

**CONTENTS**  
**PART I – GENERAL**

<b>CHAPTER - I – CONSTITUTION, STRENGTH AND DUTIES</b>		
		<b>PARA</b>
1.	Constitution	1
2.	Strength	2
3.	Staff Proposal	3
4.	Nature of Work	4
5.	Division of Work	5
6.	General Directions	6
7.	Master File System	7
<b>CHAPTER II – DIARIES, RETURNS &amp; REPORTS</b>		
1.	Diarising/Disposal of Inward letters and other documents	8
2.	Calendar of returns	9
3.	Monthly Arrear Report	10
4.	Reports to be sent to Headquarters office and related orders	11
5.	Visitor's Facilitation	12
<b>CHAPTER III – ADMISSION</b>		
1.	Compulsory Subscription to Provident Fund	13
2.	Process of Admission to G.P. Fund	14
3.	Orders relating to maintenance of nominations.	15
4.	General and Alphabetical Index Registers.	16
<b>CHAPTER IV – COMPILATION OF ACCOUNTS</b>		
1.	Receipt of schedules/Debit vouchers	17
2.	Posting in Ledger cards	18
3.	Consolidated Broadsheet: Preparation and monthly agreement	19
4.	Due Dates of completion of Accounts	20
5.	Despatch of account slips	21
6.	Opening of New Ledger Cards	22

7.	Clearance of unposted items	23
8.	Adjustment on C.E. Basis	24
9.	Summary of the instructions issued by the comptroller and Auditor General of India relating to adjustment of missing credits on Collateral evidence basis .....	25
10.	Clearance of P.F. Suspense .....	26
11.	Maintenance of Suspense BROADSHEET .....	27
12.	Carry forward of Balances from old series to New Series .....	28
13.	Transfer of balance of Group 'D' employees ( pay Scale Rs. 185-265 as on 1.3.1975) .....	29
14.	Accounting and refund of erroneous subscription	30
15.	Payment of subscription	31
16.	Subscription during leave	32
17.	Rounding of Subscriptions	33
18.	Commencement of subscription	34
19.	Proportionate subscription on account of death of subscribers	35
20.	Last Fund deduction ..	36
21.	Subscriptions of officers on deputation from Central Govt. to State Govt. and Vice. versa	37
22.	Subscription of officers on Foreign Service.	38
23.	Emoluments Counted for Subscription	39
24.	Adjustment of excess subscription over the minimum limit	40
25.	Subscription from subscriber on deputation/Foreign service to an undertaking	41
26.	Subscription from subscriber on foreign service to any other institution.	42
27.	Annual agreement of Balances in the Provident Fund Accounts	43
28.	Centralisation of Master Cards	44
29.	Issue of Duplicate Accounts slips	45

<b>CHAPTER - V: INTEREST</b>		
1.	Adjustment of Interest on P.F. Accounts Closed during the year and orders relating to it.	46
2.	Preparation of Budget Estimates and Adjustment of Interest.	47
3.	Calculation of Interest	48
4.	Payment of Interest	49
5.	Rates of Interest	50
<b>CHAPTER- VI: TEMPORARY WITHDRAWALS</b>		
1.	Check of Sanction to Advances	51
2.	Insufficient sanctions	52
3.	Limitation of Advances	53
4.	Conversion of P.F. Advance into a Final Withdrawal.	54
5.	Recovery of advances	55
<b>CHAPTER- VII: PART-FINAL WITHDRAWAL (NON; REFUNDABLE ADVANCES)</b>		
1.	Discontinuance of payment authorities for non-refundable advance.	56
2.	Register of Non-refundable Advance	57
3.	Purpose/conditions for Final Withdrawals	58
4.	Condition of Withdrawal	59
5.	Validity of Sanctions	60
6.	Drawal Admissible during Suspension	61
7.	Advances from the Fund.	62
<b>CHAPTER- VIII: POLICIES LINKED WITH P.F. ACCOUNTS</b>		
1.	Re-assignment of Insurance Policies linked with P.F. accounts.	63
2.	Register for watching the policies	64
3.	Custody of Policies .....	65
4.	Stock Register of Policies	66
5.	Register of Matured Policies	67
6.	Action on policies which lapse or become encumbered	68
7.	Verification of Policies	69

8.	Procedure for disposal of policies on the death of Subscriber.	70
9.	Loss of Insurance Policies	71
10.	Payment of matured value of Policies	72
<b>CHAPTER- IX: FINAL WITHDRAWAL – (FINAL PAYMENTS)</b>		
1.	Rules relating to Final Payment of P.F. Balance (including 90% payments by D.D.O.)	73
2.	Verification of distinctive seal of the office on the Ledger cards	74
3.	Review of P.F. accounts in the event of their closure.	75
4.	Scrutiny of Final Payment Calculation	76
5.	Special check on debits at the time of Final payment	77
6.	Minus balance cases	78
7.	Final payment of C.P.P. Fund balances	79
8.	Payment authorities and their usage	80
9.	Payment place and Agency	81
10.	Return of Final Payment Cases	82
11.	Elimination of delays in the Payment of Provident Fund	83
12.	Protection of compulsory deposit in the G.P. Fund Claims	84
13.	Authorisation of Credits/debits pending actual posting	85
14.	Validity of payment Authority	86
15.	Conditional revalidation of payment Authorities	87
16.	Procedure in respect of transfer of Accounts from one Account circle to another	88
17.	Review of Residual Balance Cases	89
18.	Transfer Advice	90
19.	Final Payment diary	91
<b>CHAPTER - X – PROCEDURE FOR ANNUAL CENSUS</b>		
1.	Procedure for Annual Census	92
2.	Register of Dormant Cards	93
3.	Register of petty Balance Cards	94
4.	Register of Minus Balance Ledger Cards	95

5.	Triennial Review of Ledger Cards	96
<b>CHAPTER- XI: MISCELLANEOUS</b>		
1.	Honorarium	97
2.	Maintenance of files, correspondences etc.	98
3.	Preservation of records	99
4.	Transmission of records to old records	100
5.	Secrecy of account of the subscriber	101
6.	Incentive Bonus scheme	102
7.	Deposit Linked Insurance scheme	103
8.	Payments of Provident Funds Through Bank Drafts	104
9.	Unclaimed and Lapsed Deposits-Procedures etc.	105
10.	Instructions relating to A.I.S. Provident Fund Accounts	106
11.	Instructions relating to High Court Judges	107
12.	General Provident Fund pass Book	108
13.	Conditional Authority	109
14.	Missing Credit/Debit Register	110
<b>CHAPTER-XII: COURT CASES</b>		
1.	Dealing with the Court Cases in the Fund Coordination	111
2.	Production of official documents in a Court of Law	112
3.	Conduct of Cases before Courts/Tribunal	113
4.	Briefing of Govt. advocates/Counsels and vigorous pursuance of court cases	114
5.	Engagement of counsels in defending Court Cases	115
6.	Fees payable to Govt. counsels	116
7.	Action under 80 C.P.C. notice to settle the claim without litigation	117
8.	Disposal of Cases Pending before Consumer Forums	118

**Appendices:**

**Appendix –I :** (Annexures) – sample of formats used in Fund Co-ordination.

**Appendix –II:** Extract from the Insurance Act. 1938, with the Amendment made in the Act No. XIII of 1941 notified in the Gazette of India dated 12.4.1941.

## **PREFACE**

This revised V<sup>th</sup> edition of the General Provident Fund Manual has been compiled after incorporating upto date amendments in the G.P.F. rules effected by the State Government and the changes in the procedure adopted by this office for maintenance of G.P.F. Accounts. The old procedures have been Scrutinised and brought upto date removing those which have become obsolete. One important insertion is the addition of chapter XII relating to the procedure to dealt with the court cases brought before different courts of Law by the subscribers. The matters on various subjects have been kept in consonance with the G.P.F. (U.P.) Rules 1985.

This manual is intended to guide the officials in day to day maintenance of G.P.F. Accounts including the final closure after an employee has ceased to be a Subscriber of G.P.F. or quitting his service either on retirement on superannuation or for any other reason. It has been divided into two parts. The first part relates to matters dealt with the general procedure for maintenance and final payment of G.P.F. Accounts and the second part deals with matters relating to computerised posting by the A.L.P.M. including annual closing of the Accounts and issuance of the G.P.F. Account Statements.

Any error or omission that may be noticed in any of the paragraphs of this manual and any proposal for any further modification may be brought to the notice of Sr. Dy. Accountant General (Funds) who, after consideration, will take further action. Such Suggestions are welcome for improvement and will receive careful consideration.

I hope this manual will serve as guides and create greater awareness among the staff and officers and improve our efficiency in dealing with the cases of fund.

**PARAG PRAKASH**

Accountant General

**ALLAHABAD.**

..... March 2003

INDIAN AUDIT & ACCOUNTS DEPARTMENT

(FOR OFFICIAL USE ONLY)

THE MANUAL  
OF  
GENERAL PROVIDENT FUND  
2003

SIXTH EDITION (REVISED)



OFFICE OF THE ACCOUNTANT GENERAL (A & E)  
UTTAR PRADESH  
ALLAHABAD

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THE AUTHORITY OF THE ACCOUNTANT GENERAL (A&E) UTTAR  
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## **CHAPTER -I**

### **Constitution, Strength and Duties**

#### **Para 1: Constitution:**

The Funds Group comprises 38 Sections/Cells in A.G. (A&E) I and 23 Sections/Cells in AG (A&E)-II, each under the immediate charge of a section officer/AAO/Supervisor. Sections are grouped into branches, each branch entrusted to the charge of a Sr. AO/AO/AAG. These sections deal with G.P. Fund and other Provident Funds, the Accounts of which are maintained in this office.

#### **Para 2: Strength:**

The strength of each section of Funds Group should be based on the standards prescribed by the CAG, which are given below:

(a) The strength of Provident Fund Sections for supervision is fixed as one Section Officer/A.A.O./Supervisor for every 9 Accountants/ Clerks.

(b) **Accountants:**

(i) One Accountant for 1000 P.F. Accounts plus one Examiner for every 5 Accountants or one Accountant for 830 accounts (all inclusive) without Examiner, when posting is done manually.

(C.A.G.'s no. 982-TA.II/151-67 dated 20.04.1967).

(ii) (I) In respect of machine-posted accounts, one Accountant is admissible for every 2857 accounts with 50% audit and every 2000 accounts with 100% audit, the out-turn per month being 160 hours (The Accountant General can, at his discretion, enhance the rate of performance per Accountant by 10% of accounts. This would afford some flexibility in providing for special item of work within the sanctioned strength).

‘CAG’s No. 3213-Admn./793/62 dated 10.12.1962)

(II) One extra Accountant for every 2000 life Insurance Policies is allowed. For a fraction of 2000 policies one additional Accountant is allowed. (C.A.G.'s No. 995-TA II/360 dated 22.04.1964)

(iii) For Review of sanctions, Accountants are admissible on the monthly average number of sanction received at the rate of 4 minutes per sanction plus 100% for correspondence. (C.A.G.'s No. 982-TA.II/151-67 dated 20.04.1967)

(iv) Four Accountants each on adhoc basis are allowed for coordination work in Fund –I Section and Fund (Misc.) Section. (CAG's No. 1230-TA.II/205-80 dated 06.10.1980)

(v) Two posts of Section Officers and four posts of Accountants have been allowed for the peripatetic party for settlement of missing credits and / or debits: (one Section Officer and two Accountants for O/o The Accountant General (A&E)-I and one Section officer and two Accountants for O/o The A.G. (A&E)-II.

(vi) For Con-current settlement of mistakes, staff shall be allowed at the rate of one Accountant for every 25,000 accounts or part thereof subject to a maximum of 4 accountants for each office. ( CAG'S NO. 6982 – T.A. II/151-67 dated 20.04.1967)

**(c) Head Machinist:**

One Head Machinist is allowed to supervise the work of every ten Machinists. Preferably a Head Machinist should have worked as a machinist. ( CAG'S NO. 3182 – T.A. II/232-75 dated 27.12.1975)

**(d) Machinists:**

One Machinist-cum-card sorter is allowed for every 5,000 accounts, the out-turn per month being 160 hours.

**Note:**

The number of Funds accounts has to be extrapolated by multiplying with the factor 12/10 and then to apply the formula of 5,000 accounts per machinist.

(C.A.G.'s No. 995-TA/II/360-63 dated 22.04.1964)

(e) (i) For diarising work – one clerk for each section.

(ii) For assisting the Machinists- one clerk is allowed for every four machinists. (CAG'S NO. 995 – T.A. II / 360-63 dated 22.04.1964)

(iii) Card Librarian in Machine Posting system- In the Office where Machine Posting System is in vogue one clerk for offices with 50,000 accounts and above but below 1,25,000 accounts and two clerks for offices with 1,25,000 accounts or more but below 2,00,000 accounts and three Clerks for offices with 2,00,000 accounts or more is allowed.

