—(Ind. No. P.F. 113).
4. It would clearly be beyond all reasons to recognise an anticipatory nomination in favour of a lady, misdescribed as the subscriber's wife when realisation of the anticipation of marriage would automatically have voided the nomination in her favour. Govt. of India, F. D. letter No. F. 19 XI/, R.11/33, dated 24-3/1933 to the Govt. of Bombay Home Deptt. (Ind. P.F. 295 of 1933-34) of the case of G.P. Fund money of the late Mr. J. A. Sleaf, Sergeant, Bombay City Police.
5. A declaration made by a Mohammedan subscriber in favour of his adopted child should not be accepted as adoption is not recognised by Mohammedan law. 1377-L.R. dated the 19th April 1927 referred to in para. 104-A of Assam Manual.
- In cases in which all that is proved is that maintenance has been granted by a Criminal Court to the wife of a subscriber, she should not be considered to have been judicially separated from her husband and nominations, therefore, in favour of persons other than members of the family as defined in rule 2(c) (i) of the Bombay General Provident Fund Rules, should not be accepted. No. 1574/34-D Political and Services Deptt. Bombay dated 6th February 1941 Ind. No. P. F. 415 (case file No. 1-141).
- The expression "person" used in Sub-Rule (3) of Rule 7 of the Bombay General Provident Fund Rules must be construed in the ordinary sense of an individual, *i.e.*, a natural person, a human being and not an artificial person, *e.g.*, a corporation or an institution. No. 1574/34-D Political and Services Department, Bombay, dated the 5th March 1941 (Inward P. F. No. 449).
6. A subscriber to the General Provident Fund cannot create a lien in favour of Government on the sum at his credit in the Fund with a view to substitution of such lien for existing Security deposits. G.I.F.D. No. 1020-P, dated the 25th February 1910.

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			7. It has been decided by Govt. that as the proviso to Rule 7 of the Bombay General Provident Fund Rules, which corresponds to Rule 8 of the G. P. Fund (C.S.) Rules is directory and not mandatory the failure on the part of a subscriber to send a fresh nomination along with a notice cancelling his previous nomination in the prescribed form cannot invalidate the notice.	G.I.F.D. No. F. 20(4). R. II/45 dated 4-5-45 to the Govt. of Bombay P. & S. D. and copy to this office, and P.F. 53 and P. and S. D. No. 1544/34-D dated 1-6-45. (Ind. P.F. 186).
	Rule 9 . Rule 8 .	1. The Accounts of the subscribers to the General Provident Fund should be maintained in whole rupees only. Where the balances of the accounts of such subscribers contain fractions of a rupee for any reason, the fraction should be rounded off to the next higher rupee, subscribers being required to contribute the small additional amount needed for the purpose.		G.I.F.D. No. F. 22 XI.R.II/34, dated the 6th June 1934, Ind. P. F. No. 318; Bombay Govt. Resolution Political and Reforms Deptt. No. 1575/34, dated the 21st June 1937.
Rule 6 .	Rule 10 . Rule 9 .	Vacation when combined with leave should be treated as leave for the purpose of the option to discontinue subscription to the General Provident Fund.		G.I.F.D. No. F. 22 (6). R. II/36, dated 7th May 1936 addressed to the A.G. U. P. (Ind. P.F. 521).
		2. A subscriber who elects to subscribe during leave will have to subscribe at the full rate for the year. He has neither the option of subscribing at a reduced rate during leave on half average pay nor of electing to discontinue subscription during a portion only of one spell of leave. Leave includes both leave with and without salary. If a Government servant elects to subscribe during leave even by his failure to give due and timely intimation he has no other option open to him but to continue to subscribe at full rates during the entire spell of leave taken irrespective of the fact whether a proportion of such leave is leave without allowance or not.		G.I.F.D. No. 762-R. II/36, dated the 14th May 1936. G.I.F.D. letter No. F. 22(8).R.II/36, dated the 23rd May 1936.
		(NOTE.—The above instruction applies fully to compulsory subscribers. In the case of optional subscribers, discontinuance of subscription counts as exercise of one of the options allowed under the rules.)		
		3. In the case of optional subscribers, subscriptions should begin only from the date of joining the Fund if it happens to be the first of a month or from the first of the next calendar month, and payment of subscription from an earlier date, <i>i.e.</i> , with retrospective effect is not allowed.		

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4. If a subscriber under the General Provident Fund 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.
5. A Civilian Government servant when called to Army Service, including employment in the Army in India Reserve of Officers, will continue to subscribe to any Provident Fund or Family Pension Fund of which he was a member in accordance with the rules applicable while he was in civil employment. Subscriptions to the Provident Fund except Indian Civil Service (Non-European Members) Provident Fund will be optional in the case of those who may be employed in military service out of India. While in Military employ subscription to the Fund will be calculated on that portion of the Government servant's total emoluments (as defined in the relevant rules) which he would have drawn had he continued in civil employ.

The Secretary of State has agreed to the application of the same arrangements in the case of Civilian personnel under his rule-making control.

Rule 6(2) Rule 11(1)(b) Rule 10(1)(b)

1. 6½% minimum and 15.5/8% maximum laid down in Sub-Rule (1) of Rule 11 is absolute, and a subscriber whose emoluments are Rs. 100 a month can therefore subscribe any sum in whole rupees between Rs. 7 and Rs. 15 (both inclusive).
2. The amount of subscription originally fixed by a subscriber should not be varied during the course of the 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.
3. Subscription should be calculated on whole rupees of pay, the annas and pices being neglected.
- G.I.F.D. No. F.19(2) R. II/38, dated the 5th August 1938 Ind. P.F. 325. Bombay Govt. Pol. Ser. Deptt. No. 1575/34, dated 22-9-1938 Ind. P. F. 220 Crown Finance Officer's No. F.10-A/37, dated 16th Aug. 1938 (Ind. P.F. 163).
- G.I.F.D. No. F. 22 (16) R. II/39, dated the 30th October 1939 Ind. P.F. 291. No. D. 1668. D/39, dated the 20th Nov. 1939 from the Secretary to His Excellency the Crown Representative (Ind. No. P.F. 392). Bombay Govt. Political and Services Deptt. No. 1575/34, dated the 11th December 1939 (Ind. P.F. 339).
- A.G.'s letter No. 1201 NGE/257-36, dated the 18th August 1936 (Ind. P.F. No. 633).
- G.I.F.D. No. F. 19(4). R. II/38, dated the 10th Sept. 1938 to all Chief Comms. copy communicated with G.I.F.D. No. D/2120-R.II/38, dated the 28th October 1938 (Ind. P.F. 251).
- Crown Finance Officer's No. F. 10-A/37, dated 22-9-1938 Ind. P.F. 209, Bombay Govt. P. & S. Deptt. Resolution No. 1575/34, dated 5-11-1938 Ind. P.F. No. 276 C.G.'s No 1694, dated the 30th Aug. 1916.

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Rule 7	Rule 14	Rule 13	<p>Government of India have decided that the rate of interest during each Financial year shall be the average redemption yield, during five calendar years immediately preceding of all Government of India Rupee Loans with an unexpired term exceeding five years, the average being rounded off to the nearest quarter per cent. In future therefore the rate of interest on deposits and balances at the credit of subscribers to the Provident Funds will be calculated according to the formula early in each calendar year and the rate so determined will be published in the Gazette of India to take effect from the beginning of the following financial year.</p>	<p>G.I.F.D. No. F. 37-V.R.II, dated the 6th December 1930.</p>
			<p>2. The term existing subscribers appearing in the proviso below 14(1) should be interpreted to mean the persons in whose case the following processes were completed before 1st April 1938. The beginning of the year for which the rate of interest was fixed at a figure below 4 per cent:—</p>	<p>G.I.F.D. No. F. 30(2) R.II/38, dated the 26th August 1938 to the Auditor General. Ind. P.F. 193 and G. I.F.D. No. F. 30(2). R. II/38, dated the 15th July 1939 (Ind. P.F. 169).</p>
			<ol style="list-style-type: none"> 1. Submission of application for admission. 2. Acceptance of the application. 3. Allotment to him/her of an account number. 4. Deduction of subscription from his/her pay bill and crediting the amount to his/her ledger account in the fund. 	<p>Bombay Government Political and Services Department No. 1575/34-D, dated the 15th September 1939 (Ind. P.F. 228).</p>
			<p>This does not, however, apply to compulsory subscribers who are required to join the General Provident Fund from a date prior to 1st April 1938 and from whom arrear subscriptions are recovered. They should be regarded as entitled to the protected rate of interest of 4 per cent. under the proviso to 14(1).</p>	
			<p>3. In the case of those Funds, the rules of which prescribe a rate of interest for the time being allowed or prescribed in the case of the General Provident Fund [e.g., the I.C.S. Provident Fund, the Contributory Provident Fund (India) etc.] the rate of interest applicable to all subscribers is that determined by the Govt. of India. The protected rate of interest of 4 per cent. applicable to those who have been subscribers to the General Provident Fund from a date prior to 1st April 1938 does not apply to similar subscribers to these funds.</p>	

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4. The provisions of Rule 11(4) of G.P. Fund (Central Services) Rules do not confer upon the subscriber a right to receive interest on his deposits upto the end of the sixth month after the month of retirement. The Accounts Officer should therefore authorise final refund as early as possible, after he has received intimation of the date of retirement, and inform the subscribers, if necessary, that they must accept payment when it is tendered and that no interest will be allowed thereafter.

G.I.F.D. No. D. 3473-R. II, dated the 1st December 1931 to the A.G.P.T.

In the cases however in which final refunds of deposits in the various Provident Funds have been authorised to the subscriber and it is reported that the subscriber expired on or before the date of authorisation interest should be allowed upto the end of the month preceding that in which the payment of the Fund deposits is offered to the nominee, his agent or heir of the deceased subscriber subject to the maximum period of six months.

Political and Services Deptt., Bombay, letter No. 1575/34-D, dated 6-1-45 (Ind. No. P.F. 429) issued in consultation with the Govt. of India.

5. The subscribers to the several Provident Funds who are on active service outside India with India Govt. forces on the date on which payment of their Provident Fund assets is tendered should be given a reasonable time within which to intimate their wishes regarding the disposal of their Provident Fund assets. Interest will be allowed to them beyond the date on which payment is tendered upto the expiry of the period so allowed. The authority competent to allow this period will be President, the Govt. of India or the Govt. of Bombay according as the officer is a subscriber to the Secretary of States Services Provident Fund, Central Govt. Provident Fund or a Provident Fund of the Govt. of Bombay. Any cases in which such time has to be allowed should be referred to the G.I.F.D. or Govt. of Bombay P. & S. Deptts. as the case may be.

Govt. of India, Finance Deptt. No. F.22 (5)-R. II/44, dated 1-5-44.

Rule 14 . Advances.

- (i) The Assistant Commissioners of Income-tax are principal District officers in the Income-tax Department for the purpose of Article 159 (a) of the Civil Account Code, Vol. I. They will thus be competent to grant ordinary advances from the General Provident Fund to Gazetted Officers under their control.

G.I.F.D. (Central Revenues) No. 244-I.T./36, dated the 29th June 1936.

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- (ii) The Educational Inspectors of Divisions are authorised to sanction ordinary advances under Rule 14 of the Bombay General Provident Fund Rules, to School Board employees other than Administrative Officers. Bombay Govt. Pol. & Services Deptt. No. 1575/34, dated the 25th August 1938 (Ind. P.F. 176).
- (iii) The word "dependent" used in Appendix 'B' to the General Provident Fund (Central Services) Rules means "any person actually dependent upon a subscriber". This term is not restricted to the relations defined as dependents in the Provident Fund Act. G.I.F.D. No. U.O.I. No. 1295 R. II dated 19th August 1935 (para. 12 A.G.C.R.'s Manual).
- (iv) Advances can be granted from the General Provident Fund to subscribers who have discontinued subscriptions to the General Provident Fund. G.I.F.D. No. 1762-F.E. of 29-8-1922, and No. D. 2505-R. II of 26-8-1931 (Ind. P.F. No. 145).
- (v) Applications for grant of advances from the General Provident Fund under Rule 15(1)(c)(i) and (ii) of the General Provident Fund (Central Services) Rules read with proviso to rule 2 of the Sixth Schedule thereto, which require the sanction of the Comptroller and Auditor General should not be withheld but forwarded to him with a favourable or adverse recommendation as the case may be.
- (vi) Expenses incurred in connection, with the marriage of an European, Anglo-Indian or Indian Christian subscriber or of any person dependent on him are not obligatory expenses within the meaning of the rule governing advances, from the G.P. Fund and no advance should be sanctioned from the Fund to pay such expenses. G.I.F.D. No. F. 18 (14). R. II/40 of 5-7-1940 Ind. P.F. 147 (case file of Mr. E.T. Form of the Salt. Deptt.) Bombay Govt. Pol. & Ser. deptt. circular Memo No. 1575/34, dated 15th August 1940.
- (vii) The expression "amount already advanced" in rule 15(1)(c)(ii) should be taken as referring to the first advance that may be granted not exceeding two-thirds of the amount admissible under clause (c)(i). Thus, under clause (c)(ii), if a subscriber who had already been granted an advance not exceeding two-thirds of the amount admissible under clause (c)(i) applies for a second advance (not exceeding the limit specified in that clause) within twelve months of the final repayment of the first advance or while it is still current, the authority who sanctioned the first advance will be competent to sanction the second advance without reference to competent authority. It is possible that the sum of the two advances may

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not exceed two-thirds of the amount admissible under clause (c)(i) and that the individual subscriber may apply for a third advance within twelve months of the final repayment of the two previous advances or while one or both of them is still current. In such a case, it would be necessary for the original sanctioning authority to seek the sanction of the next higher administrative authority to the grant of the third advance. The expression "amount already advanced" in rule 12(c) of C.P. Fund Rules should be similarly interpreted.

(viii) The period of 12 months after the final repayment of all previous advances together with interest referred to in Rule 15(i) (c)(ii) of the G.P. Fund (Central Services) Rules should be counted from month to month and not from date to date. The same method should also be followed in counting the period of twelve months mentioned in Rule 12(c) of the Contributory Provident Fund Rules.

G. of I. M. of F. (Deptt. of Economic Affairs) No. D-1792. F. II/52, dated 15-4-52 [Case of Shree G. G. Sirpotar—a clerk in the Bombay Mint—(Ind. F. I.23)]. Govt. of Bombay, Pr. S. Deptt., Circular No. 1575/34, dated 16-6-1952.

(ix) The limit of two-thirds of the amount admissible under sub-rule (c)(i) of rule 15(1) of the General Provident Fund (Central Services) Rules has reference to the amount admissible at the time of grant of the first advance and not the second.

Ar. Genl.'s letter No. 999-NGE/246-41 dated 30-6-1941 to the A.G. Posts & Telegraphs and copy to this office and G.R.P. & S. No. 1575, dated 4-8-41.

(x) As the methods laid down in para. 7(f) and (g) in Appendix C to the Bombay G. P. Fund Rules determine the earnings of a person (whose monthly pay fluctuates) on the basis of which his subscription to the Fund is fixed, those earnings may be considered as the standard monthly pay of such a person. The three months' pay of a person paid at piece work rates will, therefore, be three times the earnings of March of the preceding financial year.

Govt. of Bombay Pol. & Services Deptt. No. 1638/34-D, dated 21-6-1940 (Ind. No. P. F. 4766).

An advance from the General Provident Fund to meet incidental expenses in connection with passage overseas is not permissible when the cost of passage itself can be met from the balance at credit in the passage account.

G.I.F.D. letter No. F. 18(8).R.II/36 of 28-9-36 in the case of the advance granted to Mr. R. S. Flynn of the Mercantile Marine Deptt. Bombay Ind. No. (P. F. 670 case file No. 343).