(C.A.G.'s no. 442-TA-II/356 dated 20.03.1974)

**Note:**

(i) The computerized system of posting was adopted in this office w.e.f. 1989-90 in respect of GAU, CPU, DEVU, PU and NEU series and for the remaining series the adoption was w.e.f. the year 1994-95.

(ii) No specific norms for computing the staff requirement under the computerized system of posting have been received so far from the Headquarter office.

**Para 3: Staff Proposal:**

At the time of sending staff proposal for inclusion in the Revised Estimates of the current year and Budget Estimates of the ensuing year, the requirement should be worked out by taking the number of live accounts as on 31<sup>st</sup> March of each year plus the net anticipated increase (after deducting the anticipated final closure cases during the year). The anticipated increase in the number of live accounts should be worked out on the basis of the actual average increase of the past two years. While approaching CAG for sanction to the creation of the additional posts, the requirements should be worked out on the basis of the actual number of live accounts as on that date.

(C.A.G.'s letter no. 427-BRS/196-66 of 21.03.67)

**Note 1:**

The following categories of P.F. accounts should also be treated as live accounts.

- (i) Accounts where no transaction has appeared after the due date of membership of the subscribers concerned.
- (ii) Accounts with balance but where no transaction appeared for the past few years and the balance of which cannot be transferred to "Deposits".
- (iii) Accounts indicating minus balance due to overdrawals, wrong posting etc.
- (iv) Accounts in respect of which residuary amounts are to be authorized/transferred.

( C.A.G.'s letter no. 1795-TA.II/305-69 dt.13.10.70. )

**Note 2 :**

The Provident Fund Account in which transaction have not appeared for the past 5 years may be due to either:-

- (i) Stoppage of subscription authorized under the rules
- (ii) Unauthorized discontinuance of subscription requiring recovery from the subscriber with interest or in default report to Govt. the unauthorized deviation from the rules.
- (iii) Opening of duplicate accounts for the same subscriber in which case the transaction get posted in the new account and the old ledger card shows no transaction or
- (iv) Temporary Govt. Servants bearing Govt. service who have not claimed their P.F. amounts in which case action should be taken to settle the case after consulting the drawing officer or to transfer the unclaimed balance to “Deposits”.

The P.F. accounts in which no transaction has appeared for the reasons indicated at (iii) and (iv) above may be excluded for the purpose of calculation of staff requirement of P.F. accounts as the staff would not be admissible in such cases.

On the basis of Independent check exercised and test check conducted by ITA, a certificate to the effect that the staff statistics for P.F. Sections have been reviewed and the no. of live accounts do not include any dormant accounts or include any such dormant accounts where balances cannot be transferred to Deposits should be adduced. The number of such accounts may be indicated alongwith the staff proposal. The number of accounts in which residual balance is to be authorised and included as live accounts under the circular instruction of 13.10.70 (Item-IV) may be given separately. The number should be computed from the number of unsettled cases as on 31<sup>st</sup> March from the Register of R.B. case.

(C.A.G.’s letter No. 101 O&M/53-79 of 31.03.79)

**Para 4: Nature of work:**

The work of the Fund Sections consists, mainly of

- (i) Admission of members to the Funds, allotment of account numbers to them and receipt and custody of their nomination papers where required under rules (i.e. in the case of A.I.S. Provident Fund accounts).
- (ii) Receipt and check of fund schedules, cash Accounts and vouchers received from the treasury concerned.
- (iii) Maintenance of Provident Fund accounts.
- (iv) Agreement of Broadsheet balances with the ledger, furnishing material for the review of balances and sending periodical reports to the CAG of India.
- (v) Issue of annual account statements, and preparation of balance sheet.
- (vi) Review of transactions affecting the Provident Funds.

**Para 5: Division of Work**

**(A) Duties of B.O.:**

- (i) Branch Officer is responsible for the general supervision of the Sections under him. It is necessary that he should involve himself directly in the management of these sections. For this purpose he should inspect them personally from time to time to see the state of records and progress of work in each section. He is expected to perform his duties in accordance with instructions issued from time to time.
- (ii) As per headquarters office circular no. 963-TA.II/54-79 dated 10.8.1979 the Branch Officer of the Provident Fund Group is required to review personally 1% to 2% of the Provident Fund ledger cards of

each group (i.e. handled by each Accountant) every month with a view to ensure that the ledger cards are properly and neatly maintained, entries requiring attestation have been attested and adjustments have been explained by notes and that there are no unexplained lumpsum postings. It should however be ensured that the defects noticed as a result of review are promptly rectified and that a proper record is maintained to indicate the particulars of cards reviewed by the Officer concerned alongwith the defects found. This record should be submitted to Accountant General at the end of every month.

- (iii) As per headquarters office circular no. 262-TA.II/54-79 dated 01.03.1979, all the ledger cards should be reviewed by the Branch Officer once in a year with a view to ensure their completeness in all respects. In other words this general review is intended to ensure that the maintenance of ledger cards, does not indicate any procedural lacuna with regard to various particulars both in respect of the subscriber as well as the credits/debits posted therein. This review is in addition to the review mentioned at (ii) above.
- (iv) P.F. Debit Vouchers for Rs. 10,000/= and above should be reviewed by the Branch Officer cent percent and those for less than Rs. 10,000/= should be checked to the extent of 5% every month. For this purpose, it should be ensured that a register of debit vouchers is opened in each concerned section wherein details of each debit voucher received in accounts is entered treasury wise (viz. Vr. No., date of encashment, name of subscriber, P.F. account no., defects noticed by the Acct., S.O. & B.O. at the time of review and action taken by them). The register along with related Debit Vouchers should be put up by section Officer to Branch Officer for his review as prescribed above. The review includes interalia checks regarding

the availability of sufficient balance in the P.F. account of the subscriber and the competency of the authority sanctioning the advances/final withdrawals. The aim of review should be to see whether every effort has been made to locate the correct account no. of a subscriber and post the debit correctly by consulting Alphabetical Index Register and to ensure that if for any unavoidable reasons it becomes necessary to place an item in the Register of unposted items, it is done under specific orders of the Group Officers and that simultaneously letter is issued to the sanctioning authority/D.D.O., calling for the requisite details.

**(B) Duties of Supervisors/Section Officer/Asstt. Accounts Officer :**

The Asstt. Accounts Officer/Section Officer/Supervisor will be responsible for the general supervision and efficient management of the Section and work. In addition, he will perform the following duties besides those prescribed in the office procedure manual and instructions contained in other Chapters of this manual :-

- (i) Monthly review of some ledger cards every month to see that they are properly maintained and reviewed, in such a way that total ledger cards get reviewed within an accounting year.
- (ii) To check all the final payment calculations and authorities.
- (iii) Attestation of the closing balance in the G.P. Fund ledgers and check of annual account statements.
- (iv) Cent percent review of debit vouchers for temporary/final withdrawal.
- (v) Attestation of the credits/debits posted in the ledger cards/accounts in respect of the year closing with reference to the original entries in the schedules/vouchers.

- (vi) Attestation of the entries relating to the closures of the accounts in (i) General Index Register (2) Register of closed accounts and (3) Ledger account/Card.
- (vii) To maintain a Calendar of Returns for the section and see that each item of work is taken up and completed in time and that each return is despatched on the due date.

**(C) Duties of Sr. Accountant/Accountant :**

- (i) deal with final payments.
- (ii) Close accounts and issue authorities for final payment.
- (iii) Maintain the policy stock Register and Register of closed accounts.
- (iv) File payment vouchers after review.
- (v) Check the postings in Ledger Cards with reference to the entries in fund schedules in accordance with the percentage prescribed in the secret Memorandum of Instructions.
- (vi) Review in detail the vouchers for temporary/final withdrawals.
- (vii) Work out the amount for which the authority for payment is to be issued by bringing forward the previous balance, working out the amount of deposits and withdrawals, allowing interest according to rule and issuing authority for final payment. If the balance of the previous years have not been proved, they have to check in detail the accounts of the previous years also.
- (viii) Watch the regularity of the recovery of the advances in the course of monthly review of ledger cards of live accounts. The review of the cards, in which advances are outstanding should be regulated in accordance with the instructions contained in the Secret Memorandum of Instructions.

- (ix) Note in the remarks column of the ledger against the month of credit, the details of amount realized on Insurance Policies (i.e. Bonus dividend, anticipated endowment, surrender value, maturity value etc.) and watch the due posting of the credits in subscriber's account.
- (x) Deal with the proposals for assignment or reassignment of policies.
- (xi) Collect, prepare and furnish figures for the budget estimate and statistics for the temporary staff for the section.
- (xii) Make adjustment of the interest on fund deposits.
- (xiii) Make adjustment of amount of lapsed deposits.

**(D) Duties of Clerk/Diarist :**

Since the re-structuring of IA & AD clerks in A&E Offices are deployed in two ways (i) As clerk (ii) As Diarist.

Where they are utilized as clerks they are to perform all the duties of Accountants as discussed above.

Where they are utilized as Diarist, they are responsible for (i) Keeping the diaries and records in proper order, (ii) preparing the periodical reports of letters and pending cases; (iii) maintaining the register of paid vouchers (iv) watching carefully the transfer of letters, (v) issuing half margins to other sections (vi) arranging for the weeding of records when it becomes due (vii) maintaining a stationery and Forms Issue register for the Section and (viii) doing other routine work as ordered by the Section Officer as and when considered necessary by him.

- (E) **Duties of Concurrent Settlers/Schedule Checker/ Card supplier :**
- (1) To receive the Fund Schedules, debit Vouchers, transfer entries and certified covering abstracts from TAD (C) Section or the Schedule distributing section.
  - (2) To check the schedules and debit vouchers with the covering list and the arithmetical accuracy of the abstract totals.
  - (3) To collect the details for the wanting or incomplete documents from the concerned Sections by referring the vouchers and to hand them over to the posters or DEOs.
  - (4) To cross check the list of unposted items prepared by the poster (after the posting of a month is completed) with the Alphabetical Index Register/General Index Register, Schedules of previous and exceeding months, vouchers of A.C. sections and facilitate their posting in the correct account and to report to the Branch Officer, cases of perfunctory work, if any by the posters.
  - (5) To prepare every quarter departmentwise/ drawing officer wise lists of the remaining unadjusted items after (4) above.
  - (6) To initiate and pursue correspondence with the concerned officers in respect of department where the number of discrepant items is small.
  - (7) To visit the drawing officers / treasury officers in places where the discrepant items and missing credits are large and to obtain all the particulars necessary for adjusting the items.
  - (8) To take action as at sl. No. 4 to 7 above given in respect of old unposted items and missing credits.
  - (9) To thoroughly investigate the posting where the difference between Broadsheet and ledger figures is more than 5% or Rs. 1000/= whichever is less.

(C.A.G.'s letter No. 1474-Tech. Admn.II/103-67 dated 07.02.1967).

**Para 6: General Directions :**

The following points should be specially borne in mind by the staff of Fund Sections:-

- (1) The fund accounts should be neatly and accurately maintained as any error in posting or in working out balances would involve monetary loss either to the Govt. or to the individual concerned.
- (2) Special care should be taken in working out balances after each transaction where it is necessary in calculating interest in closing the accounts for a year and in the preparation of annual account.
- (3) Erasures and overwriting in the register are not permitted on any account. If a correction is found necessary it should be made neatly and attested by the Sectional Officer in each case.
- (4) The deposit of a subscriber and his nomination should be treated as confidential. No information should be communicated to a outsider. There is, however, no objection to supplying (confidentially if necessary) information regarding Provident Fund account to the Police, Head of Deptt., or the State Govt. for all official purpose.  
(C.A.G.'s office No. 2797 – Admn.II/382-57 dt. 23.12.57)
- (5) Payment of full or the available balance should invariably be made within three weeks from the date of receipt of the final payment case of the retired person or the beneficiary.  
( C.A.G.'S D.O. Letter No. 2459 – T.A. II/ 302-78 dated 03.10.1978 )
- (6) All entries and posting in the ledger cards/accounts must be signed by the person making such entries and posting.

**Para 7: Master File System :**

Provident Fund cases are often delayed badly for want of information/documents from the Head of offices/departments, and these cases are pursued by the sections in a routine manner. Hence forth such cases should be carefully scrutinized, pursued at the appropriate level and bad cases (cases which are very much delayed for want of adequate and timely action on the part of the departmental authorities) should be brought to the notice of Head of Departments/Government without fail under the signature of the Group Officer. An extra copy of each letter should be handed over to D.A.G. (Funds) and Coordinating Section. Coordinating Section should maintain a Master File in which copies of all such letters received from the Sections should be kept Chronologically. The Master File should be submitted to Group Officer monthly and to A.G. Quarterly. Similar Master File will be kept for close control and reference by the steno to Group Officer.

(Office Order No. Addl. AG/57 dated 05.12.68).