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Accountant General Mr. Tenant's interpretation of the above :—

“Passage overseas” is used in a non-technical sense in these administrative instructions. The cost of tickets must be the main ingredient but reasonable incidental expenses *en route* may be included therewith in the sum advanced and 20% of the cost of the tickets should be the working limit of incidentals. But if there is a passage balance sufficient to pay for the ticket no incidentals may be advanced.

(xi) An advance from the General Provident Fund to meet the expenses of the normal delivery of a subscriber's wife is not admissible.

Bombay Govt. Pol. & Services Deptt. No. 1575/34-D of 13-8-1940 (P.F. Ind. No. 197) (case file 416).

(xii) For the purpose of grant of advance under rule 15(1)(a)(iii) of the General Provident Fund (Central Services) Rules, if the ceremony, which involves the expenses, is incumbent on the subscriber to perform in virtue of his religion, it matters not whether a direct descendant or a collateral is the object of the expenditure and the question of financial dependence does not enter into it.

Govt. of India, Finance Deptt. U. O. No. 784. R. II/41, dated 9-5-1941 to the Auditor General copy received with the Ar. Genl.'s U.O. 1 No. 1050-NGE/160-41, dated 11-7-41.

(xiii) The Government of India have decided in consultation with the Comptroller and Auditor General of India that in the case of a subscriber who applies for a temporary advance from G. P. Fund while he is under suspension and draws a subsistence grant instead of pay, the pay of the subscriber should be taken to be the pay which he was drawing immediately before he was placed under suspension. This decision will apply also to subscribers to the Con. Provident Fund (India).

Govt. of India Ministry of Finance No. F. 21(7).E.V./48 dated 1-7-48 (Ind. F. I. 75) and No. F. 22(E).V./49, dated 31-1-1949 (Ind. F.I. 216).

Govt. of Bombay Political and Services Deptt. No. 1575/34, dated 19-11-48 (Ind. F.I. 186).

(xiv) “The Auditor General has at the instance of Government of India, Finance Department, decided not to relax the three months' pay limit prescribed for the grant of the advances from the General Provident Fund even in the case of advances required to meet expenses on the marriage of daughters of subscribers including *Hindu subscribers*. Recommendations for the relaxation of the normal maximum should not be made to him save in the most exceptional circumstances.

Auditor General's letter No. 2125/NGE/27-42, dated 26-11-1942 (Ind. P.F.I-413).

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(xv) It has been decided in consultation with the Accountant General, Bombay, that the authority competent to sanction a temporary advance (ordinary or special as the case may be) from the Bombay General Provident Fund or the Contributory Provident Fund (Bombay) to a subscriber in civil employ is also competent to sanction the advance while the subscriber is on deputation to the Military Department.

Government of Bombay, Political and Services Department circular Memorandum No. 1575/34, dated 24-4-1944.

(xvi) The Comptroller and Auditor General has decided in consultation with the Govt. 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 unreasonably long after the event to which the application for the advance relates.

Ar. Genl.'s letter No. 3146-NGE. II/KW. 73-49, dated 28-9-49 addressed to the Accountant General, Madras, received under Ar. Genl.'s endorsement No. 3252-NGE II/KW-73-49, dated 18-10-1949 (Ind. Estt. 447).

(xvii) On a literal interpretation of para. 1 of the sixth schedule to the General Provident Fund (C.S.) Rules an authority competent to sanction an advance of pay to himself on transfer is also competent to sanction in his own favour an advance from the General Provident Fund, for the grant of which special reasons are not required but such an interpretation is not in accordance with the real intention of the rules which is to ensure a strict and independent consideration of cases. The Government of India have accordingly decided that the authority competent to sanction an advance from the General Provident Fund for the grant of which special reasons are not required to an officer who is competent to sanction an advance of pay to himself on transfer, will be the next higher administrative authority to the officer similarly the authority competent to sanction an advance for the grant of which special reasons are required to an officer competent to sanction an advance of pay to himself on transfer will be authority next higher to that which can sanction an advance to such an officer for the grant of which special reasons are not required.

Government of India, Finance Department No. F. 18(5)R. II/42, dated 23-3-1942 (Ind. No. P. F. 537) and the Secretary to his Excellency the Crown Representative No. F. 4-A/42, dated 31-3-1942 (Ind. P.F. 7).

These orders apply in the case of the Contributory Provident Fund (India) and also in the case of subscribers under the rule making control of the Crown Representative of the Government of India Act, 1935, would have remained under the rule making control of the Secretary of State.

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- Rule 16 . Rule 15 . (1) The expression "Recovery of an advance of pay" appearing in rule 16(2) of the G.P. Fund (Central Services) Rules includes any ordinary advance of pay granted under the relevant rules, but does not include advances for building or repair of a house, for the purchase of a conveyance or for the payment of passage overseas, which are of a different nature.
- (2) Vacation combined with leave should be treated as leave also for the purpose of repayment of an advance.
- (3) In case the period of repayment is prolonged interest should be calculated for the actual number of months, broken or complete, from the date of the drawal of the advance to the date of its payment, 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 purposes of calculating interest as the advance has been completely repaid but if the instalment is paid on or after the 5th of the month, the last month of repayment should be taken into account in calculating interest under rule 14(3) of the Rules.
- (4) Interest in accordance with Rule 16(4) of the General Provident Fund Rules is to be paid on the amount of original advance for the number of months in which it is recovered and not on the balance outstanding at the end of each month after deduction of the monthly repayments.
- (5) An instalment 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.
- (6) An officer who is on temporary military employ in India is not exempted from repayment by usual instalments of the amount advanced to him from his deposits in the General Provident Fund but in the event of his proceeding on service out of India, the recovery may be postponed until his return to duty in India.
- G.I.F.D. No. F. 18-VIII-R-II/34 dated the 6th August 1934 (Ind. P.F. 417).
- G.I.F.D. letter No. F. 22(2) R. II/37 of 18-1-1937 and Bombay Govt. G.R.P. & R. Deptt. No. 1575/34, dated 1-3-1937.
- Auditor General's letter No. 1558-NGE 458/32, dated 29th November 1934 to the address of the Audit Officer, Indian Stores Deptt. (Ind. P.F. 588).
- Auditor General's No. 801 - NGE/438 - 32, dated 6th July 1934.
- G.I.F.D. No. F. 33 (26)-R. II/36 of 3-12-1936 (Ind. No. P. F. 752).
- Bombay Govt. Resolution, F. D. No. 497/33, of 5-1-1937 (Ind. P.F. 788).
- C. G.'s endorsement No. 1054-E-323-16 of 19th May 1916.

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Rule 11	Rule 18.	Rule 17.	The period for which the difference referred to in this rule should be calculated for the purpose of effecting the recovery should be one financial year and any amount of subscriptions to a family pension fund or payments towards a policy of life insurance in excess of the minimum amount of subscriptions payable into the G. P. Fund in any financial year should not be set off against any difference payable under the rule in respect of any other financial year.	G.I.F.D. letter No. F. 21(5).R.II.,c3 dated 18th March, 1936 to the A.G.C.R. (Ind. P.F. 438).
Rule 10	Rule 19.	Rule 18.	(1) 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 Account Officer making the necessary adjustment through the pay bill; and In a case where the monthly premium on Postal Life Insurance is not wholly covered by the amount of monthly subscriptions to the Fund, the balance of the premium may at the request of the subscriber, be adjusted monthly by the Account Officer against the accumulation in the Fund through the bill. 2. The actual procedure in such cases should be as follows :— (i) If the subscription to the G.P. Fund be more than the amount of monthly premium— Rs. Say G.P. Fund 50 and Postal Life Insurance 40 Column 9 of the (Establishment) Pay bill will show— Rs. 50 as monthly subscription— 40 deduction on account of Postal—Life Insurance. 10 Net amount to be credited to the G. P. Fund. (ii) If the subscription to the Fund be less than the amount of the monthly premium— Rs. Say G. P. Fund 30 and deduction on account of P.L.I. 45 Column 9 of the (Establishment) Pay bill will show— Rs. 30 as monthly subscription. 45 deduction on account of Postal—Life Insurance. 15 Net amount to be debited to the General Provident Fund.	Letter No. T. 1109—NGE/235/33, dated 7th September 1933, from the Auditor General of India, Simla, to All Civil Accountants General, Comptrollers, Assam and North Western Frontier Province, and Deputy Accountant General, Central Revenues Calcutta.

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Similar information should also be given in the General Provident Fund schedules.

In the Gazetted Officers' pay bills, the information should be given in the same manner.

3. In cases falling under paragraph 1(2) 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.

Rule 19
(3).

Rule 18
(3).

Withdrawals from the G. P. Fund in respect of insurance policies which come within the ambit of section 6 of the Married Women's Property Act, 1874 (as amended in 1923), prior to the 27th May 1930 and withdrawals made by subscribers who are (or were) members of the Secretary of States' Services from 27th May 1930 to the date on which the revised G.P. Fund Rules for those services come into force are validated.

G.I.F.D. letter No. F. No. 21-V.R. II/34, dated the 18th May 1934 (Ind. P.F. 383).

The Government of Bombay also validated the irregular withdrawals of the above nature in respect of subscribers to the G. P. Fund under their rule making control from 27th May 1930 to the date on which the G. P. Fund (Bombay Civil Service) Rules come into force.

G.R.F.D. No. 1008/3, dated the 3rd July 1934 (Ind. P.F. 414).

Rule 12 . Rule 20 . Rule 19 .

- (1) A policy effected by a subscriber on his wife's life and assigned by her to him should not be accepted as it is not a policy on his own life as required by the Rules.

G.I.F.D. No. 2775-R. II, dated the 14th Sept. 1931.

- (2) There is no objection to the acceptance of 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 premiums paid on the policy plus whatever profit may have been declared in the mean time.

G.I.F.D. No. F. 21-XXIV-R. II/34, dated 2nd August 1931.

- (3) A policy effected on a bachelor subscriber's own life and assigned in favour of the subscriber's father should not be accepted. Such policies should not also be accepted provisionally pending the marriage of the subscriber, and the father should not, in such cases, be permitted to join in assignment in favour of Government by suitably amending Form (3)

G.I.F.D. No. F. 21-(12). R. II/36, dated the 20th June 1936.

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of the Third Schedule to the G.P. Fund (Central Services) Rules, as such a joint assignment is only permissible in the case of the wife. It is, however, open to a subscriber to obtain a reassignment from his father or cancel the existing assignment. The policy would then be acceptable provided there is nothing in the policy to make it otherwise unacceptable.

(4) A policy assigned to minor sons under the guardianship of the mother (wife of the assured) cannot be accepted even on the joint assignment by the subscriber and the mother as guardian of the minors. The Government of India decided that no form of assignment can be devised to enable the mother to sign away the interests of the minor to whom the policy in question had been assigned. She is not competent to do so, except on proof of necessity or of benefit of the minor. For that, only an order of the competent court would suffice.

G.I.F.D. No. F. 21-
XXXVI-R. II/34,
dated 9th January
1935.

(5) A policy cannot be rejected merely because (1) there is a difference between the amounts payable at maturity and at prior death or because (2) the assured is unable to say what amount precisely will be payable at maturity or because (3) insurance company did not require that the assured should be medically examined or because (4) the amount withdrawn goes to meet premium due on more than one policy if each policy is otherwise acceptable. If any feature of an insurance policy comes to notice which is not covered by the Fund Rules or by the instructions which have been issued from time to time but which gives rise to a definite doubt as to the acceptability of the policy the matter should be reported to the Government before the policy is rejected.

G.I.F.D. No. D. 2724
R. II, dated the 213
September 1931 (P
F. 168).

(6) The amount of premium payable for a single payment life policy referred to in sub-rule 21(IV) of the G.P. Fund Rules should represent 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 a view to depositing it with an Insurance Company so that the company may draw on it periodically to meet premiums as they become due. This interpretation applies also to withdrawals from the Indian Civil Service Provident Fund and the Contributory Provident Fund (India).

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In the circumstances, where the Insurance Company in consideration of having received the amount of premiums in advance, allows discount on the premium paid, and in the event of the policyholders' death before all the premiums paid in advance, fall due, pays the balance of the premiums paid in advance, together with the sum due on the policy, a subscriber to the Provident Fund may be permitted to withdraw an amount from his deposits for the payment of advance premium, provided the Account Officer is satisfied that the amount withdrawn for the purpose does not exceed the discounted cost of the premiums so paid.

G.I.F.D. letter No. F. 21-VIII-R. II-34, dated the 7th April 1934 (Ind. P.F.312).

Rule 21 . Rule 20 .

(1) The Government of India are advised that even though the policy be assigned to the Secretary of State as security for the payment of all sums which the subscriber may become liable to pay to the Fund, its proceeds cannot be considered for the purpose of the Provident Funds Act either as compulsory deposits or as sums standing to the credit of a subscriber to, or depositors in the Fund. Consequently neither when the subscriber is alive and in service, nor in the event of his death during service, is the policy secured from attachment under any decree or order of a competent court, or freed from any liability incurred by him and the intention of the Provident Fund Act in securing provision for a subscriber's dependents on his death if he dies during service is vitiated by the substitution of payments towards insurance policies for subscriptions to the Fund being permitted.

G.I.F.D. No. 1169-F. E., dated 28th July 1919.

(2) It is sometimes provided in the endowment insurance policies that an optional method of settlement at maturity is for the assured to have the proceeds of the policy on deposit with the insurance company at interest until he wishes to draw the money. The procedure which must be followed with a policy financed in whole or part by withdrawals from Provident Funds matures before the subscriber quits the service is prescribed in Rule 21(v)(a) and (vi) of the G.P. Fund Rules, Rule 15(3) of the I.C.S. P.F. Rules and Rule 21 of the Contributory Provident Fund Rules (India) and a subscriber cannot be permitted to leave the proceeds of his insurance policy at maturity with the insurance company.

G.I.F.D. No. D. 2633-R. II, dated the 8th Sept. 1931 (PF. 154).

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In future every subscriber who proposes to use his Fund deposits for insurance should be warned that while a policy in which the option referred to occurs will be accepted, the subscriber will not be permitted to exercise that option if the policy matures before he quits the service.

(3) As assignment has no value unless it is recognised by the insurance company and Government is in a position to recover the value of the policy under the G.P. Fund Rules. It is therefore necessary to conform to the rules and requirements of the Insurance Company and to have the policies registered in their offices or to send them notice of registration as they may require. The onus of registration should be thrown on the subscriber who should comply with all formalities before depositing his policy with Government.

G.G.'s No. 2027-E/
164-13, dated the
26th September 1913:
—(Case file 18).

(4) A policy of insurance in which the interest of the wife of the assured subscriber is contingent upon the assured not living up to the date of maturity of the policy, is not a policy affected by section 6 of the Married Women's Property Act, 1874, and cannot be merely taken as deposit. Such a Policy should be assigned to the Secretary of State for India in Council by the Subscriber alone the wife or children even if mentioned as beneficiary in the policy should not be made parties to such assignments.

G.I.F.D. No. F. 21
(11).R.II/35, dated
20th June 1935. In-
ward No. P.F. 701
and Bombay High
Court Judgment,
dated 9th August
1933, in the case of
Dinbai Hormaji
Mirapurwala Bham-
ancha Jamssetji Shah.

(5) In a policy assigned to Government the substitution of the name of another beneficiary on the death of a former beneficiary with a contingent interest in the policy is an interference with the terms of the policy and is not permissible.

G I F.D. No. D/1660-
R. II, dated 16th
June 1932.

(6) When a fee is demanded by an Insurance Company for the acknowledgment of the notice of assignment it should be paid by the subscriber, and the fact of its payment reported by the subscriber to Government in forwarding the company's acknowledgment of the receipt of notice of assignment.

G.I.F.D. No. F. 20-
XXXIV-R. II/32,
dated the 17th
December 1932 (P.F.
207).

(7) All Provident Fund Rules, whether applicable to the services under the Secretary of State, the Governor General in Council or Provincial Government require that assurance policies shall be assigned to the Secretary of State in Council. That authority has disappeared from 1st April 1937 as a statutory authority for the purpose of executing contracts on behalf of the various Governments in

G.I.F.D. No. F. 21(13)
R. II/37, dated the
1st Sept. 1937 (Ind.
P.F. 1877).

Bombay Govt. F. D.
No. 497/33/14951-F.,
dated 24th April
1936.

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India. As regards assignments existing on that date, section (177) of the Government of India Act, 1935, applies and instruments of assignments should be constructed as if the policy were assigned to the Governor General in Council or to the Governor of the Province, as the case may be. As regards future assignments the policies are to be assigned to the Governor General in Council or the Governor of the Province, as the case may be.

G.I.F.D. No. F. 21 (15).R.II/36, dated 27th October 1936.

G.I.F.D. No. F. 21 (15).R.II/36, dated 10th July 1936 (Ind. No. P.F. 601).

(8) A person who has taken out a policy of life assurance may find after payment of premium for a certain number of years that he is unable to continue further payments. In such an event he may convert the policy into an extended term policy in terms and conditions allowed by the company and generally laid down at the back of the policy. The features peculiar to an extended term policy are:—

- (i) that the assured is covered for a specified period beyond the date from which he ceases to pay premium,
- (ii) that the company foregoes all future premia on the 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.

Conversion of a policy of life insurance into an extended term policy should not be permitted.

(9) Insurance policies issued by certain Assurance Companies on the Term Assurance scheme which have among others the following peculiar features should not be accepted under the Provident Fund Rules:—

G.I.F.D. No. 21(20) R. II/36, dated 29-4-1937 Bombay Govt. P.&R. Deptt. Memo. No. 1575/34, dated 21st May 1937.

- (1) If the assured dies within the specified period assurance money becomes payable, but if he outlives that period no payment is made.
- (2) No surrender value is allowed at any time.

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- (3) The policyholder 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 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.

The above terms partake in essential of the features of the extended term policies.

- (10) Procedure to be followed in the case of conversion of a policy financed from the General Provident Fund into a paid-up policy or surrender of a policy.

When a subscriber proposes to convert a policy which has been assigned to the Governor General in Council/Government of the Province into a paid-up policy, it should 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, acting on behalf of the Governor General in Council/Governor hereby reassign upto the within policy of assurance.”

The new policy should be assigned to the Governor General in Council or the Governor of the Province as the case may be and handed over to the Accounts Officer.

If the Company proposes to convert the policy into a paid-up one by means of an endorsement thereon to that effect, the policy should either be handed over 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

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Policy, a memorandum may be required to be endorsed and signed by the Accounts Officer as well as by the subscriber acknowledging the altered position.

2. 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 in 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 the Fund for premium payments, not including interest, the subscriber should forthwith be required to pay the difference into the Fund. Any profits stated by the Company to have accrued on 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.

3. As regards the assigned policies, which a subscriber wants to surrender, the policy may be reassigned to the subscriber for the purpose of the surrender on the condition that he pays the surrender value of the policy into the 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 premia not been paid out of it.

G.I.F.D. No. F.21(3)-
R. II/36 dated
30-6-1936 and Bom-
bay Govt. G.R.F.
D. No. 497/33, dated
19-10-36.

4. In cases both of paid-up and surrendered policies in which it is considered that the recovery in a single instalment of the difference to be paid into the Fund account will cause hardship to the individual concerned, recovery should be effected in such number of instalments not exceeding 24, as the Head of the Department, may, with the concurrence of the Accounts Officer, decide. If the recovery is made in instalments, 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 this period in the case of surrendered policies.

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(11) The procedure prescribed in para. 10 above does not apply to cases where one policy is being replaced by another. These orders were designed to cover cases for final surrender of policies and not of exchange of policies. 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 on the following conditions:—

G.I.F.D. No. F. 21(7)-R.II/37, dated 22nd April 1937.

G.I.F.D. No. 21(11). R. II/37, dated 17th June 1937.

G.I.F.D. No. F. 21(7).R.II/37, dated 24th July 1937.

(1) The total amount of insurance cover of the new policy and the paid up assurance amount of the old policy be the same or more than the amount of insurance given by the old policy.

Crown Finance Officer's No. F. 10-A/57, dated the 14th July 1937.

(2) The premium in respect of the new policy should not be more than the premium paid in respect of the old policy.

(3) The new policy should mature within the same year as the old policy.

(4) The new policy should be in force on the date on which the original policy is surrendered.

2. This replacement, however, contemplates the surrender of a policy and substitution of a better policy in another office. In many cases in which it is to the advantage of a policyholder 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 premiums paid prior to discontinuance of further premiums. 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 policyholder holds insurance in two offices partly in the old and partly in the new office. It has therefore been 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 premiums thereunder the first of the conditions referred to in para. 1 above should be regarded as satisfied.

Crown Finance Officer's No. F. 10-A/37, dated the 11th August 1937 (Ind. P.F. 152).

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(12) If an employee who withdrew money from his G.P. Fund deposits for payment of premia on his policy but failed to assign the policy to the Governor General in Council in time and who has consequently been ordered to refund the amount withdrawn from the G. P. Fund subsequently assigns the policy to the Governor General in Council, further recoveries might be stopped but no refund of the amounts already recovered should be allowed.

G.I.F.D. No. F. 18(1)
R. II/40, dated the
14th February 1940
(Ind. P.F. 423).

(13) The assignment in joint tenant form may be made in the case of whole life policies also. Even though the wording of the existing joint tenant form of assignment may not be quite suitable for whole life policies, nevertheless the adoption of that form in the case of such policies would achieve the main object in view, namely, reassignment of the policy in the event of the assured's death in service to his widow, without the observance of any legal formalities. The Government of India therefore consider it unnecessary to prescribe a separate joint tenant form of assignment for whole life policies. It is also unnecessary that a prior assignment in favour of the wife should exist.

G.I.F.D. No. F. 21(7).
R. II/39, dated
20-12-39.

G.I.F.D. endt. No. F.
21(7). R. II-39,
dated 11-4-1940
(Ind. No. P.F. 298.)

The second assignment in the joint tenant form may bear the same date as the first assignment. The joint tenant assignment should be made first thus securing for the wife an interest in the policy before the assignment in favour of Government is made.

G.I.F.D. No. F. 21(7).
R. II/39, dated
20-12-1939.

There is no objection to a subscriber mentioning a member of his family other than his wife, *e.g.*, his son or daughter as joint tenant in the joint tenants assignment form provided the son or daughter has attained his/her legal majority.

G.I.F.D. No. F. 21(5).
R. II/39, dated
9-8-1939 to the Dy.
Secretary to the
Govt. of Madras
Finance Deptt. re-
ceived with Govt. of
India F.D. No. F.
21(1). R. II/41,
dated 8-7-1942 (Ind.
P.F. 1518).

(NOTE. —The joint tenants may be more than one.)

Rule 14 . Rule 22 . Rule 21 . Some of the life insurance companies offer their policyholders four options in respect of bonuses declared on life assurance policies :—

- (1) Purchase of paid-up addition to the sum assured.
- (2) Reduction of future premia.
- (3) Cash payment of bonus.
- (4) Deposit of cash value of the accrued bonuses with the company to accumulate at interest.

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			<p>Of the above, dividend option No. 1—Purchase of paid-up addition to the sum assured and No. 2—Reduction of future premia are unobjectionable from the point of view of the Fund account, since option No. 1 effects an increase in the benefits under the policy and option No. 2 effects a reduction in the fund to be withdrawn from the account in the fund to meet the premia on the policy. Option 3—cash payment of bonus is prohibited under the General Provident Fund Rules and option No. 4—deposits of cash value of the accrued bonuses with company to accumulate at interest is objectionable as the accumulated amount remains a debt due from the Company which is not covered by the assignment of the policy and is therefore liable to be attached by creditors. Subscribers can only be allowed to avail themselves of options Nos. (1) and (2) in respect of dividends on their policies.</p>	<p>G.I.F.D. letter No. F. 21(10)-R. II/36, dated 22nd May 1936 addressed to the A.G.C.R. Ind. P.F. 528.</p>
			<p>2. In view of the provisions of Rule 21(iv) of the G.P. Fund rules no recoveries need be made from the subscriber so long as he receives nothing from the Insurance Company in the event of its going into liquidation.</p>	<p>G.I.F.D. No. D.6031-R. II.29, dated the 5th October 1929 Assam Manual.</p>
			<p>(3) In regard to the policies of a sole beneficiary type financed from the General Provident Fund maturing before the subscriber quits service, there is no obligation under the rules on the subscriber's part to restore the amounts withdrawn to his account in the Fund.</p>	<p>G.I.F.D. No. F. 22-XXXI-R. II/34-dated 29th Nov. 1934.</p>
Rule 15	Rule 23	Rule 22	<p>(1) The Secretary of State for India in Council has disappeared from the 1st April 1937 as a statutory authority for the purpose of executing contracts on behalf of the various Governments in India. As regards assignments existing on that date section 177 of the Govt. of India Act, 1935, applies and instruments of assignment should be construed as if the policy were assigned to the Governor General in Council or to the Governor of a Province as the case may be. Regarding constitutional changes as on 26-11-1949 in this connection Art. 299(1) of the Constitution of India should be referred (<i>vide</i> Comptr. and Auditor Genl.'s No. 5-Reforms/13-30 dated 6-4-50).</p>	<p>G.I.F.D. letter No. F. 21(13). R. II/37, dated 1-9-1937.</p>

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- (2) The reassignment of Insurance Policies in accordance with the rules regulating the General Provident Fund should be signed by the Accounts Officer himself and not by any other subordinate officer on his behalf. Please see decision under Rule 2 (1) (a). Ar. Genl.'s No. 2884 E/1145/23, dated the 23rd June 1924 (Ind. P. F. 63).
- (3) The Accountant General, Bombay, is empowered to note instruments relating to the reassignment of insurance policies which are assigned to Governor General in council and to Governor of Bombay in accordance with the rules relating to the G. P. Funds. G.I.H.D. Note. No. F. 10/1/36-Judicial, dated 23-8-1937 and Bombay Govt. G. R. H. D. No. 5940/3-II, dated the 1st April 1937.
- (4) The Provident Fund Rules allow re-assignment to the subscriber of his policy on his refunding any advance taken from the Fund for the purpose of paying premia thereon with full interest. G.I.F.D. No. D.1062-F.E., dated 22nd July 1925.

There is no objection to the refund being made in instalments instead of in one lump sum.

- (5) Joint assignment of policies by the assured and the assignee made in Form (2) of the third Schedule to the G. P. Fund (Central Service) Rules before Form (3) was introduced may remain unaltered as Govt. interests are fully secured under that form of assignment. There is also no objection to assignments made subsequent to 26th September 1935 in that form which have already been accepted remaining unaltered. G.I.F.D. No. F. 21(1) R.II/36, dated 21st January 1936 Govt. of Bombay F. D. Memo. No. 497/33-F, dated 17th February 1936.
- (6) In the cases of Insurance policies which come within the scope of section 6 of the Married Women's Property Act, which were assigned to the Secretary of State in Council, before the order of Govt. in Finance Department were issued in their letter No. D. 4318-R. II/32, dated the 22nd June 1933, the following procedure may be adopted :—

When time comes to release the above policies which have an assignment endorsed on it in favour of Secretary of State in Council, the Accounts Officer, should execute a formal reassignment in favour of the assured or if the policy has been jointly assigned by the assured and his wife in favour of the Secretary of State in Council, then in favour of both and make it over to the assured.

No. F. 21-III R.II-34, dated the 3rd April 1934 of Govt. of India, F. D. (Ind. P. F. 290).

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Where the subscriber, while in service, desires that his policy should be re-assigned, it should be so done, but the policy should be kept "on deposit" until due for release in the ordinary course. In the event of the death of the subscriber, it should be re-assigned to the beneficiary mentioned in the policy or otherwise to the persons entitled to claim the policy moneys.

- (7) The procedure of handing over policies under paragraph 13 of "Memorandum explanatory of Government Provident Fund Rules *vis-a-vis* the law on the subject" without a formal deed of reassignment and without insisting on a succession certificate should normally be followed in all cases provided the amount of the policy does not exceed Rs. 5,000. If in any case the sum insured exceeds that figure the order of the Government should be taken.

G.I.F.D. No. F. 21(3)
R. II/39 of 7-6-1939
Bombay Govt. P.&S.
Deptt. No. 1575/34-
D, dated 17-7-1939.

- (8) Policies which are assigned to Government in respect of which no withdrawals have been made from the fund should be assigned in the simple form of reassignment given below:—

A.G.'s orders,
dated 24-4-44 (case
No. 179).

The President

The Governor of Bombay doth
hereby reassign the policy said
AB/AB & CD.

- "(a) Insurance Policies to be sent out of the office should be sent under Registered Cover Insured for Rs. 100 with Acknowledgment due.

G. Narayanaswamy,
Assistant Accountant
General.

Rule 13 . Rule 26 . Rule 25 . Rule 26 contemplates assignments subsequent to an assignment in favour of the Government, and in any case when a subsequent assignment comes to the notice of Accounts Officer, he should take action under that rule despite the provisions of the Transfer or Property Act. Before taking such action, the Accounts Officer should endeavour to get his information corroborated by the insurance company. If in any case he is unable to make absolutely certain of the facts but is satisfied that a strong *prima facie* exists, the matter should be reported to Government for consideration with reference to the particular circumstances of the case.

G.I.F.D. No. F.21
XXXI-R. II/34,
dated the 6th
October 1934 (Ind.
P.F. 536).

Rule 21 . Rule 29 . Rule 28 . (1) A subscriber cannot be considered to quit service finally when he resigns service under one Government to accept an appointment under another Government or when he transfers his service from one branch of Government to another. In such cases, he is not entitled to the return

G.I.F.D. No. 1009-
F.E., dated the 11th
May 1923. Ind. P.F.
56 and No. D. 3677-
F.E., dated the 4th
January 1926. (Ind
P.F. 185s.) (Case
file No. 134.)

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of his deposits if the rules governing the Provident Fund in question do not permit of the final withdrawal of deposits until he has quitted service. If the subscriber quits service and accepts another appointment under Government he is not entitled to the return of his deposits until he finally quits service, if refund of his deposits is not actually made between the date of quitting service and accepting the new appointment. These orders apply to all cases in which it is known that the officer concerned is not quitting service.

- (2) Final withdrawals are permissible when a subscriber who has gone on military duty, resigns his civil appointment. G.I.F.D. No. 967-F.E., dated the 17th of May 1922.
- (3) An Officer should be treated as having quitted the service when his services are permanently transferred to a colony. G.I.F.D. No. D. 1684 R. II of 11-7-1930 quoted in Bengal Manual.
- (4) Unless a subscriber is a lunatic in respect of whose estate an order under the Indian Lunacy Act has been given, the authorities administering a Fund to which Provident Fund Act applies have no authority to withhold the payment from the subscriber, even though he is commonly regarded as a lunatic. Para. 3 (2) of the G.I.F.D. No. 3653-R. III, dated 14-12-1931 recd. under G.I.F.D. Endr. No. 6444-F/18-722, dated the 17th January 1932.

The intention underlying Finance Department Resolution No. 1009-F.E., dated the 11th May 1923, was to prohibit the final withdrawal of Provident Fund deposits only when a subscriber resigns one appointment under Government in order to accept another such appointment and both appointments are such that the incumbent is eligible to subscribe to a Provident Fund. 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 24th October, 1944.

Rule 21 . . . Rule 30(a) Rule 29(a) The intention of rule 30 is that when (Proviso). vacation precedes the leave preparatory to retirement, the amount standing at the credit of a subscriber shall, upon application made to the Accounts Officer, become payable at any time between the commencement of such vacation and the date of actual retirement.