## **CHAPTER – II**

### **DIARIES, RETURNS & REPORTS**

#### **Para 8: Diarising/Disposal of Inward Letters and Other documents:**

Letters received in Funds Coordination may be classified as ordinary/urgent /DAG /AG/PAG/CAG letters as the case may be. These are to be diarised in relevant diaries/registers and their disposal watched. No letter should be filed without obtaining orders of competent authority. Letters diarised as ordinary, urgent and DAG/AG/PAG/CAG should be filed only after orders of section Officer, Branch Officer and Group Officer respectively have been obtained.

The format of weekly/fortnightly/monthly report on outstanding letters/cases is given as Annexure – I.

#### **Para 9: Calendar of Returns:**

As per para 44 of Office Procedure Manual, a Calendar of Returns should be maintained by each Supervisor/Section Officer/AAO. All the diaries, returns/registers and reports to be dealt with in the Section should be noted in the Calendar of Returns alongwith the periodicity of submission of these diaries, returns/registers and reports to higher authorities and designation of the higher authorities to whom these are due for submission and authority of opening the diary/returns/reports. In the remaining portion of the Calendar of Returns, actual dates of submission should be filled in. In this way, one vertical column for each month (say April to March) should be opened. Calendar of Returns should be submitted weekly, on each Monday to Branch Officer and on 5th of each month to Group Officer. A format of Calendar of Returns is given as Annexure 2. Particulars of Calendar of Returns can be taken from various paragraphs of this Chapter of Fund Manual. Wherever authority is not quoted in this Manual for any particular return, para number of this manual may be quoted as authority to this return.

**Para 10: Monthly Arrear Report :**

The Supervisor/Section Officer/AAO of each section should draw-up a report of the state of work of the Section as on the last day of the previous month as per para 110 of Manual of Office Procedure. The report should be submitted to the coordinating Section on 3rd of each month and a consolidated report should be submitted to the Group Officer/Accountant General on 7th of each month.

Monthly Arrear Report is a device by which every officer (right from section Officers/Branch Officers of the respective Sections to the Group Officer/ the Accountant General) can assess the past achievement and formulate future plan of action on monthly basis.

As monthly arrear reports are the basis for the preparation of quarterly arrear report which is sent to C & AG's Office (through T.M. Section), all the requisite information involved in the quarterly arrear reports should invariably find place in monthly arrear reports. It would, therefore, be better, if formats of quarterly arrear reports are adopted for monthly arrear reports too.

The standards which should be adopted for quarterly as well as monthly arrear reports, while computing mandays are given below :-

1. Posting of provident Fund accounts including posting in ATM- 75 (ledger cards) and ATM- 76 (unit broadsheet): 100 accounts per internal manday. (C.A.G. No.2670-TA. II/171-67 dated 20.10.1967), in case of hand posted series, if any.
2. Tracing and adjustment of missing credits/debits: 20 minutes for item of missing credits/debits: or 21 credits/debits per external manday. (C.A.G. No.1139-TA. II/237-64 dated 21.7.1964 and 320 – Tech. Admn. II/237 – 64 dated 24.2.1965).
3. Clearance of final payment cases : 10 cases for 3 mandays (internal).
4. Clearance of Residual Balance cases : 5 cases for 1 manday (External).

5. Transfer of balances to other accounting circles : 4 cases for 1 manday (External).
6. Transfer of C.P.P.F./C.P.F. balances to other P.F. accounts : 4 cases for 1 manday (External).
7. Triennial review of Provident Fund accounts : 80 ledger accounts per day per Accountant (Internal).
8. Riview of ledger cards by Section Officer : ½ manday per section per month (internal).
9. Closing of Unit Broadsheets : 4 mandays per section per month (internal).
10. Preparation & Closing of Missing Credit Register : ¼ manday per quarter per seat (internal).
11. Closing of unposted Credit/debit items Register : ¼ manday per month per seat (for Broadsheet Sections) (Internal).
12. Interest checking by Section Officer : One manday per section per year (Internal).
13. Review of vouchers by Section Officer : one manday per section per month (internal).
14. Review of debit vochers by Section Officer. : ¼ manday per section per month (internal).
15. Interest checking by Branch Officers : ½ manday per year (Internal).
16. Review of Ledger cards by Branch Officers : : ¼ manday per section per month (internal).
17. Closing of Consolidated Broadsheet : 10 mandays per month (for fund accounting section) ( Internal).

**Para 11: Reports to be sent to Headquarters Office and related orders :**

Detailed orders from Headquarters Office relating to different reports, to be sent to them by Fund Wings from both offices of A.G. (A&E) I and A.G. (A&E) II are given below :

**1. Quarterly Arrear Report (Through T.M. Section) :**

Provident Fund Coordination Section should send consolidated position on the working of respective Fund Wings to CAG (through T.M. Section) on 10th of January, April, July and October for the quarters ending on 31st December, 31st March, 30th June & 30th September respectively in the format given as Annexure 3,

alongwith a detailed appreciation note containing reasons for increase/decrease of arrears.

## **2. Quarterly Report on outstanding Final payment and Residuals Balance payment cases**

The quarterly report on \_outstanding Final payment and Residuals Balance payment cases should be sent to the C. & A. G. in the form prescribed for the purpose (given as annexure – 4 to this Chapter) so as to reach him by due dates as given below :-

1. Report for the quarter ending 31st March – by 15th May.
2. Report for the quarter ending 30th June – by 15th Aug.
3. Report for the quarter ending 30th September by 15th November.
4. Report for the quarter ending 31st December –by 15th February of the following year. ( C. & A. G. letter no. 1085 – admn. I/110 –56 dated 8.5.1956 and No. 2949 – Admn. I/345 – 56 dated 8.12.56).

### **Other relating orders:**

#### **Review of outstanding Provident Fund Cases: \_**

All cases where no part payment has been made should be submitted to the Deputy Accountant General (Funds) for review, so that it may be seen whether part payment can be made to the subscriber/ subscribers. The cases in which even part payment is not possible for want of certain information from any field office (say DDO) should be transferred to part II diary with the approval of Group officer and necessary correspondence at the appropriate levels initiated. Each concerned Fund section should prepare and maintain a separate register in which details of one or two such cases should be entered on each page and the details of entire inward/outward correspondences should invariably be noted in this register under the signature of the Branch officer concerned.

The cases already appeared in the part II diary should be reviewed by the Branch officer regularly and a progress report should be submitted to Group officer by 5th & 20th of each month.(C. & A. G.'s letter no. 2283 – Tech. Admn.II 253 – 68 dated 19.9.68). and D. A. G. (Funds) order No. Fund – I/G. P. F./F.P./part II – diary/215 dated 26.8.98 and No. Fund – I/G.P.F./ F.P./ part II – diary/689 dated 14.12.99)

**Order relating to Returned Final Payment Cases :**

Returned Final Payment cases and the Final Payment cases lying under correspondence should not be excluded from the “Report on outstanding Final Payment and Residual Balance payment cases”. (C.& A.G.’s circular no. 33 – AC. II/1987(vide no.906 – A.C. II/120 – 86dated 10.8.1987).

**Final settlement of provident fund cases involving more than one field office:-**

In cases, wherein final settlement of provident fund case involves more than one field office and the requisite reply/information is not received from the other field offices within three months, such cases should be brought separately to the notice of Head - quarters office. In case such a reference is received from other field office who is handling the original complaint, the reference received should be entered in the category of CAG complaint case. (C&AG D.O. no.:- complaints/2001-misc/Gr.-I/circular dated : 20.8.2001)

**Certificate regarding review of Residual Balance Cases:**

Before sending the Quarterly report on outstanding Final Payment and Residual Balance payment cases to headquarters office, all the residual balance payment cases should be reviewed and necessary action should be taken and a certificate to the effect that “all Residual Balance Payment Cases have been reviewed properly and adequate action taken” should be appended with the report. (C.&A.G.’s circular No. 74 –AC.II/86 vide No. 1748 –AC.II/115 –86 dated 11.11.1986).

**(3) Report on unposted Provident Fund Credit & Debit items and Report on Incomplete accounts and missing credits/debits**

A statement on unposted credit and debit items should be sent to the C. & A.G. thrice a year in the format given at Annexure 5 – one annual report & two interim reports as detailed below :-

- (a) The report covering the accounts upto March (Annual Report) – by 30th September.
  - (b) The report covering the accounts upto June of the current year – by 31st December .
  - (c) The report covering the accounts upto September of the current year – by 31st March.
- (C.& A.G.’s General circular No. 3 No. 243 – AC II/276-98 dated 26.4.2000)

Further a statement on Incomplete accounts and missing credits/debits should also be sent to the C. & A.G. twice a year in the format (given at Annexure 6) so as to reach the office of C. & A.G. by the dates indicated there against.

- (a) The report covering the accounts closed upto 30th September of preceding year- by 30th April.
- (b) The report covering the accounts closed upto 31st March of the same year – by 31st October. (C. & A.G.’s letter no. 2406 - TA. II/232 –67 dated 21.9.1967 and 1088 – TA.II/153 –81 dated 31.8.1981 and No. 243 – AC II/216 – 98 dated 26.4.2000 (General circular No 3)

**(4) Report on the maintenance of P.F. accounts of AIS Officers :**

A report on the maintenance of P.F. accounts of All India Service Officers should be sent to the C.& A.G. in the form prescribed below so as to reach him by the 5th of every month.

1	2			3			4			5			6		
Series of accounts AISPF	Opening balance			Addition			Total			Clearance			Closing Balance		
	Incomplete Accounts	Missing credit/	Missing debit	Incomplete Accounts	Missing credit/	Missing debit	Incomplete Accounts	Missing credit/	Missing debit	Incomplete Accounts	Missing credit/	Missing debit	Incomplete Accounts	Missing credit/	Missing debit

(C&A.G’s No. 546 – ACII/31 – 91 dated 24.8.99)

**(5) Report on balances outstanding under 'Provident Fund Suspense :**

A half yearly return regarding the balances under "Provident Fund Suspense" for the period ending 30th September and 31st March should be sent to the C. & A.G. in the format given as Annexure 7 so as to reach him by 10th November and 10th May respectively. ( C.A.G.'s letter no. 227 – Admn. III/236 – AI/59 dated 7.12.1959 & 1239 – Admn. III/218 – 60 dated 15.6.1960).

**(6) Report on complaints to C. & A.G. :**

The Accountants General should keep a special watch on cases of complaints regarding delays in the settlement of personal claims and send a report to the C. & A. G. under his signature fortnightly showing the number of cases as balance as on 1st and 16th of each month. This report will include the no. of cases received upto 30th/31st and 15th of the same month. A monthly report on the complaint cases which are more than six months old should be sent to the H.Q. Office so as to reach by 10th of each month. Fresh cases on which reports are called from the C. A. G.'s office should be added to the list and the upto date position in respect of those cases should be indicated, inviting reference to the reports, if any, sent by his office. The C. & A.G.'s office also sends quarterly the lists of fresh cases pending settlement and items which had been settled or finally closed at that end. Submission of these reports will not however do away with pursuit of individual cases separately (as at present). No Complaint case should be pending for over 2 months after receipt in the office. In order to settle such complaint cases expeditiously, the following action should invariably be taken –

- (i) A watch register should be opened in respect of all cases that are pending for over three months. The register should be reviewed fortnightly by the Group officer and by the Pr. Accountant General/Accountant General at the end of each month.
- (ii) The Group officer concerned should, each month, personally review all files pertaining to three months old cases. Where action is required to be taken internally, i.e., within the office

itself, the Group officer should ensure that such action is expeditiously taken by those concerned. In cases where the matter has to be taken up at higher level within the state Government/Departments/outside offices, the Group Officer should immediately brief the Principal Accountant General/Accountant General (A&E) who should take up the matter demi – officially with the Concerned officers/authority; and

- (iii) The Pr. A.G./A.G. (A&E) should, as a result of his monthly review of the watch register, take all effective and speedy action to ensure speedy settlement of such cases. He should ensure intense and consistent follow- up action with the concerned authorities till final settlement of each three months old case, before it becomes Six months old.

(CAG's d.o. no. 519-Tech.Admn. I/87-68 dated 16.02.1968, No. 2358 to 2389 – c/93-1/General/Gr.I dated 03.12.1993 and D.O. no. 1297-C/99-Perfromance Report/Group I/Corres/UP I Dated 13.05.1999)

(7) Report on despatch of annual accounts statements:

A report on the despatch of Annual Accounts Statement to the subscribers should be sent to the C.& A.G. in the form prescribed below so as to reach him by the 30th September each year. Only the statement despatched to subscriber after the above due date should be shown in the report as having been delayed.

Form of Report on the Despatch of Annual Accounts statement :

- (1) Total number of accounts involved.
- (2) (a) Number of accounts despatched by the due date.  
(b) Percentage which the number at 2 (a) bears to the total number of accounts.
- (3) (a) Number of accounts which could not be despatched by the due date.  
(b) Percentage which the number at 3(a) bears to the total number of accounts.
- (4) Reasons for the delay in the despatch of accounts mentioned at 3(a) above & the date/dates by which they are expected to be despatched.