G.I.F.D. letter No. E. 22(6) R.II/36, dated 7th May 1936 addressed to the A.G., U.P.

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Rule 22	Rule 31	Rule 30	The title of a widow, who is the nominee according to the declaration, to receive payment of G.P. Fund money at credit of her deceased husband is not affected by her subsequent remarriage, as the money vested in her at the time of the subscriber's death.	G.I.F.D. No. F. 20(3) R. II/36, dated 7th April 1936.
			(2) When final withdrawal is proposed to be made under section 4 of the Provident Funds 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.	
			(3) A Subscriber's posthumous child 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. The case of a posthumous child already born when the case is taken up by the disbursing officer will present no difficulty. For the rest, if the existence (<i>on ventre de sa mere</i>) 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. 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.	G. I. F. D. No. D. 1333-R. II/29 or 9-5-29 (Ind. No. P. F. 31.)
			(4) The mere possession of a succession certificate cannot affect the question of payment of the Provident Fund money as succession to the money goes according to the Provident Fund Act and the Rules made thereunder and not according to the law of succession applicable to subscriber.	G. I. F. D. No. 2106- F. E. dated the 7th September 1923.
			(5) According to Mahomedan Law, it is not necessary that parties should have recourse to a judicial Court to obtain a divorce but this may be effected by a writing or even a verbal declaration on the part of the husband of his intention to dissolve the marriage.	Solicitor to Govt. No. 2130 dated the 18th October 1927 (Case File No. 172).

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- (6) Under section 4 (1) (b) of the Provident Fund Act of 1925 and Rule 17 (b) of the G. P. Fund Rules Govt. is bound to make payment to the person nominated in the declaration who has attained the age of majority, unless the executor to the will left by the deceased can prove by obtaining an authoritative judicial ruling that he the executor has a legal claim to the money. In such a case the money should be kept for three months unpaid to enable the executor to bring a suit against the nominee for a declaration of the title to his client to the money (Mr. R. C. Zarapkar's case). Ar. Genl.'s letter No. 1164-E-899-20 dated 11th March 1921.
- (7) The payment on account of the General Provident Fund should be made to the person nominated on behalf of the minor in the declaration form disregarding any other person whether appointed a guardian of the property of a minor beneficiary or not, so long as the person, whom the deceased has appointed to receive the money on behalf of the minor, is alive and capable of receiving the money. Advocate General's opinion communicated by the solicitor to Govt. in his letter No. 1501 dated the 30th August 1911 (Ind. No. P.F. 1706).
- (8) In cases of small amounts, payment may be made to the natural guardian of a minor or minors or to the person considered fit by the Head of the office on their behalf without a guardianship certificate when each minor's share does not exceed Rs. 100 provided the guardian executes a bond signed by two sureties agreeing to indemnify Government against subsequent claim. Where there is no guardian appointed by Court, payments though in excess of Rs. 100 may be made to a Hindu widow on behalf of her minor children. G. I. F. D. No. D. 6079-R. II/28, dated the 18th January 1929 G. I. F. D. No. D. 4978-G/I-29 dated the 6th August 1929 G. I. F. D. No. F. 17-VIII. R. II/30, dated the 24th October 1930.
- (9) The indemnity bond referred to above should be stamped under Article 34 read with 57 (a) and 15 in Schedule I to the Indian Stamp Act, 1899. G. I. F. D. No. F. XXV. III. R. II/33 dated 22nd October 1933.
- (10) A widowed Hindu mother, as the natural and legal guardian of her minor children, is entitled on their behalf to receive provident fund money due to them without being required to execute an indemnity bond or to produce a guardianship certificate from a Court of Law. If, in the event of a dispute G. I. F. D. No. F. 20 (2) R. II/38, dated the 13th December 1938 and G. I. F. D. No. F. 20 (2) R. II/38, dated the 14th Feb. 1939 (Case file No. 402).

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or as a matter of expediency it is considered necessary to take an indemnity bond the form of indemnity bond prescribed by the Central or Provincial Government as the case may be used after suitably amending the heading.

- (11) The father and the mother can be the natural guardian of a minor. The step-mother is not the natural guardian of her minor step-children (her husband's minor children by another wife) even though she may be a *de facto* guardian. Solicitor to Govt. No. 541, dated the 6-3-1931 Case file 200 R.L.A No. 571, dated the 16th March 1923. Case file 93 and correspondence ending with Solicitor to Govt. No. 1502 of 11-7-52 (P. F. 5-41).
- (12) The husband of a minor married girl who has attained puberty is the lawful guardian of his minor wife, and the payment due to such minor wife may be made to her husband as the lawful guardian without a guardianship certificate. Solicitor to Govt.'s No. 2366 dated 17-11-1933 (Case file 256).
- (13) The words "on a subscriber's death before retirement" are to be interpreted to mean "on the date of the subscriber's death" irrespective of the fact whether the subscriber's account is made up long after, during which time a son might have attained legal majority, an unmarried daughter might have been married, etc. R.L.A.'s No. 2389, dated 19-12-1922, Ind. P. F. 40.—Case File 157 and G.I.F.D letter No. 275.-R. II, dated 4-2-1930 (Bengal Manual).
- (14) A certificate from the Administrator General under section 31 of Act III of 1913 will have the same authority as producing probate of the will from a competent Civil Court, if the amount involved is less than Rs. 2,000 [*vide* section 4 (c) (ii) of the Provident Funds Act, 1925]. R.L.A.'s endorsement No. 320, dated the 25th January 1927 (Case file No.191).
- (15) Under section 32 of Act III of 1913, the Administrator General can in his official capacity administer an estate if the amount is below Rs. 2,000 without obtaining letters of administration. R.L.A.'s No. 4198, dated the 18th Aug. 1932 in the case of refund of the Provident Fund of late Mr. D' Costa.

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(16) Under the proviso in section 108 of the Indian Evidence Act when the question is whether a man is alive or dead, and it is proved that he has not been heard of for 7 years by those who would naturally have heard of him if he had been alive, the burden of proving that he is alive is shifted to the person who affirms it. Consequently the payment of the Provident Fund money should not be made to the members of the family of the subscriber until and unless they prove that the subscriber is dead or at least has not been heard of by them for 7 years within the meaning of the proviso contained in section 108 of the Indian Evidence Act.

R.L.A.'s No. 8576 of 25-11-1938 communicated with Bombay Govt. P. & S. Deptt. Memo. No. 1574/34-D, dated 2-12-1938.

(17) Heirship certificate granted by a Magistrate or a Mamlatdar shall not be accepted for purposes of disposal of the Provident Fund assets under Section 4(1) of the Provident Fund Act, 1925, as the certificate contemplated by that section for determining the proper heir or heirs to receive the Provident Fund standing to the credit of the deceased subscriber either a succession certificate granted under the Indian Succession Act, 1925, or an heirship certificate granted under the Bombay Regulation VIII of 1827.

Govt. H.B. circular No. 9976/2 of 26-9-39.

Guardianship certificates or succession certificates granted by Courts or other authorities in Indian States shall not be acted upon for purposes of disposal of the Provident Fund money. Each such certificate shall be referred to Government for orders which will be passed after Government satisfy themselves that the certificate is granted by the Competent Civil Court and that it is countersigned by the British Resident or other Political Officer in the State.

Bombay Political and Services Deptt. No. 1514/34, dated the 22nd November 1939 to the Resident for Baroda and Gujerat States.

CHAPTER VI—STERLING BRANCHES OF PROVIDENT FUNDS

110. The rupee interest on the rupee balance will be rounded off to the nearest rupee and will be posted in the rupee side of the account while in the sterling account, the equivalent in sterling at 1s. 6d. of the rupee interest as rounded off will be added. The adoption of this procedure has been sanctioned by the Comptroller and Auditor General of India with the approval of the Government of India relaxation of the provisions of Rule 9(2) of the Sterling Account Rules, 1934, with a view to avoid difference between the rupee and sterling account till the sterling interest calculating tables are introduced leading to calculation of interest on the balance in the sterling account.

[Para. 331(c) of the Deposit and Fund Section Manual of the office of the A.G.C.R., Volume I, 4th Edition, 1937, and Auditor General of India's endorsement No. 887 Admn./206-42, dated 1-9-42 forwarding copy of the letter No. 886dated.....to the Comptroller, N.W.F. Province.]

111. As it has been found difficult in practice to secure whole rupees in respect of every transaction relating to Fund accounts of subscribers governed by the Sterling Accounts rules, the Comptroller and Auditor General has decided, with the concurrence of the Government of India, that the attempt to adhere to the principle of maintaining the whole rupees the rupee accounts of such subscribers should be abandoned except in the case of subscriptions and temporary advances and their repayment where the principle of having these in whole rupees will continue.

[Ar. Genl.'s No. 342-Amdn. I/182-35, dated the 12th June 1936.]

112. Any loss or gain incurred under rule 10, 10-A or 11 of the India Provident Fund (Sterling Accounts) Rules, 1934, should be adjusted as a *minus* or *plus* receipt under the Major Head 'XLVI—Miscellaneous—Gain by Exchange on local Transactions—Central or Provincial' as the case may be.

[Ar. Genl.'s No. 818-AC/86-38, dated the 25th November, 1938 and No. 1183 NGE/41 2-35, dated the 17 August 1935.]

Orders, interpretations and decisions issued by Government in connection with the India Provident Fund (Sterling Accounts) Rules, 1934

Reference to Rule of the General Provident Fund			Orders, interpretations and decisions	Authority
Superior Civil Services	Central Services	Bombay Services		
1	2	3	4	5
Rule 1	Rule 1	Rule 1	The Estate Duty Office in London has given an assurance that no new liabilities to British death duties arise as a consequence of the institution of Sterling branches of Provident Funds.	G.I.F.D. No. F. 40-IV.R.II/34, dated the 31st May 1934 and G.I.F.D. No. F. 40-IV.R.II/34, dated the 21st March 1935.

NOTE:—For the definition of the term "Existing liabilities" please see G.I.F.D. No. F.40-IV.R.II/34, dated 21st March 1935 reproduced below.

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INDIAN PROVIDENT FUNDS

Liability to Death Duties leviable in Great Britain.

The predominant factor in determining the liability to British Estate Duty or Legacy Duty of monies payable out of an Indian Provident Fund on the death of a member is the domicile of the member *at the date of his death*. For the purposes of British Death Duties, the domicile of a member is determined in accordance with the ordinary rules of British Law.

The general position may be summarised as follows:—

A.—Member dying domiciled in India or elsewhere outside Great Britain.

No duty is payable in Great Britain in respect of Indian Provident Fund deposits whether payable to—

- (a) The deceased's dependents (whether nominated or not); or
- (b) The deceased's nominee; or
- (c) The deceased's legal personal representatives (if any).

B.—Member dying domiciled in Great Britain.

(1) No duty is payable in Great Britain in respect of Indian Provident Fund deposits provided they are payable to—

- (a) The deceased's dependents (whether nominated or not); or
- (b) The deceased's nominee, unless the deceased had power to nominate any person and the nomination is by testamentary disposition.

(2) Estate Duty in Great Britain is payable if (there being no dependent or nominee) the monies are payable to the legal personal representatives of the deceased member and pass as part of his free estate to the persons entitled thereto under his will or intestacy, or if the deceased, having power to nominate any person, does nominate by his testamentary disposition, provided in either case that the total net value of the estate including deposit exceeds £100.

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			(3) Where British Estate Duty is payable, British Legacy Duty may also be payable unless the total net value of the deceased member's estate including deposit does not exceed £1,000. The liability to Legacy Duty is the same as would attach to any other asset of the deceased member.	
Rule 2	Rule 2	Rule 2	The appointing authority whether it is the Government or an authority subordinate to it is responsible for specifically informing an officer on first appointment, who is eligible to join the Sterling Branch, of the fact that he is so eligible, and of the need for him to exercise the option if he so wishes by notifying his decision to the Accounts Officer within the period prescribed.	G.I.F.D. No. F.40(20) R.II.35, dated the 28th November 1935.
			Where the appointing authority is the Secretary of State in Council, that is, in respect of members of services the control of which has been reserved to him, the responsibility of notifying an officer who is eligible to join the Sterling Branch of his eligibility etc. devolves on the Local Government.	G.I.F.D. No. F. 22-II. R. II/34, dated the 14th April 1934.
Rule 3	Rule 3	Rule 3	Rule 3(a) of the Sterling Accounts Rules has been so worded that it is not essential that an officer should actually have drawn overseas pay. The rule will thus cover the case of an officer who would have drawn overseas pay had he held a regular cadre appointment and been otherwise eligible but who, since the introduction of overseas pay, has been holding a post outside the cadre of his service to which no overseas pay is attached, for example a Secretaryship to the Government of India held by an Indian Civil Service Officer eligible for overseas pay.	
Rule 5(a)	Rule 5(a)	Rule 5(a)	The discretion should ordinarily be exercised in favour of any Government servant who submits an application under rule 5(a), provided.	G.I.F.D. No. F. 40 III. R. II/34, dated the 22nd May 1934, and G.I.F.D. No. F. 40 III. R. II/34, dated the 14th June 1934.
			(1) That his domicile has been or is recognised to have been non-Asiatic within the meaning of Rule 13 of the Rules on the date of his appointment to the service :	
			(2) That he specifically declares that it is his intention to reside, after retirement, in a country where the rupee is not legal tender.	

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2. Where a Government servant who satisfies these conditions has submitted an application under Rule 5(a) and the Administrative Department propose that a declaration should be made by the President/Government of the Province to the effect that he shall be governed by the rule in question a reference need not be made to the Finance Department.

3. In order to prevent any misunderstanding as to the effect of the declaration referred to in paragraph 1(2) above, it should be made clear to all applicants in respect of whom declarations are made under Rule 5(a) that, for the purpose of withdrawing sums to their credit under Rule 11(1) (i), they will in due course (at the time of their retirement) have to satisfy Government *afresh* of their intention to reside, after retirement, in a country where the rupee is not legal tender.

Rule 9

Rule 9

Rule 9

A doubt arising as to whether the phrase 'Calculated to the nearest half penny' occurring in this rule refers to the current rate of exchange or to the resultant amount, it has been decided that it is current rate of exchange that is to be calculated to the nearest half penny.

G.I.F.D. No. F. 40
(37) R. II/335,
dated the 28th Nov-
ember, 1935.

Rule 10

Rule 10

Rule 10

In the case of an advance from the Sterling branch, each instalment towards the recovery of the advance where payment is made in rupees, should be in whole rupees as in the examples given below, regardless of the fact that the advance is slightly under-paid or over-paid since the rupee accounts of Provident Funds are required to be maintained in whole rupees :—

G.I.F.D. No. F. 40(36)
R. II/35, dated the
21st November 1935.
Bombay Govt. F.D.
Resolution No. 939/
33, dated 5th De-
cember 1935.

Example.—An officer is granted an advance of £120 and another of £240. These advances are repayable in twelve monthly instalments. The amount of the monthly instalment if repayable is made in sterling will be £10 in the former case and £20 in the latter case. The rupee equivalent of these amounts at the current rate of exchange (*i.e.*, 1s. 6d. the rupee) if repayment is made in rupees, works out to Rs. 133-5-4 and Rs. 266-10-8 respectively and the monthly instalment of recovery will

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be Rs. 133 in the former case and Rs. 267 in the latter case (*i. e.* the rupee equivalent of the monthly instalments of recovery expressed in sterling should be rounded off to the nearest rupee to make it complete rupees). While in the individual rupee ledger accounts a sum of Rs. 1,600 and Rs. 3,200 (*i. e.* equivalent of £120 and £240 at the rate of 1s. 6d. the rupee) respectively will have been debited as the advance from the Sterling Branch a sum of Rs. 1,596/- (*i. e.* Rs. 133 × 12) and Rs. 3,204/- (*i. e.* 267 × 12) will be actually recovered and credited in the respective rupee ledger accounts.

In all cases in which payment is required in rupees, the existing procedure of drawing amounts for insurance policy premia without reference to the Accounts Officer is allowed to continue, subject to the subscriber's indicating the amount withdrawn in sterling as well as in rupees.

Auditor General's letter No. T. 522 NGE/316-34, dated the 3rd July 1934.

Rule 10-A Rule 10-A Rule 10-A A

question having arisen as to whether the collection of the proceeds of an insurance policy maturing in England and payable in sterling can be made through the High Commissioner for India, it has been decided that such procedure is not opposed to the rule. In fact it is preferable for what it needed in such cases is a quick credit to the subscriber's account in order that there may be no loss of interest for any appreciable length of time. If the insurance Company is asked to pay the proceeds to the High Commissioner for India for transfer through his remittance account, the subscriber's sterling account can be credited with the actual amount from the date on which it was paid to the High Commissioner for India.

G.I.F.D No. F. 40(1) R. II/36, dated the 16th January 1936.

Bombay Government Finance Deptt. No. 939/33, dated the 25th February 1936.

For the purpose of credit to the rupee account, the sterling amount would be converted at the current rate of exchange calculated to the nearest half penny.

In order that interest in such cases may be calculated correctly, the High Commissioner for India will mention in his remittance account the date of the payment of the amount, since if it is received in the first four days of a month it bears interest from the first day of the month in which it is received, otherwise it bears interest from the first day of the next succeeding month.

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		<p>As, under Rule 10-A (1) (India Provident Fund) (Sterling Accounts) Rules, it is obligatory on the part of Government to pay the amount of temporary withdrawal for payment of insurance premia in sterling, any loss or gain in obtaining a bank draft for the sterling amount should go to Govt. and not to the account of the subscriber.</p>		<p>Auditor General's letters No. 1183-NGE/412-35, dated the 17th August 1935.</p>
		<p>The same procedure should also be followed in the case of temporary withdrawals from the Fund for purposes of advances.</p>		
Rule 11	Rule 11	Rule 11	<p>For the purpose of withdrawing sums to their credit under Rule 11 (1) (i) all subscribers will at the time of their retirement have to satisfy Government of their intention to reside, after retirement, in a country where the rupee is not legal tender [<i>vide</i> decision under Rule 5 (a) above].</p>	<p>G.I.F.D. No. F. 40-III-R. II-34, dated the 22nd May 1935 (In No. P. F. 379).</p>
			<p>The word "Government" in rule 11 (1) should, be interpreted to mean the Government in the administrative department concerned.</p>	<p>G.I.F.D. No. F. 40-(8) R. II-35, dated the 7th March 1935 (In P.F. 699).</p>
			<p>It is the Local Government or Administration under which an officer is serving which has to be satisfied as to the intention of an officer to reside after retirement, in a country where the rupee is not legal tender, before the Account Officer can pay his Provident Fund money in sterling. It is, therefore, necessary for the Local Government or Administrations concerned, in every case where the officer has elected to have his Provident Fund Account kept on a Sterling basis, to issue orders to the Accountant Generals concerned, immediately prior to the date on which the officer quits the service, or earlier date on which the sum standing to his credit becomes payable to him under the rules stating whether Government are satisfied that the officer is going to reside after retirement in a country where the rupee is not legal tender.</p>	<p>G.I.F.D. No. F. 40-XIX-R. II-34, dated the 6th Dec. 1934 (Ind. P.F. 603).</p>

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			<p>It is only when a member of the Sterling Branch of a Provident Fund desires payment in sterling of the amount standing to his credit in the sterling account that he is required to satisfy Government of his intention to reside, after retirement, in a country where the rupee is not legal tender. If he desires payment in rupees, he can have it (in India) without being required to satisfy Government that he intends to reside, after retirement, in a rupee using country and irrespective of the rate of exchange at the time of payment. In the latter class of cases, an Audit Officer would be justified in paying the Government servant in rupees without obtaining the permission of the executive authority concerned.</p>	<p>G.I.F.D. No. F. 40(2) R. II-39, dated the 14th August 1939.</p>
			<p>In the case of an officer who belongs to a cadre under the administrative control of a local Government and who retires while serving under the Govt. of India, the necessary orders to the Accounts Officer should be issued by the State Government as such an officer is employed only temporarily under the Government of India, and his retirement from service and the amount of pension are sanctioned by the Local Government.</p>	<p>G.I.F.D. No. F. 40 (14)R. II/35, dated the 2nd May 1935.</p>
			<p>In the converse case, that is, of an officer who belongs to a cadre under the direct administrative control of the Governor General in Council and who retires while serving under a Local Government, the necessary orders will be issued by the Government of India.</p>	<p>G.I.F.D. Letter No. F. 40(8)R.II/35, dated the 7th March 1935.</p>
			<p>The Government of India have decided in consultation with the Comptroller and Auditor General that retired officers accepting posts of chairman or members of the Federal or a Provincial Public Service Commission who indicate their intention of retiring to a non-rupee country after demitting office may be allowed final payment of the amounts standing to their credit in their Provident Fund accounts in sterling under rule 11 (i) (1) of the Superior Civil Services and the Central Services (India Provident Fund) (Sterling Accounts) Rules, 1934.</p>	<p>Govt. of India Finance Department No. F. 40(1) RII/43, dated 12-5-43.</p>
Rule 12	Rule 12	Rule 12	<p>A rate of 1s. 5½d. should be rounded off to 1s. 6d. The question of the treatment of a rate of 1s. 6¼d. should be referred to Government for orders if and when it arises.</p>	<p>Ar.Genl.'s No. T. 703 N.G.E.316.-34, dated the 18 July 1934.</p>

1	2	3	4	5
Rule 14	Rule 14	Rule 14	<p>The payment of Provident Fund money in England through the High Commissioner is liable to British Income tax and may result in some pecuniary loss to the subscriber. The procedure laid down in Rule 14 should be strictly followed to avoid the possible awkward consequences of break of the rule.</p>	
			<p>When any sterling payment has to be made, the Reserve Bank of India, and in places where there is no branch of the Reserve Bank the Imperial Bank of India should be informed of the name and address of the payee and the sterling amount in question and should be asked to remit the money direct. 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 amounts of sterling to be remitted. It will also debit Government with postage or other charges on all such transactions</p>	<p>G.I.F.D. No. F.40(34) RII/35, dated the 31st October 1935 In. P. F. 284 and G.I.F.D. letter No. F. 40 (18) R. II/36, dated the 6th October 1936 In. P. F. 682 (Insurance case file stock 1181 M. R. Price I.P.).</p>
			<p>Postage and other charges will be borne by the Accounts Officer as Contingent charges.</p>	<p>Ar. Genl.'s letter No. 63-Admn. I-116-35, dated the 5th February 1936</p>
			<p>In the case of an officer who is himself in India but desires payment of a sterling amount to a payee in the United Kingdom, arrangement may be made by the Accountant General with the Reserve Bank of India for the Sterling draft to be handed over to the subscriber in India after his personal receipt has been obtained.</p>	<p>Ar. Genl.'s letter No. 63-Admn. I-116-35, dated the 5th February 1936</p>
Rule 15	Rule 15	Rule 15	<p>The instruction under rule 12 regarding the rounding off of the rate holds good in the case of Rule 15 also.</p>	<p>Ar. Genl.'s letter No. T-703 NGE/316-34, dated the 18th July 1934.</p>

PART II**CHAPTER VII—OTHER FUNDS****Procedure of maintaining accounts, etc.**

113. In the case of the following funds the same procedure as is followed in the cases of the General Provident Fund will be adopted in the preparation and the submission of schedules to the Fund Section. The Audit Sections concerned will be entirely responsible for the correctness of the deductions which should be checked by them at the time of audit of the pay bills. Any wanting schedule should be obtained by the Audit Section. The Departmental Auditor should see that every such deduction is supported by a schedule and should also furnish the Fund Section with the total of the monthly figure of each fund with a certificate of the agreement with the classified abstract. Whenever the deductions are not continuous, the reason should be ascertained from the Audit Section or otherwise and noted in the remarks column of the ledger.

- (1) The Indian Civil Service Provident Fund.
- (2) Indian Civil Service (N. E. M.) Provident Fund.
- (3) The Contributory Provident Fund (India).
- (4) The Workmen's Contributory Provident Fund (India).
- (5) The Contributory Provident Fund (Bombay).
- (6) The Workmen's Contributory Provident Fund (Bombay).
- (7) The Overseas Communication Service Employees Provident Fund.

The Ledger

114. A ledger in the General Provident Fund Form No. 4 is maintained for the account of each subscriber to the Indian Civil Service Provident Fund and the Indian Civil Service (NEM) Provident Fund.

Broadsheet

115. A Broadsheet for each Fund is maintained for proving the correctness of the postings in the ledger by means of verification with the detail books of the Book Department.

Examination of the Accounts

116. The postings in the ledger and the annual account statements, etc., should be checked as follows by :—

Superintendent.—All Accounts finally closed on retirement or otherwise accounts transferred and 10 per cent. of annual accounts.

Senior Clerk.—10 per cent. of ledger postings and 20 per cent. of Annual Accounts.

117. The decisions given and rules of procedure laid down in connection with the General Provident Fund regarding the audit and record of declarations, advances, withdrawals for insurance premia, closing of accounts on death or retirement, transfers of accounts, and annual closing, will apply *mutatis mutandis* to other Provident Funds so far as they are not inconsistent with the Provisions of the other Provident Fund Rules themselves.

118. Sanctions to advances in the case of Gazetted Officers are sent to the Audit Section concerned for note. The Advance Register is, however, maintained in General Provident Fund Form No. 7.

119. The rate of interest to be allowed on deposits is communicated yearly in advance by the Government holding the balances.

120. A Government servant who is a subscriber to the Contributory Provident Fund and who is transferred to Foreign service shall pay monthly subscriptions calculated on the rate of pay drawn in foreign service. The foreign employer of the officer himself, according to the arrangement made under clause (c) of Fundamental Rule 115, shall pay, in addition, for the period of active foreign service at such times as Government may prescribe in each case, a contribution determined by the formula $X+XY$ when X equals the amount which would have been credited monthly to the subscriber's account in the Provident Fund had he not proceeded on foreign service, the rate of pay drawn by him, in foreign service being regarded as his emoluments for this purpose, and Y equals the fraction which the amount recoverable as leave salary contribution bears to pay drawn in foreign service.

[G. of I. F. D. No. F. 33(5)R. II/40, dated the 8th January 1941.]

NOTE.—The recovery of contribution is watched by the Pension Report Section.

CHAPTER VIII—INDIAN CIVIL SERVICE PROVIDENT FUND

121. The Government of India in their Finance Department Resolution No. 1918, dated the 20th November 1919 decided to fund, for the benefit of the Indian Civil Service Officers, the 4 per cent. deductions made from their pay, the accumulations being returned to them on retirement or their legal representatives in cases of death with the same interest as is allowed on subscriptions to the General Provident Fund. This took effect from 1st April 1919. The individual contributions towards annuities made before 1-4-1919 which were all credited to Government, were refunded to a certain extent in accordance with the Secretary of State for India's decision.

[G. I. Notification F. E.-67-III-Estt., dated 23-9-1922.]

122. Deductions from Sterling overseas pay will be in rupees, the rate of conversion to be adopted for the purpose of determining the amount recoverable being the current rate of exchange which for the present is *ls. 6d.* the rupee.

Rule 5 (New Rule 3)

123. The decision to allow subscribers to the Indian Civil Service Provident Fund to vary their rates of subscriptions during the year was deliberately arrived at after full consideration.

[G.I.F.D.F. 18-VI-F.E./24, dated the 10th February 1925.]

Rule 6 (New Rule 3)

124. Indian Civil Service Provident Fund subscriptions recovered in England will be rounded off to the nearest multiple of *ls. 6d.* so that when converted, they may represent whole rupees.

[H.C. for India, No. A.R.34385-S-F-54-7/505, dated the 20th May 1933.]

[*Accountant General, Central Revenues Manual, 1937-Edition, page 141.*]

Rule 13 (New Rule 6)

125. Disbursing Officers are authorised to make payments on account of advances under Rule 13 of the Indian Civil Service Provident Fund Rules on the authority and responsibility of the officer sanctioning the advance without pre-audit or reference to the Accounts Officer. No special authority for payment will be issued in connection with such advances.

[Auditor General's endorsement No. 1600-N.G.E./393-32, dated the 25th July 1932 P.F. 86 and Government Memo. No. 1256-F, dated the 27th September 1932, and Circular letter No. P.F. 21-6677, dated the 3rd November 1932, also Government F.D. endt. No. 1256/16648-F, dated the 17th November 1932.]

Rule 14 (New Rule 7)

126. The repayment of an advance from the Indian Civil Service Provident Fund is completed when the last instalment on account of the principal is made. Instalments on account of interest are not part of the repayment of the advance. The period of 12 months specified in rule 13(2) of the Indian Civil Service Provident Fund Rules should therefore be reckoned from the date on which the last instalment of the principal is paid.

[G.I.F.D. No. D-2462-R-II, dated 29-5-1929. Para. 6, page 84, of the Accountant General Central Provinces and Berar Fund Manual, 1938 edition.]

127. Under Rule 14(d) of the Indian Civil Service Provident Fund Rules, interest is recoverable even if the advance is repaid in less than 12 instalments.

[G.R., F.D., No. 1256 of 10th May 1926.]

128. An instalment 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 No. F. 22(26)-R. II/36, dated 31st December 1936.]

129. Vacation combined with leave should be treated as leave also for the purpose of repayment of an advance under Rule 14 (b) of the Indian Civil Services Provident Fund Rules.

[Government of India, Finance Department No. F. 22(2) R. II/37, dated the 22nd March 1937.]

Rule 15 (New Rule 8)

130. There is no objection under Rule 15 of the Indian Civil Service Provident Fund Rules to a subscriber being permitted to assign to another party an insurance policy the premium on which he has substituted for subscriptions to the Fund or paid by withdrawals from the fund.

[G.I.F.D. No. D. 910-R. II of 9th April 1931-Assam Manual.]

131. In view of the provision in the shape of the Indian Civil Service Family Pension Fund which already exists for the dependents of the members of the service, it is unnecessary to hedge the privilege of substitution of insurance policies for subscriptions to the Indian Civil Service Provident Fund with very elaborate conditions such as have been imposed in the case of the General Provident Fund.

[G.I.F.D. No. 1425-F.E. of 10th July 1922 and G.R. F.D. No. 1406 of 27th July 1922.]

132. Under rule 15 of the I.C.S. Provident Fund Rules, as it stands, an officer who has been paying premia on his Insurance policy from the Fund, may if he so chooses, restore for credit to his account, in the Fund, the amount so withdrawn together with interest, before the policy either lapses or matures.

[G.I.F.D. letter No. F. 23(2)-R. II/42, dated 16-5-42 to the Chief Secretary to Govt. of Bombay, Pol. & Ser. Deptt. (Ind. P.F. 104).]

It is not intended that insurance policies, the premia on which are substituted under Rule 15 for subscriptions to the Fund, should be assigned to the President of India or Governor of a State as the case may be.

[G.I.F.D. No. F. 18-VI-F. E. 24 of 13th February 1925.]

133. Policies 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 premiums paid on the policy plus whatever profits may have been declared in the mean time can be accepted under Rule 15 of the Indian Civil Service Provident Fund Rules.

[G.I.F.D. No. F. 21-XXIV-R. II/34, dated the 2nd August 1934.]

134. If a subscriber to the Indian Civil Service Provident 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. In a case where the monthly premium on Postal Life Insurance is not wholly 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 accumulations in the fund through the bill. In such a case 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, however, be furnished in the regular monthly pay bill in which the adjustment in question is effected.

[Auditor General's No. 30-NGE-235-33, dated the 10th January 1934.]