(C.A.G. letter No./135 Admn.II/ 470. Admn. II/ 58 dated 4.7.1960 & 54 – TA. II/314 – 65 dated 7.1.1986)

Statements which could not be despatched in time alongwith others for want of latest addresses etc. should be forwarded to the Head of Offices for distribution among the subscribers.

A further report in addition to one above regarding the completion of such residual account statements has also to be sent to C.A.G. (C.A.G. No. 2092 – Admn. II/407 Admn. II/58 Vol. III dated 20.10.1960).

(8) Report on Court Cases:

A quarterly report, showing the position of Civil Suits etc. filed by serving retired State Govt. Employees and other persons not belonging to I.A.&A.D. filed against Govt. wherein C&AG/AG etc. has been impleaded as a party, should be sent to C&AG Office ( through T.M. Section) in the format given as Annexure-9 for the quarters ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September & 31<sup>st</sup> December so as to reach thereby 7<sup>th</sup> of April, July, October & January respectively.  
( C&AG's N.C.E. Circular No. 56/NCE/1986 dt 18.7.86 )

(9) Report on the working of machinery established for redressal of public grievances:

A quarterly report regarding the working of this machinery should be sent to the Headquarters office in the first week of May, August, November and February each year.

The format of the above report prescribed below:-

	Number of Cases/Letters
Opening balance as on -- -- --	
Letters received during the quarter --	
A. Insurance, payment of GPF etc.	
B. Transfer of balance.	
C. Issue of duplicate accounts slip and allotment.	
D. Complaint relating to finalised F.P. Cases.	
E. Discrepancies in G.P.F. A/C.	
F. H.B.A./M.C.A. and P.L.A. deposits	
	-----
	Total :
	-----

**Para 12: Visitor’s Facilitation Cell**

Visitors/Subscribers of the General Provident Fund having grievances with regard to their accounts should be heard patiently and ensured remedial action within reasonable time .With this view, a cell named “Visitors Facilitation cell” has been created be in the office.

Following instructions have been issued by the D.A.G. in this regard :

- (1) The cell should ensure timely redressal of the grievances of visitors/subscribers in consultation with the dealing sections.
- (2) For this purpose, complaint category-wise diaries should be maintained by the cell, where in the name of the visitor/subscriber, details of his complaints, the name of section concerned and the date by which he has been assured of the necessary action, should be recorded. The cell should then immediately pass on the case to the Branch officer concerned for the necessary action by the date set in this respect.
- (3) On receipt of a complaint through the Facilitation cell, the Branch Officer concerned should examine the complaint in detail and pass it on to the section under his charge with necessary instruction. The section concerned should take complete action on the complaint and report to the Facilitation cell through the Branch Officer by the date set in this respect.

The sections should finally settle the grievances of the P.F. subscribers as per following time schedule

<u>Nature of complaint</u>	<u>Prescribed Period for disposal</u>
(a) Issue of duplicate copy of Annual Account statement of last financial year/position of F.P. cases.	2days (Preferably on the same day)
(b) Allotment of G.P.F. A/C No.	2 days
(c) Adjustment of missing credits/debits and final reply to subscriber.	30 days

(d) Finalisation of F.P. cases, if the F.P. case has been received and all papers/pass Book are complete 15 days

(e) Matters arising out of finalised final payment cases. 30 days

(4) A separate diary for all complaints received through the visitor's Facilitation cell should be opened in each section for ensuring timely disposal of the complaint. This diary should be closed every Monday for submission to the Branch Officer and it should be submitted to the Group officer on the first Monday of every month. A record of this diary should be kept in the sectional Calendar of Returns for watching its timely submission to the Branch Officer and the Group Officer.

(5) On receipt of the report from the dealing sections with regard to action taken on the complaint, the cell should note the action taken against every complaint case in its diary and close it on every Monday for submission to the Group Officer.

(6) V.F.C. should keep a watch over the final reply to be received from the dealing sections each day and arrange to give a copy of account slip/final or interim reply received from the sections to the visitors between 3.00 P.M. and 5.00 P.M. every day. Cases, in which concerned section has not taken appropriate action for the redressal of the grievances within time, should be reported to the Group Officer concerned by the cell.

( DAG's order No. Fund-I/visitors's Facilitation cell/1016 dated : 16.3.99)

## **CHAPTER – III**

### **ADMISSION**

#### **Para 13: Compulsory Subscription to Provident Fund :**

All permanent Govt. Servants and all temporary Government Servants, other than those appointed on contract and re-employed pensioners, whose services are likely to continue for more than a year, shall subscribe to the Fund from the date of taking over the charge in the service.

Apprentices and Probationers shall be treated as temporary Government Servants. Executive authorities should inform their Accounts Officer as soon as a government servant becomes eligible to subscribe to G.P.Fund (State).

Temporary Government Servants including Apprentice and probationers appointed in regular vacancies, which are expected to continue for more than a year shall subscribe to General Provident Fund from taking over the charge in the service. Application for the allotment of G.P.Fund account of such Government servant is prescribed in Vitta Vibhag G.O. No. G-2 2448/Ten 502 ( i ) – 61 of 30.08.67 should be submitted to this office within three months of their appointments. As soon as the Account Number is intimated from this office they should start contributing to G.P.Fund.

( G.No. G.4-2974/ten-508-61 of 02.01.1976. Rule 4 of the G.P.F. (U.P.) Rules, 1985 )

#### **Para 14 : Process of Admission to G.P. Fund:**

When a statement for admission in prescribed proforma as given in Annexure 10 in duplicate is received, it should be admitted, if in order. An account number should be allotted to the applicant in the General Index Register and in the ledger card. Simultaneously relevant master should be created in the computer.

The account numbers of both Gazetted and non-Gazetted government servants should be communicated through the duplicate copy of the statement to the head of the office with the instructions to note the G.P.F. account number in the service Book and to quote it in all future communications and indicate it in the schedules of G.P.F. deductions.

As a rule no government servant should commence subscribing to the Fund until his application for admission to the fund has been accepted by this office and account number assigned to him. If in any case the name of a government servant appears in the fund deduction schedules before his application has been received and accepted by this office, account number should be allotted provisionally to the subscriber concerned.

**Indication of date of birth in the application for admission:**

It has also been decided that the date of birth should be indicated in the application invariably in all cases irrespective of whether the applicant is minor or not, so that the date of birth of the subscriber can be noted in the ledger account and the probable date of his superannuation known from the said account itself. This would eventually enable the Accounts Officer to initiate action in time and to complete the subscriber's account before his retirement and thus avoid any possible delay in the settlement of his P.F. claims. The D.O.B. should also be noted in the Ledger Account/Cards.

(C.A.G.No.697-Tech-Admn.II/295-68 of 26.03.69 G.I.M.F.NO.F-41(4)EV/69 dt. 27.05.69 U.P. Govt. G.O.No.G. 22386/X-502(i)-61 dt. 27.12.69).

(Rule 5 of the G.P.F. (U.P.)Rules, 1985)

**Para-15:Orders relating to maintenance of Nominations:**

Rule 5 of the General Provident Fund Rules (Uttar Pradesh), 1985 describes that a subscriber shall at the time of joining the Fund, submit to the Head of Department/Head of the office a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund in the event of his death, before the amount has become payable or having become payable, has not been paid.

Provided that a subscriber who has a family at the time of making the nomination shall make such nomination only in favour of a member or members of his family;

Provided further that the nomination made by the subscriber in respect of any other Provident Fund to which he was subscribing before joining the Fund shall, if the amount to his

credit in such other Fund has been transferred to his credit in the Fund, be deemed to be a nomination made under this rule until he makes a nomination in accordance with this rule.

As such the work relating to maintenance of nominations is done by the Head of Department/Head of the Office in State Govt. and it has not been maintained in A.G.'s office.

However, the maintenance of nominations submitted by the members of All India services shall be done by this office.

All nominations duly accepted by the competent authority should be kept under lock and key in the safe custody of the Branch Officer of the Fund responsible for maintaining A.I.S.P.F. accounts.

### **Para 16 : General and Alphabetical Index Registers :**

(See para 12.14 of the Manual of Standing orders (A & E ) Volume I)

A General Index Register with reference to major head of account to which the pay and allowances are debited (one for each department) should be maintained in Form 30 in which account number, name of subscriber, Father's / Husband's name, his designation and address should be noted. In the Remarks Column of the General Index Register as also in the Ledger Card the date of closure of account should be noted. The Guide letters to be used as prefix in allotting account numbers to the subscribers drawing pay from a particular head of account e.g. GAU, M-edu, LJU etc. should strictly be followed. The date of birth of the subscriber should be noted in the remarks Column of the General Index Register. The date of superannuation may also be noted instantly in the same column below the entry of date of birth prominently in Red ink. The word 'date of superannuation may be added. If the information is not available in the application form, it should be ascertained and noted in the Index Register thereafter. When new Account Numbers are assigned to old subscribers, the new Account Number should be shown as numerator and the old number as denominator in the Index Register so that their past records may be traced easily whenever required.

With a view to avoid confusion owing to identical names of subscribers, Alphabetical Index Registers are prepared. The broad outlines of the system of maintenance of Alphabetical Index Register are given below :-

- (i) The Index register should be written up neatly in alphabetical orders of the names, where the posting work is done manually, otherwise the computerized Register should be maintained.
- (ii) It should contain the name of subscriber in Block letters, the Surname should come first. In case a name is not followed by any surname, it should be written up in full.
- (iii) Treasury in which the name of the subscriber appeared at the time of preparation of Index Register should be written at the right hand top corner and subsequent changes thereafter should be noted in the space provided therein.
- (iv) This Index should be kept only for live and current accounts.
- (v) Updating of Alphabetical Index Register should be done every year after the annual closing work is completed in the ALPM sections.
- (vi) The Alphabetical Index Registers should be prepared in triplicate, one for the posting section concerned, another for the broadsheet section and the third to be retained in the coordinating section to serve as a permanent master record.
- (vii) The Broadsheet section will remain in overall charge of this work and maintain coordination with the Section concerned. It will also be responsible for proper maintenance of these Alphabetical Index Register.

The Index Registers may be used to find correct account number of a subscriber when it is incorrectly given or not given in the schedules of recovery or voucher.

The entry in the ledger card of the account number against the subscriber's name in the General Index Register and Alphabetical Index Register and the entries of the name, father's/Husband's name, designation, address and special entries regarding date of birth should be attested by the Section Officer.

## CHAPTER –IV

### Compilation of Accounts

#### **Para-17: Receipt of schedules/Debit vouchers:**

The principal sources from which Provident Fund ledgers are posted are:

- (I) Credit Schedules attached to pay bills;
- (II) Credit Schedules relating to remittances into treasuries etc. (i.e. cash deposits under Provident Fund head);
- (III) Debit vouchers of withdrawals (temporary as well as part final) from the fund;
- (IV) Details of Credits and debits appearing in the settlement account.

Consequent upon the adoption of Gross Accounting System w.e.f. 1987-88 accounts, details of deduction especially Major Head of Accounts 7610 and 8009 are not posted in the compilation sheet (Now in V.L.C.). The compilation work has been computerized and being done in V.L.C. sections w.e.f. April 2001. Therefore, it was decided that G.P.F. Schedules should be received direct in the Fund wing from the Treasuries.

In this office, three sections namely Fund-32, Fund-36 and Fund-2 receives P.F. Schedules, cash challans and debit vouchers respectively in Separate packets sent by the treasuries and checks them against the covering list. Cash Accounts should be checked from the covering list received from the treasury with challans and supporting Schedules. These sections should maintain the account of total inward Schedules/challans vis-à-vis missing Schedules/challans. The Schedule receiving Sections compile the amount of Schedules Major Headwise and Send the Schedules accordingly to the concerned A.L.P.M. Sections of the offices of the A.G.(A&E)-I and A.G. (A & E) –II U.P. alongwith a covering list for posting in the respective P.F. accounts of the subscribers. Fund –36, the challan receiving Section, compiles cash Accounts serieswise and sends the challans and Supporting Schedules accordingly to the concerned A.L.P.M. Sections alongwith a covering list.

Fund 2 section receives separate packets sent by the treasuries containing the covering schedules of payments alongwith supporting vouchers for the I<sup>st</sup> and II<sup>nd</sup> lists. The Ist list should have the details of transactions with respect to drawals from G.P. Funds during 1st to 10<sup>th</sup> of the preceding month and 2<sup>nd</sup> list should contain details of the transactions occurring from 11<sup>th</sup> to last day of the month. The amount shown on the covering list sent with the Separate packet should be compared with that of the debit vouchers received alongwith the list. The Section should maintain the account of Debit vouchers received vis-à-vis missing vouchers. For this purpose, Debit voucher Register Part-I and Part-II should be maintained (Annexure-11 and 12).

Immediately after opening the separate packet, the amount of covering schedules of payments should be included in column 3 of the Debit voucher Register Part I and the voucher received should be checked with the covering schedules of payments and discrepancies if any, noted in the respective schedules. If any P.F. schedule/ challan /voucher is found wanting or where incorrect vouchers are attached by treasury or there is want of material details in respect schedules/vouchers, a reference should be made to the defaulting Treasury officer. This must be completed within 7 days of the receipt of the separate packet. Such irregularities should be brought into the notice of the Director of Treasuries and the Government. The concerned office/ Department should be pursued to provide for such details of Schedules/debit vouchers. In case of unavoidable delays, peripatetic parties may be floated to fetch such details.

In case of the debit schedules received from Account Current sections duly supported with debit vouchers, these should be noted in the column 3 of the Debit vouchers Register part I at places specified for them. Any discrepancy viz. missing vouchers should be brought to the notice of Treasury officers and discrepancies settled. Misclassified vouchers should be dealt with in the same manner.

For detailed tracing of discrepancies, a sorting Register should be maintained to record each and every debit P.F. voucher (whether received from Treasury Officer with separate packet or from Account current section) the accuracy of voucher and total amounts thereof should be checked through this Register. After thorough checking of debit vouchers through sorting Register, Grand Total of Debit voucher Register Part-I should be struck and then figures from Comp. General should be taken and ultimate difference should be found out.

This difference pointed out in Debit Voucher Register Part-I should be carried forward to Debit voucher Register Part-II at the close of every month. The reconciliation of this difference should be watched through Debit voucher Register part –II after the necessary carry forward.

**Para-18: Posting in Ledger Cards:**

The provisions of posting from the Provident Fund Schedules and Vouchers have been laid down in the G.P.F. Manual (Part-II).

**Para 19: Consolidated Broadsheet: Preparation and monthly agreement:**

Para 12.60 and 12.61 of the C. & AG (M.S.O.) Vol-I provides for maintenance of a consolidated Broadsheet in Form 50 (given at Annexure 13) to work out the total monthly credits and debits as are provided by the A.L.P.M. sections of the office of A.G. (A&E) I & II Uttar Pradesh. This total credits/debits should be agreed with corresponding totals in the Detail Book. The Consolidated Broadsheet should be submitted to the Gazetted officer in-charge. The total interest figure of all P.F. accounts including interest paid during the year on closed accounts should be carried to the consolidated Broadsheet. The closing balance as per Consolidated Broadsheet should be verified with the figures in the Book Department/V.L.C.

A special drive should be initiated to clear the differences between the figures in the Provident Fund Broadsheets and those in the ledgers. It may be noticed that there are some old items in respect of which it may not be possible to ascertain the particulars necessary for their adjustment in spite of best efforts made in that direction. It will not be worthwhile to keep such items outstanding for an indefinite period. Such items outstanding for an indefinite period may be written off to Misc. Govt. Account' with the concurrence of the Govt. concerned and after approval of the C.A.G.. Such items should be old owing to their age or pending due to destruction of records etc. It should be certified by the Accountant General that a dead end has been reached in respect of these items.

It has also been decided by the C.A.G. that a certificate to the effect that an annual agreement of balances in the P.F. accounts has been done indicating the difference between

Broadsheet & ledger, if any, and that action has been taken to settle the same should be sent by the A.G. alongwith the Report on the Despatch of Annual Account Statements.

If the details of any item previously written off to 'Misc.- Govt. Account' are subsequently traced, such items may be written back and adjusted under the final head under the orders of A.G. without requiring formal approval of C.A.G. No time limit for write-back of such items is contemplated and the adjustments may be carried out in the accounts of the year in which the details are traced. The head 'Misc. - Govt. Account' should not be operated in a routine course even for the purpose of the write-back. Specific approval of the Accountant General should be obtained for each adjustment. The Accountant General may accord such approval in cases as and when they are noticed. Formal communication of the total amounts written back during a financial year by operation of the head 'Misc. - Govt. Account' in the cases under reference may be furnished to Headquarters office by 31<sup>st</sup> August of the following year. (C.A.G. letter No.235-Comp/Kw-140-63(III) dated 17.03.1966 and 356-TA. II/285-66(III) dated 11.02.1969).

**Para-20: Due Dates of Completion of Accounts :**

The Due dates for receipt of Provident Fund credit Schedules/Debit Vouchers in Fund Section, commencement of posting of P.F. accounts and Completion of posting of P.F. accounts for the months from April to March each year, as per Comptroller and Auditor General's instruction, are given below for strict adherence :-

Month	Schedules to be received in Fund Section by	Commencement of posting	Completion of posting by
April	20 <sup>th</sup> May	21 <sup>st</sup> July	17 <sup>th</sup> Aug.
May	20 <sup>th</sup> June	18 <sup>th</sup> Aug.	9 <sup>th</sup> sept.
June	20 <sup>th</sup> July	10 <sup>th</sup> Sept.	2 <sup>nd</sup> Oct.
July	20 <sup>th</sup> Aug.	3 <sup>rd</sup> Oct.	27 <sup>th</sup> Oct.
August	20 <sup>th</sup> Sept.	28 <sup>th</sup> Oct.	21 <sup>st</sup> Nov.
September	20 <sup>th</sup> Oct.	22 <sup>nd</sup> Nov.	16 <sup>th</sup> Dec.
October	20 <sup>th</sup> Nov.	17 <sup>th</sup> Dec.	10 <sup>th</sup> Jan.
November	20 <sup>th</sup> December	11 <sup>th</sup> January	4 <sup>th</sup> Feb.
December	20 <sup>th</sup> January	5 <sup>th</sup> February	1 <sup>st</sup> March
January	20 <sup>th</sup> February	2 <sup>nd</sup> March	26 <sup>th</sup> March
February	20 <sup>th</sup> March	27 <sup>th</sup> March	19 <sup>th</sup> April
March	15 <sup>th</sup> April	20 <sup>th</sup> April	14 <sup>th</sup> May

( C.A.G.'s letter no. 567-Admn./123-50 dated 24.02.1951)

However, under computerized system of posting each year's posting programme should be prepared and got approved by the A.G. in such a manner so as to complete the year's posting by 15<sup>th</sup> June every year and complete the despatch of annual account statements by 31<sup>st</sup> July.

**Para 21:    DESPACH OF ACCOUNTS SLIPS**

- (i)    The annual statement of accounts (i.e. Accounts Slips) of Provident Fund subscribers should be sent to the Drawing & Disbursing Officers under whom they are serving in the format given in Part II of this Manual.
- (ii)   Annual account statements of AIS officers should be sent immediately.
- (iii)  As per headquarters letter no.466 AC/ENT/246-2001 Dated 13-08-2001, as far as possible, the annual account statements should be handed over personally by calling the representatives of the D.D.O.'s as per an approved time schedule as being done in A.G. Tamil Nadu.

It should be ensured that the Statement given to the subscribers is complete and correct in all respects and should satisfy him. The statement must indicate all missing credits and missing debits not only for that year but of the earlier years also and also probable missing debits (where LIC Policy is still being financed). Adjustments of missing credits/debits of earlier years should be shown distinctively in the statement. Wherever, missing credits/debits remain, the subscriber should be requested in the statement itself to give details needed by us to clear these. Whenever a new card is opened, these details should be carried forward. As and when a missing item is traced and adjusted to the subscriber's account, it should be scored off with proper attestation. All attestation either in token of review or correction or certification of balance by Accountant, Section officer or Branch Officer should be legible so as to identify the person concerned at any time. The statements pertaining to each Drawing & Disbursing Officer should be sent by registered post alongwith a covering list detailing the particulars of the subscribers in respect of whom statements are sent requesting the D.D.O. to send details in a standard proforma in respect of credits/ probable missing

debits which have been shown in the statement of the individual subscribers to help us trace and adjust these missing credits/debits. To facilitate despatch of the statement to the subscribers at the place of their posting, Lists of Drawing and Disbursing Officers in the State be prepared and they be requested to send lists of subscribers with them as on 30<sup>th</sup> June of a year in duplicate (one copy can serve as covering list while sending the statements.)

The despatch of account statements to the Drawing & Disbursing Officers should be given wide publicity through the Press and the subscribers should be requested to collect the statements from their Drawing & Disbursing Officers. The State Govt. should be requested to instruct their Drawing & Disbursing Officers for (a) distribution of statements to the subscribers (b) transmission of the statements of such employees as may have been transferred in the meanwhile, to their new address, (c) furnishing certified details of all missing credits/probable missing debits as asked for in the letter forwarding the statements to the D.D.Os and (d) informing the Head of Department of the complete distribution of statements and sending him a list of persons whose statement could not be distributed. (C.A.G.'s letter no. 2459-TA.II/302-78 dated 3.10.1978).

The Comptroller and Auditor General of India has decided that the receipt of acceptance of balances in respect of account slips despatched by us every year should be watched by us for a period of 3 months only. In order to ensure that the subscribers have actually received their account statements, they should be requested to send acknowledgement for the receipt of their respective account statements and we should keep a strict watch over the receipt of such acknowledgements. In the case of gazetted subscribers the acknowledgement should be called for in each case and in the case of non gazetted subscribers the Heads of Offices should be requested to send a certificate to the effect that all the account statements received by them have been delivered to the respective subscribers. The Sections are therefore to maintain a separate despatch register for the despatch of account slip and note the relevant details as prescribed in the columns of that register. We should also send card acknowledgement on receipt of the above acknowledgement and certificates from the Gazetted Officers/Heads of Departments. Reminders are to be issued in cases where such acknowledgement/certificates are not received for one month and a watch has to be kept for its receipt for 3 months. (CAG's letter no. 1199-TA.II/249-66 dated 7.6.1969).

The statements of accounts should be sent to the Drawing & Disbursing Officer after these have been checked by the Section Officer and Branch Officer, to the extent detailed in Chapter I of this Manual (under sub-Chapter –Duties of Section Officers and Branch Officers). The Selection of Accounts to be checked by the Branch Officer should be made by the Group Officer incharge of Fund Sections. The selection register should be in the custody of the Branch Officer and not released to the office. The Branch Officer should record the Certificate of completion of review of the Accounts selected in the above register and submit the completion report to the Group Officer in the first week of September in each year.

(CAG's secret circular no. 1511-TA.II/241-68 dated 3.7.1968)

**( C ) PREPARATION OF BALANCE COMPILATION SHEET :**

It has been prescribed in Para 12.61 of C & AG's M.S.O. (A&E) Vol. I that for hand posted series P.F. accounts the interest figure in each individual account including interest paid during the year on closed accounts should be posted in Unit Broadsheets (M.S.O.(T) 76) relating to that particular ledger account.

Similarly, it has been prescribed in Para 12.44 and 12.55 of CAG's M.S.O (A&E) that for Machine posted series in the process of annual closing of accounts, side by side with the calculations of interests the Machinist should prepare the Annual Accounts Statements and a Balance Compilation Sheet in Form 40 from the completed card and the closed accounts.

Above two processes serve the same purpose, i.e. to have a compact figure of opening balance, Deposits during the year, Interest paid to subscribers during the year & Incentive Bonus etc. if any, and the closing Balance of the year. This process of preparation of Balance Sheets applies mutatis mutandis in the case of computerized system of posting.

**(D) MISCELLANEOUS**

The following should be the programme for compilation, Annual closing and despatch of account slip: -

<b>ITEM OF WORK</b>	<b>COMMENCEMENT</b>	<b>COMPLETION</b>
Account posting from April to March	21 <sup>st</sup> July	14 <sup>th</sup> May (detailed monthwise programme in Para 20 of this chapter)
Interest calculation	10 <sup>th</sup> May	10 <sup>th</sup> June
Balance compilation and Preparation of Annual accounts statements.	25 <sup>th</sup> May	20 <sup>th</sup> June
Dispatch of accounts statements	16 <sup>th</sup> July	31 <sup>st</sup> July
Report on dispatch of accounts slips due to the C.A.G.	-	31 <sup>st</sup> August

(CAG's letters no. DO.No. 190.Accounts Ent/242-99 dt.13.04.1999 and no.298-Accounts/Ent/243/2000 dt. 19.05.2000.)

The Comptroller & Auditor General of India attaches importance to the despatch of Provident Fund Account Statement by the due dates. If the Accountant General finds that the aim can be achieved by getting the work done on payment of honorarium he should do so. Honorarium is payable when calculation, checking etc. is done on a task work basis by the staff in addition to their own duties outside the normal office hours.

(C.A.G.'s letter no. 1515-NGE.I/224-61 dated 1.8.1961)

When Section Officers are doing the work, honorarium is admissible for work done in addition to the normal percentage, which they are to check. If, for instance, they check interest on 100 cards and under the normal percentage of check, they are required to check 10/20 cards respectively; the honorarium is to be allowed on 90/80 cards only. However, the supervisory staff not belonging to Fund Sections are to be given honorarium on the basis of the total cards checked without any deductions.