135. In the case of policies financed from the I.C.S. Provident Fund, the check prescribed in rule 15(3) of the I.C.S. Provident Fund Rules should continue to be applied by the Accounts Officer about once a year to see that the policy has not lapsed. No check is required against encumbrance of a policy as subscribers to this fund can raise a loan on the security of a policy.

[Auditor General's No. 525-NGE/469, dated 28th March 1936 to the A.G.P.T.]

136. Although Insurance Policies financed from the Indian Civil Service Provident Fund are not required to be assigned to Government under the rules, the conditions prescribed in paragraph 2 or 4 of Government of India Finance Department letter No. F. 21(3)-R.II/36, dated the 30th June 1936 (on the subject of conversion of policies into paid up ones and the surrender of such policies) apply to such policies.

[G.I.F.D. No. F. 21(3). R. II/36, dated the 25th August 1936.]

Rule 17 (New Rule 11)

137. An I.C.S. Officer, when applying for repayment of his Provident Fund deposits on retirement, is required to obtain from the authority empowered to grant advances from the sum standing to his credit in the Fund, a certificate to the effect that no advance was granted to him within the past twelve months and to furnish it to the Accounts Officer concerned.

[Auditor General's letter No. T. 123-Admn. I/42-36, dated 16th May 1936 to the A.G.M.]

Rule 18 (New Rule 11, 12 or 12A)

138. The Indian Civil Service Provident Fund subscribers have been conceded complete freedom in disposing of their provident fund deposits owing to the existence of the Indian Civil Service Family Pension Fund. Even the sum of Rs. 5,000 will not be payable to the widow or children if the subscriber in writing directs otherwise *vide* Rule 18(2) of the Indian Civil Service Provident Fund Rules. The balance at the subscriber's credit cannot vest in a dependent or dependents of his, or enjoy the protection against creditors. The Rules do not also provide for the making of nominations.

The amount at the subscriber's credit under Rule 18(2) referred to, can only be handed over to the executor or other person entitled to receive the amount when the usual legal formalities have been observed.

[G. of I. letter no. F. 72 R. II-29 of 5-8-29 printed in G. R. F. D. Memo. no. 1256 F. of 22-8-29—P.F. 102.]

Rule 18 (New Rule 12 A) of the I.C.S. Provident Fund Rules

139. The Government of India hold that the words "The person legally entitled to receive the amount" at the contributor's credit occurring in Rule 18(2) of these rules mean that if an unmarried subscriber dies in service leaving a will directing the payment of his Provident Fund Accumulations to a Certain individual, then that individual is "The person legally entitled to receive the amount" for the purpose of Rule 18(2) of the Rules; but if the subscriber does not leave a will or if the will does not cover this property, then the person entitled to succeed to the deceased's movable property according to the Law of intestate succession applicable to the deceased, would be the person legally entitled to the amount. In the case of a subscriber whose domicile or origin is British his "Next of Kin" would be the person so entitled.

2. The Government of India also hold that the expression "Assignment" occurring in Rule 18(1) of the said rules does not mean any testamentary assignment or testamentary Dispositions of property including the amount standing to

the credit of a testator in a Provident Fund to which he has been subscribing, as under section 3(1) of the Provident Fund Act, 1925 (XIV of 1925) a compulsory deposit in a Provident Fund is not in any way capable of being assigned, but if a subscriber purports to assign his right to the compulsory deposits and notice of such assignment is given to the Accounts Officer, the latter is required under rule 18(1) of the said Rules to refer the matter to Government for their orders.

[Political and Services Department letter No. 1598/34D, dated 28-5-1941 to Mr. T. E. Streatfield, I.C.S. and copy to the Accountant General, Bombay, Ind. P.F. 67].

NOTE.—As regards I.A.S & I.P.S. see para. 103 *ante*.

CHAPTER IX—INDIAN CIVIL SERVICE (NON-EUROPEAN MEMBERS) PROVIDENT FUND

140. The rules came into force from 1st January 1931.

[G.I.F.D. Notification No. F. 36-XX.R.II, dated the 31st December 1930.]

141. It has been decided by the Comptroller & Auditor General that, for the purpose of these rules, the Accounts Officer will ordinarily be the Accounts Officer in India who brings to account the pay of the officer concerned and that in respect of officers whose pay is not accounted for in Indian books, the Accounts Officer would be:—

- (a) In the case of an officer who proceeds on leave or deputation out of India the officer who accounted for his pay immediately before he proceeded on leave or deputation, and
- (b) he in the case of an officer who is transferred to foreign service, the officer who watches the recovery of his foreign service contribution.

[Ar. Genl.'s No. 262-NGE/535-29, dated the 2nd March 1931.]

NOTE.—Consequent on the decentralisation of Provident Fund Balances from 1-4-1937 it has been decided by the Comptroller and Auditor General, in consultation with the Government of India, that for the purpose of accounting an officer should be deemed to belong to the Government which has assumed responsibility for the balances attributable to him with reference to his permanent lien even though he may be serving under another Government and that his fund and other accounts should be maintained by the Accountant General of that Government and not necessarily by the Accountant General who audits his pay.

[Ar. Genl.'s No. 545-AC/167-Rc/37, dated the 23rd December 1937 to the A.G.C.R.]

142. The incidence of the contribution payable by Government under Rule 11(1) of the rules of the I.C.S. (N.E.M.) Provident Fund will be determined in each case in accordance with the principle of article 190(2) of the Audit Code Volume I (Para. 8 Section IV of Appendix 3 to Account Code Volume I 1940 edition). With effect from 1st July 1933, a contribution of Rs. 15 a month should be recovered from foreign employers towards Government's liability under the rule referred to above, in respect of subscribers transferred to foreign service and the contribution should be payable during duty only.

[G.I.F.D. No. D/1775-R. II., dated the 29th July 1932, Ind. P.F. 91], and

[Vide Government of India F.D. No. 3-36-I R. II/33, dated 5th May 1933, Ind. P.F. 41.]

143. The incidence of Government contribution in the I.C.S. (N.E.M.) Provident Fund is governed by the instructions in Section VII of Appendix 3 to the Account Code Volume I. The term "Length of service" appearing in the Note in the above section should be interpreted to mean completed service pure and simple, as in the case of incidence of I.C.S. Family pensions payable from public funds.

[Government of India, Finance Department letter No. D. 1070-F, dated the 16th March 1939.]

144. The contribution payable by Government will be credited to the account of the subscriber on his retirement or previous death, and before final payment is made under Rule 23 by debit to the Major Head "55—Superannuation etc." under the existing minor head "Donations to Provident Funds".

[C.C.A.'s No. T. 201-AC-93-31 of 22-5-1931-P.F.56.]

145. A policy on the joint lives of the subscriber and his wife will be deemed to be a policy on the life of the subscriber for the purpose of sub-rule (2) of rule 10 of the Indian Civil Service (Non-European Members) Provident Fund Rules. In such cases both the parties should join in the assignment to Government in form (2) in Appendix B to the instructions contained in Government of India, Finance Department, Notification No. D. 38A-S.D./43, dated the 14th October 1943.

[G.I., M.F., No. F. 30(1)-E.V./50, dated New Delhi, the 7th May 1951—Ind. F.I. 27.]

CHAPTER X—CONTRIBUTORY PROVIDENT FUND (INDIA)

146. For the purpose of the Contributory Provident Fund Rules (India) the Accounts Officer will ordinarily be the Accounts Officer in India who brings to account the pay of the officer concerned and in respect of Officers whose pay is not accounted for in Indian books, the Accounts Officer would be :—

- (a) in the case of an officer who proceeds on leave or deputation out of India the officer who accounted for his pay immediately before he proceeded on leave or deputation, and
- (b) in the case of an officer who is transferred to foreign service, the officer who watches the recovery of his foreign service contribution.

[C.C.A.'s No. 1131-N.G.E. 515-33, dated the 14th July 1931-P.F. 102.]

147. The following general principles should be followed in considering recommendations for admission to the Contributory Provident Fund (India) [with reference to Rule 4(1)(b) of the Rules] after 1st April 1931 :—

- (1) As a rule admission should be limited to technical specialists. Exceptions to this rule may occasionally be made, with the concurrence of Finance Department on grounds of administrative convenience.
- (2) Admission should be limited to persons recruited on contract for not less than five years with prospects of extension.
- (3) Government servants not at present entitled to the benefits of any Contributory Provident Fund should not be admitted to this Fund, merely because they belong to either of the two categories mentioned in (1) and (2) above.
- (4) Eligibility to subscribe or to receive contribution should be Co-terminous with service.

[G.I.F.D. No. 583-R. II, dated the 11th August 1932-P.F. 104 and 203.]

148. All non-pensionable employees permanently appointed after the 31st March 1931 to posts in the Security Printing, Currency Note Press and the Central Stamp Stores, Nasik Road, have been admitted to the benefits of the Contributory Provident Fund Rules, subject to the condition that no contract officer engaged for less than five years or inferior servant will be entitled to the benefit of the Fund.

[G.I. F.D. No. D-9245/F, dated 20th December 1935.]

149. The posts of non-Indian Medical Service Officers of the Medical Research Department are not pensionable, but officers will be admitted on confirmation to the benefits of the Contributory Provident Fund (India) with retrospective effect from the date of their appointment, on probation, subscription being compulsory in the case of officers appointed after the 31st July 1923. During the probationary period they will be eligible to subscribe to the General Provident Fund and any balance to their credit on confirmation will be transferred to their accounts in Contributory Provident Fund (India) Officers holding pensionable posts under Government are given the option either of retaining their pensionary status on appointment to the Department or joining the Contributory Provident Fund on confirmation in the Department with retrospective effect from the date of their appointment on probation.

[Government of India, Department of Education, Health and Lands No. F. 19-6/35-H, dated the 18th June 1935 and No. F. 19-19/36-H, dated the 19th October 1936, Ind. G.I.570 to the Director General, Indian Medical Service—case file regarding the admission of Dr. P.M. Wagle.]

150. In the case in which it has been agreed to admit a "Contract" officer (appointed on probation in the first instance) to the benefits of the Contributory Provident Fund (India) from the date of his confirmation, such an officer may be

allowed on confirmation to deposit in the Fund arrear subscriptions for the period of probation together with an amount equal to the amount of interest that would have been earned on those subscriptions for that period. Government will then make a contribution to his account equivalent to that which would have been made under Rule 10 of the Contributory Provident Fund Rules (India) had the officer originally been admitted to the benefits of the Fund from the date of his appointment on probation and also pay the interest thereon which would have been earned under rule 11 of these Rules.

[G.I.F.D. No. F. 33(3).R.II/35, dated 1st April 1935.]

151. Under Rule 10(2) of the Contributory Provident Fund Rules (India) Government Contribution in respect of subscribers to the Fund has been fixed with effect from 1st April 1931 on the following basis :—

(a) In the case of a Government servant—

(i) who had previously subscribed to the Special Provident Fund to which he had been admitted at the rate of $8 \frac{1}{3}$ per cent. (*i.e.*, $\frac{1}{12}$ th) of his pay and to whose account Government made a contribution of 75 per cent. of his subscription, or

(ii) who had previously subscribed to the Special Provident Fund to which he had been admitted at the rate of $6 \frac{1}{4}$ per cent. (*i.e.*, $\frac{1}{16}$ th) of pay and to whose account, Government made a contribution equal in amount to the subscription,

the amount of the contribution shall be $6 \frac{1}{4}$ per cent. of his emoluments.

(b) In the case of a Government servant who had previously subscribed to the Special Provident Fund to which he had been admitted at the rate of $8 \frac{1}{3}$ per cent. ($\frac{1}{12}$ th) of pay and to whose account Govt. made a contribution equal in amount to his subscription, the amount of the Contribution shall be $8 \frac{1}{3}$ per cent. of his emoluments.

[G.I.F.D. No. F-25-F.E./25 of 29th July 1932, P.F. 93.]

152. The contribution by Government to the account of a subscriber under Rule 10(2) of the Contributory Provident Fund Rules (India) admitted to the said Fund after 1st April 1931 shall be fixed at the rate of $6 \frac{1}{4}$ per cent. ($\frac{1}{16}$ th) of the Subscriber's emoluments, provided that the contribution to the account of a subscriber admitted after that date who is a member of a class of Government servants in respect of which a lower rate of contribution has been prescribed shall be fixed at such lower rate.

[G.I.F.D. No. 588-R. II, dated the 11th August 1932, P.F. 105 and 209.]

153. In the case of an officer transferred from service under a private body to service under Government or from one Government Department to another and where there is no provision to the contrary in the Contributory Provident Fund Rules of the officer concerned, the Government contribution shall be based on the pay which he would have drawn but for his transfer and not on the pay drawn by him from time to time after transfer.

[G. of I.F.D. No. F. 29(5) .R.II/43, dated 24-1-1944 issued in consultation with the Auditor General Ind., PF/118 G.R. P. & S.D.D No. 1688/34, dated 28-6-44 Ind. P.F.S./192.]

The amount payable on account of interest on Government retrospective contribution to the credit of an officer for the period of his probation should be treated as an additional Government contribution and adjusted in the accounts by debit to the head which receives the debit for Government contributions.

[G.I.F.D. letter No. F. 33 (9)-R.II/36, dated 7-9-36.]

154. The position under the new Constitution will be that while section 247(5) of the Government of India Act, 1935 will charge on the revenues of federation the Government contribution payable to the Provident Fund of any person appointed

to a Civil Service or a civil post by the Secretary of State, Section 156 of the Act, permits of the revenues of the Province concerned, bearing an agreed contribution in respect of such charges in the case of all such persons who have served wholly or in part in connection with the affairs of the Province.

[G.I.F.D.'s letter No. D.-1996/Re-37, dated the 7th June 1937 to All Provincial Governments.]

155. The Government of India and the Bombay Government have decided with reference to clause (c) of Rule 26(a) of the Contributory Provident Funds Rules (India) and (Bombay) that it is not necessary to obtain the approval of Government to the payment of 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 Government. Orders should be sought only in cases in which the head of the office proposes deduction on account of a liability incurred by the subscriber.

[Auditor General's letter No. 1862/NGE/495-42, dated 23-10-1942 (Ind. P.F. 353) and Bombay Government Political and Services Department Resolution No. 1638/34, dated 27-11-1942 (Ind P.F. 446).]

156. A difficulty has been felt in the payment of money standing to the credit of a deceased subscriber to the workmen's Contributory Provident Fund who owing to his being illiterate could not file the nomination as required by the Rules. To obviate this difficulty, Govt. of India have decided that the following procedure should be adopted for making final payment of money standing to the credit of both compulsory and optional subscriber.

- (a) Each subscriber should be required to make a nomination under Rule 5 of Contributory Provident Fund Rules (India) and on his death payment should be made to such nominee or nominees after the Head of the office has satisfied himself of his or their proper identity.
- (b) Where no nomination has been made the amount should be paid to the claimant or claimants on his or their furnishing certificate to the effect that he is or they are the natural legal heirs of the deceased or natural/legal guardians of the minor children of the deceased as the case may be, each claimant being paid only the share which belongs to him or to the minor or minors of whom he is the natural/legal guardian. The certificate should be signed by a magistrate (including an honorary magistrate), a gazetted officer a Title Holder, a Sub-Registrar, a Chairman or vice-Chairman of a Municipality or a Union Board, a Police Officer not below the rank of a Sub-Inspector or a Landlord of the locality.

The above procedure should be restricted to cases where the amount lying to the credit of a deceased subscriber is not in excess of Rs. 500.

Govt. of India, F. F. Memo. No. F. 26(5). Est. V/45, dated 23-12-1946 to the Auditor General of India received under Auditor General's endorsement No. 210/NGE/KW/233/44, dated 31-1-47.]

CHAPTER XI—CONTRIBUTORY PROVIDENT FUND (BOMBAY)

157. The general principles that are to be adopted in considering recommendation for admission under rule 4(1)(b) will be as follows :—

(1) As a rule admission will be limited to technical specialist. Exception to this rule may occasionally be made with the concurrence of Finance Department on ground of administrative convenience.