(CAG's letter no.1813-NGE.I/224-61 dt. 2.12.1963)

It is to be ensured that the total work for which honorarium was proposed to be granted had actually been done and that if in any case, it was later on found that the work had not been done properly, recoveries should be made. Instructions contained in Headquarters office d.o. letter no. 2459-TA.II/302-78 dated 3.10.1978 also provide that the Group Officer should generally ensure that all missing credits and debits have been enlisted in the Account Statements alongwith the adjustment of earlier missing credits.

**Para 22: OPENING OF NEW LEDGER CARDS**

Under computerised system of posting of G.P.F./AISPF accounts, new ledger card has to be opened each year. This is automatically done in respect of those accounts as are included in Master. For the new subscribers to whom account numbers may have been allotted during the course of the current year the relevant Master should be created simultaneously in the Computer.

**Para 23: Clearance of Unposted Items:**

As a special step to clear the unposted item/missing credits, peripatetic parties may be formed. These parties may be sent out at periodical intervals to Departmental Offices to collect particulars necessary for the clearance of missing credits/debits and unposted items so that they can be settled promptly. These parties should also be entrusted with the clearance of old items. For this purpose intensive drive may periodically be made with a view to bring about this settlement expeditiously. The peripatetic parties should also impress on the offices visited, the need for avoiding serious types of defects noticed in the schedules prepared by them and for replying promptly to references received from the Accountant General about particulars of missing credits etc.

(C.A.G. letter no. 1674-Tech-Admn.II/103-67 dated 7.7.1967).

(At present, one section officer and Two Accountants for O/o the A. G.(A&E)-I, and one section officer and two Accountants for O/o A.G. (A&E)-II are sanctioned by the headquarters office, on Temporary adhoc basis, for this purpose).

It should be seen that as far as possible no lump sum postings are allowed to be made in the register of unposted items (Master Card) and if it becomes unavoidable, as in case of non receipt of schedules in respect of person whose pay is drawn by numbers and not by names, immediate steps are taken to obtain the details from the Drawing & Disbursing Officer. In order to control and minimise fresh accretion of unposted items following action needs to be taken :-

- (I) Use of Alphabetical Index Register/ Cards for tracing correct account number;
- (II) Check of unposted credits and debits by the Section Officer and Branch Officer incharge ALPM section before finalisation of Register of Unposted item (Master-Card) before the accounts are closed;
- (III) Reference to each Drawing & Disbursing officer by the Accountant in standardized form (printed or cyclostyled), for all credits/debits remaining unposted at the end of the month, has been made before finalizing the Master-Cards (Branch Officer should verify this),
- (IV) Maintenance of Diary of sanction to advance and final withdrawals (for debits items).  
(D.O. from ADAIH No. 2459-TA.II/302-78 dated 3.10.1978).

#### **PARA-24: ADJUSTMENT ON C.E. BASIS:**

In respect of missing credits/debits, the individual subscriber's account should be completed as soon as sufficient documentary collateral evidence as derived from pay bills, acquittance rolls, audit registers, certified details of deductions from Drawing & Disbursing Officers is available. The amount of credit/debit should be adjusted by drawing Transfer Entries; crediting/debiting head '8009- State Provident Fund etc.' and counter debiting/crediting head '8658- Suspense- P.F. Suspense'.

(C.A.G. letter No. 889-AI/236-59 dt. 16.6.1959 & 707 Admn. II/138-63 dated 27.4.1963)

The Branch officers of Funds Wing may be permitted to approve the adjustment of credits and debits upto a limit of Rs.2000=00 at a time on the basis of documentary collateral evidence. The cases involving adjustment of amounts exceeding Rs. 2000/- will be approved by the

Group Officer of the Funds Wing. Before making adhoc adjustments, the Branch Officers or the Group Officer concerned should interalia satisfy himself that the lists of unposted items have been duly verified to ensure that relevant debits and credits do not appear therein.

(C.A.G.'s general circular No. Accounts Ent./ 238-95/271/Accounts/Ent./ 238-95 dated 14.5.1998)

A register of collateral Evidence should be maintained in the format (given at Annexure 14)

The missing credits upto Rs.100/- till the date of retirement of a retired Government Servants can be authorized by the Accountant General after obtaining even the uncertified details from the retired subscriber taking it to be correct .

(G.O. No. SA-4-AG.2/Das-84-527-79, Lucknow, dated 8<sup>th</sup> March,1984 )

The attested copies of pass books of in-service Provident Fund subscribers maintained in Uttar Pradesh Govt. Offices can be treated as sufficient Collateral evidence for adjustments of missing credits/debits in the P.F. accounts maintained in Accountant General's office provided that all the entries are perfectly attested by the drawing and disbursing officer under whom the subscriber had been working at the time of sending the pass book copy of details alongwith a certificate from the drawing and disbursing officer that the entries made in pass book copy are in accordance to the pass book certified by the drawing and disbursing officer of the connected earlier period.

(G.O. No. Sa-4-AG./2Das-84-527-79 dated 8.3.1984 of U.P. Govt.)

Missing credits/debits in the G.P.F. accounts of subscribers should be got verified in the office/offices in which he was posted during the relevant period. In case of non-availability of the relevant records in the concerned offices the missing credits upto any amount can be adjusted on the basis of a simple affidavit produced by the subscriber. However, The adjustment of the credits on affidavit should be resorted to under unavoidable circumstances when verification of concerned entries is not possible in office/offices of Drawing and Disbursing Officers.

The affidavit should be given before the drawing and disbursing officer of the office/department and counter- signed by him where concerned Government servant was posted during such period. In case the concerned Government Servant was self-drawing and disbursing Officer, he should give such affidavit before the authority higher to him. The oath can be taken before any Gazetted Govt. officer by the retired Govt. Servants. In case of deceased Government

servants, the required affidavit, if necessary, should be given by the concerned drawing and disbursing officer. In case of any doubt regarding authenticity of the details or the entries in the Affidavit, the A.G. may insist on production of the required information/details duly certified by the competent authority for adjustment of missing credits. No stamp fee is payable on such affidavit. The format of the affidavit is given below: -

Declaration of Affidavit given before the drawing and disbursing officer and before the authority higher to the Government servant in case of self-drawing and disbursing officers.

I----- son/daughter/wife/husband of -----, solemnly take oath and declare that, I remained in----- office/ directorate/department during----- to ----- - and I also solemnly take oath that undermentioned amounts had been deducted from my pay and allowance to deposit these amounts in my Provident Fund Account number ----- :-

Year	Month	Amount of Subscription	Amount of refund of Withdrawals	Totals
1.	2.	3.	4.	5.

**Signature of affidavit giver**

**Affidavit given before me.**

**Signature  
With Date**

**Drawing & Disbursing Officer  
or  
Higher Authority  
Office / designation name  
(Seal )**

(U.P. Govt. G.O. No. Sa-4-AG/2-Das-84/527-79 dated 8.3.1984 read with G.O. No. Sa-4-AG-57/Das 84-510 dated 26.12.1984).

In cases, where the subscriber of Provident Fund is on deputation in any public enterprises or local bodies, the credits of Provident Fund are sent through cheques/demand drafts. In some cases, the credits of Provident Fund are included in the pension contributions or any other sort of credits. In these cases, when it has been established that the cheques/demand drafts have been encashed and one portion of the cheque/demand draft viz. Pension Contribution etc. has been accounted for, but other portion, viz. Provident Fund credits etc. have not been adjusted in accounts, it has been decided by the headquarter office that the details of cheques/demand drafts given by the subscriber can be treated as basis for adjustment on collateral evidence, because the amount of the cheque/demand draft has been credited in the Govt. Accounts and the P.F. accounts etc. are incomplete due to cash book accounting errors or other reasons.

(C.A.G. No. 1253-Account-II/247 –85 dated 25.7.1986)

**Para 25 : Summary of the instruction issued by The Comptroller and Auditor General of India relating to adjustment of missing credits on Collateral evidence basis :-**

1. In respect of missing credits, the individual subscriber's account should be completed as soon as documentary collateral Evidence as derived from pay bills, Acquittance Rolls, Audit Register, Certificate of deductions from Disbursing officers etc. is available. The amount of credit should be adjusted in the account by debit to a "Suspense Head" "Provident Fund Suspense" to be opened for this purpose under the major head "Suspense Accounts".

(889-AI/236-59 dated 16.06.1959)

2. The information supplied by the Drawing & Disbursing Officers which forms the basis of adjustment of credits on adhoc basis should be reliable and furnished at an adequate level and its correctness should be certified to have been verified from the relevant records.

In cases where the originating Accountant General indicates that particular credits/debits were passed on through exchange/settlement accounts giving full details of that account based on the evidence in the records of this office, such information may be

treated as sufficient collateral evidence for the purpose of adjustment of credits/debits in the subscribers' accounts.

Forms have been prescribed for calling for the particulars of missing credits from the Drawing & Disbursing officers and exchange particulars from the Accountant General.

(1661-Tech. Admn.II/91-67 dated 06.07.1967)

3 If the originating Accountant General is not able to give full details of Exchange/Settlement account because the records for old period are not available, he should give a clear Certificate about recoveries having been actually made and passed on. Such a Certificate may be treated as sufficient collateral evidence for the adjustment of missing items on adhoc basis.

(562 – Tech. Admn.II/91-67 dated 30.03.1973)

4. It will be sufficient if the fact of deduction is Certified/ Counter signed by the originating Accountant General for carrying out the adhoc adjustment in cases where subscriptions had been recovered in the other Accounting Circles. The certificate of credits having been actually passed on by the originating Accountant General through respective accounts need not be insisted upon.

(1170-T.A. II/91-67 dated 15.07.1974)

5. These instruction apply only to cases involving exchange/settlement accounts where the originating Accountant General expresses his inability to furnish relevant details/ the certificate of credits due to records for the old period not being readily traceable in his office.

(693-T.A.II/91-67 dated 26.04.1975)

6. In cases of final payment only the missing credits of a subscriber may be adjusted on the basis of evidence received through Drawing and Disbursing officers even if that officer was functioning under the audit control of different Accountant General.

(113 – T.A. II/91-67 Vol.II dated 22.01.1976)

7. In cases where the missing credits can neither be traced in the Accounts nor adjusted with reference to recognized varieties of collateral evidence, the Accountant General can obtain the sanction of the State Government in such cases after having personally satisfied himself that the

adjustment of the missing credits on adhoc basis with reference to an affidavit from the subscriber is justifiable and is the only way of completing the account of a subscriber.

(1654 – TA II/273-32 dated 07.10.1972)

8. The adjustment of missing credits/ debits by collateral evidence may be resorted to if they relate to a period not later than the year for which the annual account statement has been issued to the subscribers.

(1428- T.A.II/273-32 dated 18.08.1973)

**Para 26: Clearance of P.F. Suspense:-**

The proposal for writing off the amounts outstanding under ‘Provident Fund Suspense’ to ‘Miscellaneous Govt. Account’ should be sent to the C.A.G. half yearly alongwith the report regarding balances under ‘P.F. Suspense’ (detailed in Chapter II of this manual).

Details of the amounts to be written off and efforts made to trace them in the accounts should be furnished together with the following certificates:-

- (I) That in the opinion of the Accountant General there is no possibility of tracing these items due to the ‘age of the items or for other reasons explained & that the A.G. has satisfied himself that the error was one of book-keeping only.
- (II) That the amounts proposed for write off were thoroughly examined by the Internal Audit Section.

(C.A.G. letter No. 1688-Admn. II/14-Admn. III/Vol. I dated 27.10.1964).

The Accountant General has been authorized to sanction write off of the amounts outstanding under ‘Provident Fund Suspense’ without obtaining the prior approval of the C.A.G. provided the amount in each case does not exceed Rs.1000=00. Cases involving amounts exceeding Rs. 1,000=00 should be continued to be reported to C.A.G. for his sanction for write off.

(C.A.G. letter No.206-O&M/14-70 dated 9.9.1970).

In cases where the amounts are written off with the sanction of the Accountant General, a statement showing the amounts so written off should be appended to the half yearly report on balances under 'P.F.Suspenses' alongwith the certificates to the effect:-

- (I) That the amounts written off were got thoroughly examined by the Internal Audit Section.
- (II) That the Accountant General has personally satisfied himself that a dead end had been reached & a write off was unavoidable.
- (III) That the Accountant General had satisfied himself that the error was one of book-keeping only.

(C.A.G. letter No. 3150-Tech-Admn.II/275/66 dated 5.10.1966, No.380-/TA.II/275-66 dated 12.12.1966 and 2343-TA.II/34-67 dated 18.09.1967).

The concurrence of the State Govt. for the write off of an item outstanding under 'Provident Fund Suspense' to 'Misc-Govt.Accounts' is not necessary in case it is established clearly & beyond doubt that the outstanding item was actually due to accounting errors alone.

(C.A.G. letter No. 1363-Admn.II/288-Admn.III/61 dated 27.8.1962).

### **Para 27: Maintenance of Suspense Boradsheet**

While affording credits/debits to the subscriber's account on the basis of Collateral Evidence by operating Provident Fund Suspense, the Fund Sections should prepare two separate schedules (as indicated below) simultaneously alongwith Transfer Entry memo in respect of every item :-

1. schedule crediting/debiting the amount to G.P. Fund.
2. schedule debiting/crediting the amount to suspense head.

These schedules would be handed over to Fund 20 Section alongwith the Transfer Entry Memo. The schedules mentioned as (1) are sent to ALPM sections for inclusion in the months account as T.E. & Exchange account and distributed accordingly to the posters for posting and the schedules

mentioned at (2) should be detached by the Section and handed over to the 'Broadsheet Keeper of 'P.F.Suspense' or 'Transfer Entry Book dealing Assistant'. This Accountant should verify them with reference to Transfer Entries and Register of Collateral Evidence of the Sections concerned and then record the details of adjustments as shown in the suspense schedule in the Suspense Broadsheet (T.E.Book). Cases of misclassification should be brought to the notice of the Section concerned and got rectified. The details of the Suspense schedule may be recorded in the suspense broadsheet in the following from :-

Details of Broadsheet figure (Credit/debit)/T.E.Book :

Month :-----

S.N.	section/district	Transfer entry no.	Name of the subscriber
1	2	3	4

P.F. Account no..	Amount	Remarks	Credited to	Debited to
5	6	7	8	9

After the details are recorded in the Broadsheet, an abstract should be prepared at the close of every month in the following form :-

Abstract for the month .....

	Credit	Debit
--	--------	-------

1. Broadsheet Figure

(Total amount shown in Col. 6 of Detailed P.F.Broadsheet shown above.

2. Ledger Figures:

(This should be obtained from the transfer ledger & Book Ledger of T.A.D./V.L.C.)

### 3. Difference

The differences between broadsheet figures and Ledger figures should be analysed item-wise indicating reasons for the difference. As soon as the differences are reconciled these should be noted against each item. (As per instructions contained in CAG No. 419-tech. Admn. II/77-69 dated 18.2.69).

### **Para 28: Carry Forward of Balances from old series to New series:**

Some P.F. Series, viz. AVU, MISU, SEU, WU, MJU,C.P.P.F. Account Series etc. are not operating at present, but owing to some or other reasons the balances under these defunct series may not have been transferred to Current Corresponding Operative Series in some cases. As and when cases are pointed out individually, the amounts lying under the former series should be transferred to later series by way of plus-minus memos, under the signature of Section Officer/ concerned.

These plus-minus memos can also be made operative when the transfers are necessary, owing to change of Departments resulting allotment of fresh account number in another series to the same subscriber (both the series being current). In this case, two copies of the plus-minus memo should be sent to the concerned ALPM Sections maintaining the new and old account number series accounts respectively.

### **Para 29: Transfer of balance of Group 'D' employees (pay scale Rs.185-265 as on 1.3.1975):**

Consequent upon take over the Provident Fund accounting of the U.P.Govt. employees getting pay & allowance ranging between Rs. 185-265 or less (as on 1.3.1975),(vide U.P. Govt. G.O. No.G-4/658/Das-503-75 dated 15.5.1975) from the Accountant General's Office owing to increase in the number of employees in the state Govt. and to decrease the work load in the office of A.G., the undermentioned procedure is being adopted in the A.G.'s office as and when transfer of balances of these employees are requested by the head of office/drawing & disbursing Officer as there after the head of office/D.D.O.s are maintaining these P.F. accounts :-

1. A transfer advice in following format is sent to the head of office/D.D.O.'s :-

Transfer Advice No. Fund/

Dated:

Name of subscriber & Designation (in capital) :

Office :

Old PF A/C.no.

(allotted earlier by A.G.'s Office:

New P.F.Account No. (allotted by the Deptt.)

Available balance transferred:

(in figures) Rs.

(in words) Rs.

Intrest allowed upto

Details of Transferred Balance

Year	Opening Balance	Deposits	Interest	Withdrawal	Closing Balance
------	-----------------	----------	----------	------------	-----------------

2. Credits for the following paid months do not stand included in the above transfer. These when traced may be credited after verification to the account alongwith interest directly at your end.

3. The above transfer also includes a balance of Rs.----- transferred from his C.P.P.F. account no. ----- and a balance of Rs. ----- --- transferred from policy No. -----linked with G.P.Fund.

4. Probable debits :

Month & Year	Probable amount	Reasons for suspecting the missing/probable debits
--------------	-----------------	--

**Accounts Officer**

Besides, a Transfer Entry crediting “8009” State Provident Funds (01) civil, 101 GPF – Class IV’ and debiting “8009” state P.F. (01) Civil, 101-GPF – other than class IV’ is also drawn.

Simultaneously as per G.O.No. G2-1762/Das521/80dated 23.10.1961, the P.F. accounts of all Group ‘D’ employees were taken by the U.P. state Govt. and undermentioned orders were also circulated by the U.P. State Govt. (vide G.O.No. G-4-343/Das –521/60 dated 18.4.1967) regarding transfer of balances; mutatis mutandis also in the case of transfer of balances of pay scale Rs. 185-265 described above :-

1. If any group ‘D’ employee is promoted to other than Group ‘D’ employee, the G.P.F. account for Group ‘D’ service maintained by the head of office/D.D.O. should be closed and the account in A.G.’s office should be opened afresh;
2. If he is reverted again to Group ‘D’, his afresh G.P.F. account for Group ‘D’ service should be opened by the head of department/D.D.O. in his department/office.

**Para 30: ACCOUNTING AND REFUND OF ERRONEOUS SUBSCRIPTION:**

Erroneous recoveries of subscription to the Provident Fund may be due to

1. Excess payment of subscription to the Provident fund.
2. Unauthorized subscription in cases where a subscriber continues to subscribe to a Provident Fund beyond the date up to which he is eligible to subscribe.
3. (a)Unauthorized subscription during suspension.  
(b) Unauthorized subscription in case where no account number has been got allotted by the Drawing and Disbursing Officer for a Government servant eligible to subscribe in the Fund.

(A) As regards category (1) and 3 (a) the excess recovery of subscriptions may be adjusted by deduction from the subscription in the subsequent months wherever possible under intimation to the subscriber and head of office. If however, the subscriber requires immediate payment of excess recovery, it may be authorized for payment with reference to provisions of the note

below para 12.18 of C&AG's MSO (A&E) Vol I. The final settlement of such recoveries should be watched. Any short payment of Subscription to the Fund in any month may also be adjusted by addition to the subscriptions in the subsequent month.

- (B) The credits on account of unauthorized subscriptions of category (2) should continue to be adjusted in the concerned subscriber's account with the indication that these are unauthorized. The payment of these subscriptions should be made at the time of final settlement of accounts, unless requested for earlier by the subscriber, but without interest on such subscription. The fact that the subscriptions are being recorded erroneously should invariably be made known to the subscriber, drawing officer, as soon as they come to notice, and they should be advised to stop such subscriptions forthwith.
- (C) As regards unauthorized subscriptions of category 3(b) they should appear as unposted items in the Master Card as no account would have been, allotted in their cases. Their settlement should be watched alongwith that of other unposted items in the Master Card.
- (D) All such credits relating to an individual appearing in the Master Cards different months should be linked and authorised for refund by the concerned accountant dealing with the clearance of unposted item. The fact of issue of an authorisation of refund of such erroneous credits should be noted in all the concerned Master Cards under attestation by the Branch Officer. The debit on this account should be linked with the unposted credit items to clear them.
- (E) Unauthorised recoveries remaining unclaimed for over two years should be transferred to unclaimed deposit by the accountants dealing with the Master Card under the orders of the Guoup Officer where the whereabouts of the Government servant concerned are not know. These unclaimed Deposits will lapse to Govt. after a period of three years prescribed for lapsing of similar unclaimed deposits.

(F) Unauthorised subscriptions to the Provident Fund should be credited to the relevant Provident Fund head of account.

(G) No interest is admissible on such unauthorised subscriptions and they will not enjoy immunity from attachment as such a subscription have been made contrary to the provisions of the Provident Fund Rules and cannot therefore, be treated as compulsory deposit under section 2 (2) of Provident Fund Act, 1925.

(C.A.G. Circular no. 2950 TA-II/392-67 of 23.11.67).

**Para 31: Payment of Subscription:**

A subscriber shall subscribe monthly to the Fund except during the period when he is under suspension. Provided that when a subscriber on re-instatements receives full pay for the period of suspension, he shall pay in one lump sum or in instalments as may be determined, the arrear subscriptions payable for that period. In other cases, the subscriber, at his option, pay any arrear subscriptions for the period of suspension in one lump sum or in instalments as may be determined.

As subscription to G.P.F. has now become compulsory the question of discontinuance of subscriptions does not arise.

(Rule 8 of the G.P.F. (U.P.) Rules, 1985)

**Para 32: Subscription during leave:**

A subscriber may, at his option, elect not to subscribe during leave which either does not carry any leave salary or carries leave salary equal to half pay or half average pay.

The subscriber shall intimate his indication not to subscribe during the leave in the following manner :

- (a) If he is an officer who draws his own pay bills, by making no deduction on account of subscription in his first pay bill drawn after proceeding on leave.
- (b) If he is not an officer who draws his own pay bills by written communication to the Head of his office before he proceeds on leave.

**Para 33: Rounding of Subscriptions :**

When a subscriber elects to subscribe at the minimum of 10%, fraction of rupee less than 50 paise shall be rounded to the next lower rupee even if the subscription falls below the minimum.

(C.A.G. No. 134-AI/1369-60.II of 14.3.61)

**Para 34: Commencement of Subscription :**

All permanent Government servants and all temporary government servants, other than those appointed on contract and re-employed pensioners, whose services are likely to continue for more than a year shall subscribe to the fund from the date of taking over the charge in the service. Temporary Government servants (including Apprentices and probationers) who have been appointed against regular vacancies and are likely to continue for more than a year shall subscribe to the Fund from the date of taking over the charge in the service.

(Rule 4 of the G.P.F. (U.P.) Rules 1985)

**Para 35: Proportionate subscription on account of death of subscriber :**

It has been decided that if a subscriber under the G.P.F. (U.P.) Rules dies during the course of a month, Proportionate Subscription should be deducted from his emoluments i.e. for the number of days during which he was alive in the month.

(Local Govt. No. M-1941/X-374 FD of 6.9.1938).

**Para 36: Last Fund deduction:**

The State Government have decided that subscriptions to Provident Fund shall be stopped six months prior to the date of retirement on superannuation of the subscribers. The Government also directed that the adjustment of subscription to tax-rebate be left to the subscriber's option to have the maximum advantage. The subscribers can opt to increase the rate of contribution in such a manner and for such period to enable them to get the full benefit. The Government also directed that no temporary advance or final withdrawal should be sanctioned once the subscriptions are stopped. While sanctioning temporary advance prior to the period of stoppage of subscriptions the competent authorities should fix the number of instalments for recovery of the advances in such a manner that the advance is recovered fully prior to six months of the date of retirement on superannuation of the subscriber and there shall not be any recovery of advance during the period of these six months. In special cases where such a sanction is inevitable, the advance can be drawn only on the basis of payment authorities issued from the office of A.G. Allahabad.

**Para 37: Subscriptions of officers on diputation from central Govt. to State Govt. and vice – versa:**

During the period of deputation he will continue to subscribe to the Provident Fund of his parent Government to which he may be subscribing when he is placed on deputation, in accordance with the rules of such Fund.

In the case of deputation of a government servant who is governed by the contributory Provident Fund Rule, Government contribution is payable by the Government to whom he is deputed for the period of his deputation.

(GIMF O. M. No. F1 (6) – EV (A)/62-E.III dt. 7.4.64).

**Para 38: Subscriptions of Officers on Foreign Service :**

When a subscriber is transferred to Foreign Service or sent on deputation out of India, he shall remain subject to the rules of the Fund in the same manner as if he were not so transferred or sent to deputation.

**Para 39: Emoluments counted for subscription:**

For the purpose of subscription to the Fund, emoluments of a subscriber shall be:-

(a) in the case of subscriber who was in Government Service on 31st March of the preceding year, the emoluments to which he was entitled on that date.

(1) If the subscriber was on leave on the said date and elected not to subscribe during such leave or was under suspension on the said date, his emoluments shall be the emoluments to which he was entitled on the first day after his return to duty.

(2) If the subscriber was on deputation out of India on the said date or was on leave on the said date and continues on leave and has elected to subscribe during such leave, his emoluments to which he would have been entitled had he been in India.

(b) In the case of a subscriber who was not in Government Services on 31st March of the preceding year, the emoluments to which he was entitled on the day he joins the Fund.

The subscriber shall intimate the fixation of the amount of his monthly subscription in each year in the following manner :-

(a) If he was on duty on the 31st March of the preceding year, by the deduction which he proposes to be made in this behalf from his pay bill for that month.