(2) Admission should be limited to persons recruited on contract for not less than five years with prospects of extension.

(3) Government servants not at present entitled to the benefit of any Contributory Provident Fund should not be admitted to this fund merely because they belong to either of the two categories mentioned in (1) and (2) above.

(4) Eligibility to subscribe or to receive contributions should be co-terminous with service.

158. In cases in which it has been agreed to admit a "Contract officer (appointed on probation in the first instance)" to the benefit of the fund from the date of his confirmation such officer may be allowed on confirmation to deposit in the fund arrear subscriptions for the period of probation together with an amount equal to the amount of interest that would have been earned on those subscriptions for that period and Government will then make a contribution to his account equivalent to that which would have been made under Rule 10 of the Contributory Provident Fund Rules (Bombay) had the officer originally been admitted to the benefits of the fund from the date of his appointment on probation and also pay the interest thereon which would have been earned under rule 11 of these Rules.

[G.M.F.D. No. 78302-F., dated 24/29 July 1935.]

159. Individual sanction of Government is necessary in respect of each member of the nursing staff of the Cama and Albless Hospitals who is to be admitted to the Fund. A member of the nursing staff who is on probation should be admitted to join the Provident Fund from the date of her confirmation only.

[G.R.G.D. No. 9662, dated 29th January 1936.]

160. With effect from 3rd March 1936, all non-Indian Medical Service "New entrants" to the posts of Assistant Directors of Public Health, Director, Vaccine Institute, Belgaum, and the officer-in-charge Public Health Laboratory, Poona have been admitted to the benefits of the Bombay Contributory Provident Fund.

[G.R.G.D. No. 1443/33, dated 9th October 1936.]

161. The benefits of the Contributory Provident Fund (Bombay) have been extended to the posts of section-writers in the office of the Prothonotary and Senior Master, High Court, Bombay. The incumbents of the ten posts of section-writers on 14-5-1937 and also future incumbents of any one of these posts have been declared to be eligible to the benefits of the Contributory Provident Fund (Bombay) from the date of appointment to the post in a permanent capacity.

[Vide Government letter Home Department No. 5176-33/B, dated 14th May 1937.]

162. Subscriptions to the Contributory Provident Fund (Bombay) should be made compulsory for the permanent members of the trained staff of the Nursing establishment of the Sasoon Hospitals, Poona and the Cama and Albless Hospitals, Bombay.

The members of the Nursing staff at the Sasoon Hospitals Poona and the Cama and Albless Hospitals, Bombay who have been appointed in substantive vacancies but cannot be appointed substantively to their posts merely because of the ban on Confirmation, should be treated as permanent for the purpose of subscription to the Contributory Provident Fund (Bombay), provided it is certified in each case that the

appointment has been made in a clear vacancy and that, but for the ban on confirmation, it would have been treated as substantive.

These orders should take effect from 7th May 1942:

[G.R.'s. G.D. Nos. 9662, dated 7-5-1942 and 9662, dated 12-6-1943, Ind. PF/86 and 107.]

163. "Government have decided that where it has been decided to admit a non-contract officer appointed on probation in the first instance, to the benefits of the Contributory Provident Fund (Bombay) such an officer should be admitted to the Fund with effect from the date of his confirmation and allowed on confirmation to deposit in the Fund arrears subscriptions for the period of his probation together with an amount equal to the amount of interest that would have been earned on those subscriptions for that period and he should be allowed Government contribution equivalent to that which would have been made under Rule 10 of the Contributory Provident Fund Rules (Bombay) had he originally been admitted to the benefits of the Fund from the date of his appointment on probation and also interest thereon which would have been earned under Rule 11 of those Rules."

[Government, Political and Services Department letter No. 1638/34-D, dated 3-12-1941.]

164. The method of calculating the emoluments of piece-rate workers (including, Section writers) who are members to the Contributory Provident Fund Bombay is the same as that laid down in para. 7 (g) of Appendix C to the General Provident Fund Rules, Bombay in the case of piece-rate workers who are subscribers to the General Provident Fund *i.e.*, it should be calculated on their earnings for March of the preceding financial year.

The earning for the month of March of the preceding financial year should be considered as the Standard monthly pay for the purpose of sanctioning advances under Rule 12(b) *i.e.*, the three months pay of a person paid at piece-work-rates, will be three times of the earnings of March.

[Government of Bombay Political and Services Department letter No. 1638/34-D, dated 21-6-1940.]

165. Specific orders of Government are to be obtained on each case before any portion of Government contribution is withheld.

[Government of Bombay, Political and Services Department Memo. No. 1638/34, dated the 1st February 1939.]

166. It has been held that the present practice of providing for the Govt. contribution to the Contributory Provident Fund (Bombay) in respect of the employees of the Nasik Distillery and other Commercial Concerns under "55—Superannuation Allowances and Pensions—Donations to Provident Fund" is correct. The Auditor General's letter No. 2447/130-3, dated 5-11-1931 applies to Commercial Departments like the Posts and Telegraphs and Railways which have major head of their own inside Govt. accounts and not to Govt. Commercial concerns which have only *pro forma* accounts outside the Govt. account.

[A.G.'s orders, dated 9-10-46 on the note of discussion about the Auditor General's letter, dated 5-11-1931.]

167. The words "Every non-pensionable servant of Government" used in the amended sub-rule (1)(ii) of Rule 4 of the Contributory Provident Fund Rules (Bombay) mean both Superior and Inferior Government Servants.

[Govt. decision in their Political and Services Department letter No. 1638/34-D, dated the 28th November 1941.]

APPENDICES

APPENDIX I

Old Rule 21-A of the General Provident Fund Rules and orders thereon are reproduced below for reference in connection with policies taken out under that rule :—

“The provisions of Rule 21 apply with effect from the 20th November, 1928 to all subscribers to the Fund except that subscribers who took out policies under clause (b) or (c) of Rule 21-A., before its cancellation, remain subject to the provisions of that rule in so far as policies so taken out are concerned.

Rule 21-A.—(a) A bachelor subscriber to the Fund may substitute for subscriptions to the General Provident Fund payment towards any policy of assurance effected on his own life provided that if such policy matures, not at death but after a period of years, the date of maturity may not be earlier than the earliest date on which the subscriber may by the terms of his service retire.

(b) A married subscriber to the Fund may substitute for subscriptions to the General Provident Fund payments towards either (i) a policy of assurance effected on his own life if the policy, on the face of it, is for the benefit of his wife or of his children or of any or all of these, provided that if such policy matures not at death but after a period of years, the date of maturity shall not be earlier than the earliest date on which the subscriber may by the terms of his service, retire, or (ii) any policy of assurance effected on his own life which he has assigned to trustees by a deed of settlement for the benefit of his wife or of his children or of any or all of these.

(c) A married subscriber to the fund may substitute, or continue to substitute as the case may be, for contribution to the General Provident Fund, payments towards a policy of assurance on his own life to which he has already been subscribing, provided that he either (i) assigns his existing policy to trustees by a deed of settlement for the benefit of his wife or of his children or of any or all of these; or (ii) converts his policy into a policy of assurance effected on his own life but expressed on the face of it to be for the benefit of his wife or of his children or of any or all of these, provided that if such policy matures not at death but after a period of years the date of maturity shall not be earlier than the earliest date on which he may by the terms of his service, retire, or (iii) converts his policy into any policy of assurance effected on his own life and then assigns it to trustees by a deed of settlement for the benefit of his wife or of his children or of any or all of these and provided that if he had as a bachelor been substituting for contributions to the fund payments towards such policy of assurance then such assignment conversion or conversion and assignment shall be effected before or within three months after his marriage.

NOTE 1.—If upon the conversion of an existing policy any portion of the surrender value of such policy is not applied in effecting the new policy such portion shall be paid or repaid to the fund and placed to the credit of the subscriber's account.

2. It is brought to the notice of all subscribers that the settlement of a policy of assurance upon a wife, if effected after marriage, does not receive the same protection in law as if effected before marriage so that members who desire to take advantage of the provisions contained in sub-rules (b) (ii) C(i) or C(iii) above should in their interests, do so if possible, before marriage.

The following conditions shall be fulfilled :—

- (i) If the subscriptions or payments to be so substituted shall be of less amount than the minimum subscription under Rule 7 of these Rules the deficiency shall be paid by the subscriber as a subscription to the General Provident Fund.
- (ii) Government shall not make payments on behalf of subscribers to insurance companies nor shall they take steps to keep the policy alive. If a subscriber records on his pay bill that he is making payments to an insurance company of not less amount than the minimum subscription prescribed in Rule 7 of these rules the Accounts Officer shall content himself by demanding, periodically to see the receipts or certified copies of the receipts showing that such payments have been made. Failing such receipts he will order the necessary deduction to be made from the subscriber's pay and placed to his credit in the Provident Fund. Should subscribers prefer to do so, they may make the usual deduction from their pay bills for credit to the Provident Fund and arrange with the account officer to draw from the Fund, at stated intervals the sums necessary to pay quarterly, half-yearly or yearly premia.
- (iii) Subject to the foregoing, any sums already at the credit of the subscriber in the provident fund may be withdrawn for payment of premia or for the purchase of a single payment policy; but the utilisation of sums already at credit will not relieve the subscriber from continuing to make the usual deduction from his current salary within the usual limits prescribed in Rule 7 of these rules except when the subscriber is on leave and exercises the option allowed by Rule 8 to discontinue subscriptions.
- (iv) In the event of a policy of assurance any payments for premia on which shall have been substituted for contributions to or withdrawn from accumulations in the General Provident Fund being allowed to lapse, the amounts of payments or subscriptions

substituted or withdrawn, as the case may be, shall with interest thereon be paid or repaid as the case may be by such subscriber to the Accounts Officer and shall in default be deducted from such subscriber's pay.

Orders 1.—A policy on a subscriber's own life if assigned to his wife cannot be held to be a policy expressed on the face of it to be effected for the benefit of his wife in terms of Rule 21-A of the General Provident Fund Rules. The Government of India are advised that a policy assigned by a subscriber to his wife does not by virtue of such assignment become a policy "expressed on the face of it to be effected for the benefit of his wife" and does not fall within the provisions of section 6 of the Married Women's Property Act, 1874, or obtain the benefit of the provisions of such section that such policy is not subject to the control of the husband or his creditors or forms part of his estate. There is consequently a very substantial difference between a policy which is governed by Section 6 of the Married Women's Property Act and a policy assigned in favour of the wife, namely in the latter case, the husband's creditors might in certain circumstances claim the value of the policy or the moneys payable thereunder.

[G.I.F.D. No. F-33-VII-F.E., dated the 8th September 1925, Bengal Manual para. 72.]

2. Rule 21-A remains in force for these subscribers (a) who joined the Fund after 1st September 1910 and before 20th November 1928 and (b) who during this period substituted for subscriptions to the General Provident Fund payments towards policies of assurance in conformity with that rule.

[G.I.F.D. No. F. 747-R. II-29, dated the 5th March 1929. P.F. 194.]

3. Under Section 78 of the Indian Trusts Act II of 1882 Deed of Settlement executed by a depositor under Rule 21 A(b) can be revoked (a) by the consent of all the beneficiaries where they are competent to contract and (b) where there is a power of revocation expressly reserved to the Auditor of the trust and he exercises it. (Solicitor to Government's letter No. 3379, dated the 28th December 1923, File No. 1.)

4. It is not possible to prescribe any general form of assignment under Rule 21-A(c) and the fact that the provisions of every Deed of Settlement will vary in accordance with the wishes of the individual subscriber renders it impossible to draft even a skeleton form of a Deed of Settlement which could be adopted as a model. The trustees of the Deed of Settlement will be entitled to the custody of the Deed of Settlement and the Policy of assurance assigned to them.

[G.I.F.D. No. 2645-F.E., dated the 9th November 1923-File 1 and G.R.F.D. No. 2842, dated the 12th December 1923.]

5. The words expressed on the face of it refers to the original text of the terms of the policy.

[Solicitor to Govt.'s letter No. 1373, dated the 9th July 1928. Case File 223.]

A policy under Rule 21-A of the General Provident Fund Rules now deleted was mortgaged to the Insurance Company concerned and loans taken on their security. The question was raised whether continued withdrawal from the General Provident Fund for payment of premia on the policy was permissible. The Government of India decided that, as old rules 21 and 21-A are both self contained rules applying to different descriptions of persons, nothing in rule 21 is importable into rule 21-A, with the result that in the absence of provision from rule 21-A the encumbering of policies payment towards which have been substituted under rule 21-A does not affect the continued operations of the substitution.

[G.I.F.D.U.O.I. No. 638-R. II, dated 15th March 1934. A.G.C.R.'s Manual.]

The wife of an assured who was the beneficiary of the policy accepted under Rule 21-A of the G.P. Fund Rules, (now deleted) died without children and the assured married again. The question whether continued withdrawal from the Provident Fund deposits for payment of premia on such policy was permissible, was referred to the Government of India and their decision is as under :—

The presence in rule 21-A of sub-rule (c) providing for the effect of the subsequent marriage of a subscriber who while a bachelor has substituted payments towards a policy of insurance under sub-Rule (a), together with the absence from rule 21-A of any provision for the effect of the subsequent death without issue of the wife during whose life time a subscriber has substituted payments towards a policy of insurance under sub-rule (b), leaves no room for doubt that the death without issue of the wife during whose life time the substitution was effected in no way affects the continued operation of the substitution. Equally, in the absence of rule 21-A of any provision on the point, the subsequent remarriage of the subscriber in no way affects the continued operation of the substitution of payments towards the policy of insurance taken out during the life time of the first wife. Such policy being required by sub-rule (b) to be in a form attracting the provisions of Section 6 of the Married Women's Property Act, 1874, the benefits thereof do not revert to the husband on his wife's predeceasing him without issue (Times Law Reports, November, 11th, 1932, page 12), nor are they transferable to his second wife.

[G.I.F.D. U.O.I. No 638-R.II dated 15th March 1934, A.G.C.R.'s Manual.]

APPENDIX 2

Extract from the Indian Majority Act, 1875

3. *Age of person 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 XXXI of the Code of Civil Procedure* has been or shall be appointed or declared by any Court of Justice before the minor has attained the age of eighteen years, and every minor of whose property the 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 attained 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 major 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.

Illustrations

(a) Z is born in British India on the first day of January, 1850, and has a 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 twentieth 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 Wards. Z attains majority at the first moment of the first day of January, 1868.

*For the Code of Civil Procedure see now Act 5 of 1908.

†These words were substituted for the words "every minor" of whose person or property a guardian has been or shall be appointed by any Court of Justice, and every Minor under the jurisdiction of any Court of Wards" by S. 52 of the Guardian and Wards Act, 1890 (8 of 1890).

‡See now the Indian Succession Act, 1925, (39 of 1925).

APPENDIX 3

APPENDIX 3

Rates of interest on deposits and balances in the G. P. Fund and other similar Funds from the date of the institution of the Funds.

Period	Rate per annum	Authority
	per cent.	
1st August 1909 to 31st March 1919	4	G.I.F.D. No. 2986-P, dated the 14th June, 1909.
1st April 1919 to 31st March 1927	5½	G.I.F.D. No. 272. Gl. (F.E.), dated the 11th February, 1920.
1st April 1927 to 31st March 1930	4¾	G.I.F.D. No. F. 70.II.F.E., dated the 29th September, 1926.
1st April 1930 to 31st March 1931	5	G.I.F.D. No. F. 37.V.R.II, dated the 10th March, 1930.
1st April 1931 to 31st March 1932	5	G.I.F.D. No. F. 2½ V.R. II, dated the 11th March, 1931.
1st April 1932 to 31st March 1933	5½	G.I.F.D. No. 3483.B.II, dated the 12th March, 1932 and F.I.F.D.998, dated the 18th May, 1932.
1st April 1933 to 31st March 1934	5½	G.I.F.D. No. D/4415.R.II, dated the 8th March, 1933.
1st April 1934 to 31st March 1935	5½	G.I.F.D. No. F. 30.I.R.II/341, dated the 15th March, 1934.
1st April 1935 to 31st March 1936	5	G.I.F.D. No. F.30/I.R.II/35, dated the 15th February, 1935.
1st April 1936 to 31st March 1937	4¾	G.I.F.D. Notification No. F. 30(1)R.II/36, dated the 13th February, 1936.
1st April 1937 to 31st March 1938	4	G.I.F.D. No. F. 30(2).R.II/36, dated the 11th February, 1937.
1st April 1938 to 31st March 1939	3½	G.I.F.D. No. F. 30(2).R.II/37, dated 3rd March, 1938 and Bombay Govt. F.D. No. 84-33-E, dated 25th March, 1938.
1st April 1939 to 31st March 1940	3½	G.I.F.D. No. F. 30(3).R.II/38, dated 15th February 1939 and Bombay Govt. F.D. No. 84/33-E, dated 24th January, 1939.
1st April 1940 to 31st March 1941	3½	G.I.F.D. No. F. 30(3).R.II/39, dated the 14th February, 1940 and Bombay Govt. F.D. No. 84/33-E, dated 5th March, 1940.
1st April 1941 to 31st March 1942	3½	G.I.F.D. No. F. 30(2).R.II/40, dated 17th February, 1941 and Bombay Govt. F.D. No. 84/33-E, dated 22-3-1941.
1st April 1942 to 31st March 1943	3½	G.I.F.D. No. F. 30(1)-R. II/42, dated 17th February, 1942 and Bombay Govt. F.D. No. 84/33-E, dated 14th March, 1942.

APPENDIX 3

Period	Rate per annum	Authority
	per cent.	
1st April 1943 to 31st March 1944	3½	G.I.F.D. No. F. 30(1)-R.II/43, dated 18th February, 1943 and Bombay Govt. Notification No. 84/33-E, dated 17th March, 1943.
1st April 1944 to 31st March 1945	3½	G.I.F.D. No. F. 30(1)-R.II/44, dated 28th February, 1944 (P.F. 564s).
1st April 1945 to 31st March 1946	3½	G.I.F.D. No. F. 30(1)-R. II/45, dated 12th April, 1945 and Bombay Govt. Notification No. 84/33-E, dated 8th May, 1945.
1st April 1946 to 31st March 1947	3½	G.I.F.D. No. F. 33(2). Est. V-46, dated 22nd March, 1946 and Bombay Govt. F.D. No. 84/33-E, dated 24th April, 1946.
1st April 1947 to 31st March 1948	3	G.I.F.D. No. F. 33(1). Est. V/47, dated 25th April, 1947, and Bombay Govt. F.D. No. 84/33/E, dated 22nd May, 1947.
1st April 1948 to 31st March 1949	3	G.I. Ministry of Finance No. F. 34(1)-Est.V/48, dated 5th April, 1948 and Bombay Govt. F.D. No. 84/33-E, dated 3rd May, 1948.
1st April 1949 to 31st March 1950	3	G.I. Ministry of Finance No. F. 35(1)-Est. V/49, dated 28th April, 1949 and Bombay Govt. F.D. No. 84/33/E, dated 18th June, 1949.
1st April 1950 to 31st March 1951	3	G.I. Ministry of Finance No. 37(1)-E.V/50, dated 2nd March, 1950 and Bombay Govt. F.D. No.84/33-E, dated 26th April, 1950.
1st April 1951 to 31st March 1952	3	G.I. Ministry of Finance No. F. 39(1) E.V./51, dated 28th March, 1951 and Bombay Govt. F. D. No. 84/33-II, dated 4th May, 1951.

APPENDIX 4

APPENDIX 4
Calendar of Returns
 PROVIDENT FUND SECTION

Serial No.	Name of Return	To whom due	When due	Authority
1	2	3	4	5
<i>Daily</i>				
1	Muster Roll	G.O.	At 10-40 a.m.	
2	Register of Pre-audit bills	G.O.	At 10-50 a.m.	
<i>Weekly</i>				
3	Statement of letters undisposed of	G.O. A.G.	2nd, 9th, 17th & 24th.	A.G.'s orders.
4	Statement of Government letters undisposed of.	G.O.	Do.	Do.
5	Statement of U.O. References undisposed of.	G.O.	Do.	Do.
6	Circulation Book	G.O.	Do.	Do.
7	Arrears Report	A.G.	Every Thursday	Do.
<i>Fortnightly</i>				
8	Register of Half Margins	Supdt.	1st and 15th.	
<i>Monthly</i>				
9	Register of Half Margins	G.O.	15th.	O.O. No. 7, dated 25-9-34.
10	Departmental Note Book	G.O.	1st.	A.G.'s orders.
11	Auditors check of postings with reference to schedules and general review.	G.O.	10th.	Para. 231 of Manual.
12	Calendar of Returns and A.G.'s monthly progress report.	G.O. & A.G.	5th.	O.O. No. 415, dated 1-4-1931.
13	Register of late attendance	G.O.	5th.	
14	Submission of Master Cards and consolidated Broad Sheet of G.P.F. Master Cards.	G.O.	10th.	
15	Broad Sheet of I.C.S. and other Provident Funds.	G.O.	10th.	
16	Advance Register of I.C.S. etc. Provident Funds. (except G.P. Funds).	G.O.	10th.	
17	Transfer Entry Register	G.O.	1st.	
18	Register of assigned Policies to Govt. showing dates of maturity.	G.O.	10th.	

APPENDIX 4

1	2	3	4	5
19	Register of Supdt.'s Review of advances.	G.O.	. . . . .	25th.
20	Register of Supdt.'s Review, Provident Fund Accounts.	G.O.	. . . . .	25th.
21	Statement of G.P. Fund advances granted to office establishment Madras.	A.G.	. . . . .	10th.
22	Adjustment for substitution of subscription of G. P. Fund to S.S.F. P. Fund (India) and Postal Insurance Fund.	Book section	. . . . .	10th.
23	Register of final post audit of pre-audit bills.	G.O.	. . . . .	20th.
24	Register of irregular advances.	G.O.	. . . . .	25th.
25	Consolidated Compilation of vouchers.	. . . . .	. . . . .	29th.
26	Progress Report Register of (1) Machinists and (2) Auditors.	G.O.	. . . . .	30th.
27	Objection Book and adjustment Register with the subsidiary Register of items more than 3 and 6 months old.	G.O.	. . . . .	30th.
28	Register of valuables	G.O.	. . . . .	15th.
29	A. Progress of Posting	Comptroller & Ar. Genl.	& Every month	Ar. General's letter No. 1367 Admn./66-49, dated 6-7-1949.
<i>Quarterly</i>				
30	Register of closed accounts	G.O.	. . . . .	1st April. 1st July. 1st October. 1st January.
31	Register of pending cases	G.O.	. . . . .	15th April. 15th July. 15th October. 15th January.
32	Register of items of objections more than 6 months old.	G.O. & A.G.	. . . . .	15th April. 15th July. 15th October. 15th January.
33	Record of points which auditors and Supdts. have to watch but which are not required to be noted in any of the prescribed registers.	G.O.	. . . . .	15th April. 15th July. 15th October. 15th January.
34	Quarterly Reports on the outturn of machinists.	Comptroller & Ar. Genl.		Ar. Genl.'s letter No. 1559 Admn. 151-49, dated 8-8-49.

APPENDIX 4

1	2	3	4	5
<i>Annual</i>				
35	Report of irregular advances	(1) G. of I. through the Comptroller & Auditor General. (2) Bombay Govt. Po. & Services Deptt.	1st April.	
36	Check of rates of subscriptions in the schedules of March and the issue of objections.	..	15th July.	A.G.'s order, dated 29-5-1934.
37	Adjustment of interest on all Provident Funds.	Book	3rd June.	
38	Adjustment of unclaimed Fund deposits and submission of Register.	G.O.	30th June.	
39	Interest calculation and closing of Annual Accounts.	..	31st May.	
40	Transfer entry of interest in respect of Provincial Heads.	DA. IV	3rd June.	
41	Transfer entry of adjustment contribution to Provident Funds.	Bonus Pension Audit	3rd June.	
42	Despatch of Annual Accounts to depositors.	..	30th June.	Para. 252 of Audit Manual.
43	Indent for forms.— A. Special B. Ordinary	T.M.	1st August } 1st Nov. }	O.O. No. 3 of 10-1-34.
44	Verification of Insurance Policies	G.O.	1st Sept. or at the time of handing over & taking over charge of G.O.	
45	Statement containing information for the preparation of Budget Estimate of Govt. contribution to be furnished to F. D. of the Bombay Government.	F.D. of Bombay Govt.	31st August .	F.D. No. R. 70D, dated 22-1-38- (T.M. 687).
46	Statement of balances of all funds	Book	16th August .	O.O. 624, dated 6-4-38 and 629, dated 5-5-38.
47	Agreement of Closing Balance	G.O.	1st September.	
48	Revised figures of Budget Estimate	Budget	15th December.	
49	Agreement of Opening Balances	G.O.	15th October.	
50	Transmission of Records to Old Record Section.	Old Records	31st March	} A.G.'s order, dated 24-4-40.
51	Destruction of Records	Do.	16th July	
52	List of subscribers admitted to the Sterling Branch Provident Fund during the year ending 31st December.	Several Deptts. of the Bombay Govt.	31st January .	A.G.'s order, dated 24-1-35.

APPENDIX 4

1	2	3	4	5
53	Provision of Temporary Establishment (including temporary staff for annual closing copying of Ledger Cards and opening of new cards every 2 years).	T.M. (E)	10th September or earlier.	
54	Annual check in respect of I. C. S. Officers' Insurance Policies as prescribed in Rule 15(3) of the I.C.S. Provident Fund Rules.	G.O.	1st September	Ar. Gl.'s letter No. 525/N.G.E. 469-35, dated 28-3-1936.
55	Attestation of Ledger Cards by the Supdt. and 10% check of interest calculation.	..	30th September.	
<i>Triennial</i>				
56	Verification of Nomination forms	..	Sept. 1943 and onwards every three years.	
57	Review of Provident Fund Accounts.	..	Immediately after the despatch of annual accounts for 42-43 and onwards every 3 years.	Ar. Gl.'s letter No. 346 Admn. 1/207-37, dated 8-6-1938.

APPENDIX 5

Progress Report

Item of work	Due date	April		May and so on for other months
		Period for which completed	When completed	
1	2	3	4	5
(1) For Auditor				
1. Check of 10% of postings with schedules and audit of other cards including check of Opening Balances.	10th	January.		
2. Attestation of debits by Asstt. Supdt., Supdt. or Gazetted Officer.	10th	January.		
3. Sanctions to advances to G.O.'s with vouchers to G.A.D.	10th	January.		
4. Review of Advance Register of other Funds by the Asstt. Superintendent.	10th	January.		
5. Check of 10% of outstanding advances of ledger accounts by Auditors.	10th	January.		
6. Submission of Advance Register (for other Funds).	10th	January.		
7. Filling of schedules and vouchers	15th	January.		
8. Receipt of vouchers from Treasury Section.	15th	March.		
9. Receipt of Fund Schedules from D.A.D.	20th	March.		
10. Examination of the covering schedules	22nd	March.		
11. Closing of Objection Book	30th	February.		
12. Consolidated compilation of vouchers by Departments.	29th	March.		
13. Audit of vouchers	30th	February.		
14. Filing of Half Margin Memos.	30th	March.		
15. Filing of correspondence	30th	March.		
16. Submission of Broad Sheet and Master Cards to G.O.	10th	January.		
(2) For Machinists				
1. Check of 10% items of Inward and Outward Registers (by Superintendents).	5th	January.		
2. Check of items in the Inward Registers with the Ledger Cards (by Auditors).	10th	January.		
3. Posting of schedules	20th	February.		

APPENDIX 5

1	2	3	4	5
4. Preparation of typed list of irregular subscriptions, etc.	20th	. February.		
5. Posting of Inward and Outward Register items.	23rd	. February.		
6. Completion of Master Cards	25th	. February.		
7. Receipt of schedules	25th	. March.		
8. Preparation of Balance Compilation Statement in duplicate.	31st	. May.		

APPENDIX 6

1—Calculation of monthly balances in cases where the 12th monthly credits are equal

1	78	26	2,028	51	3,978	76	5,928
2	156	27	2,106	52	4,056	77	6,006
3	234	28	2,184	53	4,134	78	6,084
4	312	29	2,262	54	4,212	79	6,162
5	390	30	2,340	55	4,290	80	6,240
6	468	31	2,418	56	4,368	81	6,318
7	546	32	2,496	57	4,446	82	6,396
8	624	33	2,574	58	4,524	83	6,474
9	702	34	2,652	59	4,602	84	6,552
10	780	35	2,730	60	4,680	85	6,630
11	858	36	2,808	61	4,758	86	6,708
12	936	37	2,886	62	4,836	87	6,786
13	1,014	38	2,964	63	4,914	88	6,864
14	1,092	39	3,042	64	4,992	89	6,942
15	1,170	40	3,120	65	5,070	90	7,020
16	1,248	41	3,198	66	5,148	91	7,098
17	1,326	42	3,276	67	5,226	92	7,176
18	1,404	43	3,354	68	5,304	93	7,254
19	1,482	44	3,432	69	5,382	94	7,332
20	1,560	45	3,510	70	5,460	95	7,410
21	1,638	46	3,588	71	5,538	96	7,488
22	1,716	47	3,666	72	5,616	97	7,565
23	1,794	48	3,744	73	5,694	98	7,644
24	1,872	49	3,822	74	5,772	99	7,722
25	1,950	50	3,900	75	5,850	100	7,800

NOTE.—There is another simple way of calculating interest in cases where the 12 monthly credits are all equal. Here the amount of the current year's subscription on which monthly interest is to be calculated will be arrived at by multiplying the amount of monthly subscription by 78 with the help of the above table. The opening balance for the year will then be multiplied by 12 and added to the figure arrived at as above. If, however, any withdrawal has been made during the year the amount should be multiplied by the number of months for which the General Provident Fund balance is deleted (including the month in which it is drawn) and this figure deducted from the total.

APPENDIX 7

APPENDIX 7

II—Alternative method of calculating interest

(a) On any uniform sum beginning in any month and continuing till the end of the year.—

TABLE

April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
78	66	55	45	36	28	21	15	10	6	3	1

Multiply the rate of subscription with the figure shown below the month in which the subscription is commenced and allow interest on that sum at the rate current for the year with the aid of the interest table.

Example.—Rate of subscription is Rs. 20. Payment commences in May and is continued till the end of the year.

$$\text{Interest} = 20 \times 66 = \text{Rs. } 1,320.$$

	Principal		Interest
Taking the rate at 4 per cent. for	Rs. 1,300	.	Rs. 4 5 4
Do.	do. Rs. 20	.	Rs. 0 1 0
		Total	<u>Rs. 4 6 4</u>

(b) On any uniform sum beginning in April and discontinuing from any month during the year.—

TABLE

April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
12	23	33	42	50	57	63	68	72	75	77	78

Multiply the rate of subscription with the figure below the month in which the last instalment is paid and allow interest on that sum at the rate current for the year with the aid of the interest table.

Example.—Rate of subscription Rs. 20. Last instalment paid in September.

$$\text{Interest} = 20 \times 57 = \text{Rs. } 1,140.$$

	Principal		Interest
Taking the rate at 4 per cent. for	Rs. 1,100	.	Rs. 3 10 8
Do.	do. Rs. 40	.	Rs. 0 2 1
		Total	<u>Rs. 3 12 9</u>

Note of posting of Corrections

Correction No.	Date of posting	Correction No.	Date of posting	Correction No.	Date of posting	Correction No.	Date of posting

212