(b) If he was on leave on the 31st March of the preceding year and elected not to subscribe during such leave, or was under suspension on that date, by the deduction which he proposes to be made in this behalf from his first pay bill after his return to duty.

(c) If he has entered Government Service for the first time during the year, by the deduction which he proposes to be made in this behalf from his pay bill for the month during which he joins the Fund.

(d) If he was on leave on 31st March of the preceding year and continues to be on leave and has elected to subscribe during such leave, by the deduction which proposes to be made in this behalf from his salary bill for that month.

(e) If he was on foreign service to an Undertaking on the 31st March of the preceding year, by the amount deposited in the State Bank of India, through Treasury Challan or forwarded to the

Accountant General through Bank Draft on account of subscription for the month of April in the current year.

The amount of subscription so fixed may be :-

- (I) reduced once at any time during the course of the year.
- (II) enhanced twice during the course of the year.

Provided that when the amount of subscription is so reduced it shall not be less than the minimum prescribed above.

Provided further that if a subscriber is on leave without pay or leave on half pay or half average pay for a part of a calendar month and he has elected not to subscribe during such leave the amount of subscription payable shall be proportionate to the number of days spent on duty including leave, if any, other than those referred to above.

(Rule 8 of the G.P.F. (UP) Rules, 1985)

**Para 40: Adjustment of Excess subscription over the Minimum Limit :-**

Adjustment is not permissible to the G.P.Fund due from an officer against the excess amount subscribed by him over the minimum limit.

(G.I.M.F.No. D-1007-F.E.27 dated 27.5.27)

**Para 41: Subscription from subscriber on deputation / Foreign Service to an Undertaking:**

In the case of a subscriber on deputation to an undertaking located outside Uttar Pradesh, the subscriptions shall be recovered and forwarded to the Account Officer through a Bank Draft of the State Bank of India every month by that undertaking.

In the case of a subscriber on foreign service to such undertaking located in Uttar Pradesh, the subscriptions shall be recovered and deposited in the State Bank of India through a Treasury Challan every month by such undertaking.

(Rule 10 of the G.P.F. (UP) Rules, 1985)

**Para 42: Subscription from subscriber on foreign service to any other institution :**

In the case of a subscriber on foreign service to any other institution, the subscriptions shall be recovered and deposited in the State Bank of India through treasury challan by the foreign employer or the subscriber every month, if the institution is located in Uttar Pradesh and the subscriptions shall be forwarded to the Account Officer through a Bank Draft of the State Bank of India if the institution is located outside Uttar Pradesh.

(Rule 10 of the G.P.F.(U.P.) Rules 1985)

**Para 43: Annual Agreement of Balances in the Provident Fund Accounts:**

The annual agreement of balances prescribed in para 12.54 of C&AG 'MSO (A&E) Vol I is an agreement of the upto date figures posted in the Provident Fund Unit Broadshets/Proofsheets, with those in the ledger/ledger cards. Since the Unit Broadshets/Proofsheets indicate the figures as posted in the Provident Fund ledger/ledger cards, there should normally be no difference between the two sets of figures. Effective and Vigorous action should be taken to complete the work of agreement and to ensure that this work is invariably done in time. The differences noticed during the said annual agreement represent discrepancies between the Broadshets/Audit Sheets/Master Cards and the subscriber's accounts, and they should be capable of being reconciled in the Accountant General's Office itself.

( C.A.G. letter No. 878 Tech-Admn.II/314-65 dated 19.4.1966)

Under the computerised system of posting no separate unit Broadsheet/proof sheet is prepared. However major head-wise posted figures and their totals can be obtained as and when required.

**Para 44: Centralisation of Master Cards:**

With a view to arresting the increase and for accelerating the clearance of unposted items, it has been decided that the unposted items shall be dealt with by the Fund Broad-Sheet Section.(presently known as Fund 37,38,39). As per C.A.G's norms, 20 minutes are allotted for tracing of one credit/debit item from list of unposted items (i.e. Master Card-cum-Explanation Sheets). In this way, approximately 21 unposted items (credits/debits) should be cleared per day by per Accountant of Broadsheet Section.

(C.A.G.'s Circular No. 1139-T.Admn.II/237-64 dated 20.7.1964).

**Para 45: Issue of Duplicate Accounts Slips:**

Duplicate accounts slips should be issued only on a written request from the subscriber concerned, duly countersigned by the Drawing & Disbursing Officer. Concerned Branch Officer's orders should be obtained in writing before issue. These should be captioned by the words 'Duplicate Accounts Slips' and should invariably be attested by the Section Officer of the Section concerned. The fact of having issued a duplicate accounts slip should be recorded on the ledger of the subscriber over the signature of the Section Officer.

## CHAPTER – V

### INTEREST

**Para 46: ADJUSTMENT OF INTEREST ON P.F. ACCOUNTS CLOSED DURING THE YEAR AND ORDERS RELATING TO IT :**

In accordance with C.& A.G.'s circular no. 1499-AC/131-59 dated 24.10.1959 when a fund account is closed finally during the course of a year, the interest charges should invariably be taken to the final head of Interest Payments before making actual payment to the subscriber.

To ensure uniformity in all the Offices it was ordered that these adjustments may be made monthly. Steps should be taken to ensure that no item is left out, as a situation will arise where the payment of interest has been authorised without corresponding credit in the G.P.F. account.

(C.&A.G.'s circular no. 208-AC/9-69 dated 20.2.1969).

In the light of difficulties experienced in posting, the interest figures adjusted monthly in the unit Broadsheets and in closing them monthly, the following instructions are issued for compliance :-

1. A register called 'Interest Adjustment Register' should be maintained by each Provident Fund Section. The interest paid on closed accounts, either on account of final payment or transfer of accounts to other Accounts Officer during a month should be noted in that Register as and when final payment is made or account is transferred. At the end of the month Register should be closed and interest charges should be taken to the final head of Provident fund by debit to Interest payment etc.' This register should be submitted to the Branch Officer every month. The submission of the Register to the Branch Officer may be watched through the Calendar of Returns. When the adjustment of interest charges is done monthly, the amount of interest is posted against the column in the cage provided for annual closing in the ledger card. If these interest figures are to be posted in the interest column of Unit Broadsheets every month, the annual cage of the ledger accounts will have to be scrutinised for the posting of the proper monthly Cage of Unit Broadsheets every month which would be tedious and difficult. The interest column of Broadsheet does not provide separate space for monthly interest figures and the total thereof. In order to overcome these

difficulties, the posting of interest figures in the Interest Column of the Unit Broadsheet monthly may be omitted. These interest figures may be copied in the interest column of the Broadsheet only annually from the ledger alongwith the other annual interest charges.

2. At the time of making adjustment for interest during the annual closing, the total of interest adjusted in all the months through the Interest Payment Register should be deducted from the grand total of interest in the balance-Compilation sheet and the adjustment under "2049 -Interest payment" should be carried out for the remaining amount.

(C.&A.G. letter no. 1449-TA.II/374-70 dated 11.8.1970)

**Para 47: PREPARATION OF BUDGET ESTIMATES AND ADJUSTMENT OF INTEREST :**

As per instructions contained in CAG's M.S.O. (A&E) Vol. I-Para 12.44, a while before completion of March Posting, work of Computation of interest on individual provident fund accounts should be started and should be completed within one month and transfer entries for this purpose should be prepared by crediting 'Provident Fund' head and debiting 'Interest Payment' etc. and it should be included in March Final or Supplementary accounts. Moreover, Director of Inspection has informed that interest is being adjusted in Govt. accounts on adhoc basis (without computation of interest) by some regional offices and in some other cases Accountants General have adjusted the interest on adhoc basis, on the balances of provident funds, with the argument that the budget provisions available in estimated annual budget of the Government becomes short/excess than the adjusted amounts based on actual computed much before the closing of annual accounts of the State Govt. In such cases, if the amounts credited in individual accounts of the subscribers comes to short/excess as compared to the amount debited during the year, the difference is adjusted in the accounts of next year.

The entire process has been checked in detail and following instructions have been issued by the office of the C.A.G. of India :-

1. Generally the Accountants General should arrange the work of computation of interest to be paid to the individual subscribers in such a way that related Transfer entry may be included in the March (Final)/ March (Supplementary ) accounts.

2. In such cases, where account posting in Ledger Cards is in arrears and the interest cannot be calculated by the close of March (Final)/ March (Supplementary ) accounts, the Accountant General should get prior approval from headquarter office before interim adjustment. For this purpose, Accountants General should send proposals to the headquarters office, clarifying the conditions under which the required adjustment cannot be made on the basis of actual computations. In these cases, too, if computation of the Interest to be paid to individual subscribers is completed by the time accounts remain open and if Accountants General can adjust the difference between the amounts on account of adjustment of interest on adhoc basis and the actual to be paid interest, in the accounts of the same year, the Accountants General should complete it through the General belated entry after taking necessary approval of the competent authority. The excess expenditures/savings occurring between actual and budget figures should be clearly specified.
3. In cases, where the work relating to actual computation of interest finishes after close of March (P)/March(F)/March(S) accounts and if any excess expenditure/savings occur corresponding to it, this can be represented in Appropriation accounts in a suitable manner and measures should be taken to avoid such circumstances in next year. A detailed note, alongwith draft Appropriation accounts can be sent to headqarters office, on the circumstances under which excess expenditure/savings had occurred and this could not be avoided even by obtaining additional grants/appropriations. The tradition to limit the adjustments in accounts beyond the budgetary provisions is contradictory to parliamentary Control of Public accounts.

Thus the Accountants General are advised to close this tradition at once. Necessary precautions should be taken while preparing Budget estimates and Revised estimates, so that resultantly excess expenditure/Savings may not occur. These directives should be observed with utmost care.

(C.A.G.'s circular No. 57-AC.II/85(1764-AC.II/213-84 dated 11.10.1985).

**Para 48: CALCULATION OF INTEREST:**

The need for calculation of interest will arise on the following occasions, viz

- (a) At the time of annual closure of accounts in respect of the balance at credit and
- (b) In the event of final payment to a subscriber or final transfer of account, in accordance with Rule 11 of the General Provident Fund (Uttar Pradesh) Rule, 1985.

**Para 49: PAYMENT OF INTEREST:**

- (1) Subject to the provisions of sub-rule (5) Government shall pay to the credit of the account of subscriber interest at such rate as may be determined for each year by the Government of India.
- (2) (a) Interest shall be credited to the account of a subscriber on the last day in each year in the following manner :-
  - (I) On the amount at the credit of a subscriber on the last day of the preceding year upto the end of the current year;
  - (II) In the sums credited to the account after the last day of the preceding year, from the date of deposit upto the end of the current year.
- (b) No interest shall be admissible on any sum withdrawn during the current year, from the first day of the month in which such a sum was withdrawn.
- (c) The amount of interest, determined as aforesaid, if such amount is not in whole rupees, shall be rounded off to the nearest whole rupee. A part of the rupee less than fifty paise shall be ignored and any other part shall be counted as next higher rupee.

**Explanation :**

The amount at the credit of a subscriber on the last day of the preceding year will include the amount of bonus if any, payable for such preceding year.

Provided that when the amount standing to the credit of a subscriber has become payable, interest shall thereupon be credited under this sub-rule in respect only of the

period from the beginning of the current year or from the date of deposit, as the case may be, upto the date on which the amount standing to the credit of the subscriber becomes payable.

- (3) In this rule, the date of deposit shall, in the case of recovery from emoluments, be deemed to be the first day of the month in which it is recovered :

Provided that where there has been delay in the drawal of pay or leave salary and allowances of a subscriber and consequently in the recovery of his subscription towards the Fund, the interest on such subscriptions shall be payable from the month in which the pay or leave salary of the subscriber was due under the rules irrespective of the month in which it was actually drawn :

Provided further that where the emoluments for a month are drawn and disbursed on the last working day of the same month the date of deposit shall, in the case of recovery of his subscription, be deemed to be the first day of the succeeding month.

- (4) In addition to any amount to be paid, interest thereon upto the end of the month preceding that in which the payment is authorised, shall be payable to the person to whom such amount is to be paid :

Provided that where the application required for payment is submitted complete in all respects to the Head of office or Department whose duty is to forward the same to the Accounts Officer, after the expiry of six months from the date the amount claimed become payable, interest shall be payable only upto the end of the month preceding that in which the payment is authorised or upto the end of the twelfth month after the month in which such amount became payable whichever is earlier except where it is proved to the satisfaction of the Head of Office or Department concerned that the submission of the said application was delayed by circumstances beyond the control of the applicant in which case the restriction of this proviso shall not apply. However the necessity of submission of the Final Payment application on the Prescribed form has been dispensed with vide U.P. Govt. G.O. No. sa-4-41/Das-2000-500 (1)/99 Lucknow dated : 19.2.2000.

Provided further that where a subscriber, on deputation to an undertaking is subsequently absorbed in such undertaking with effect from a retrospective date, then for the purpose of calculating interest due on the Fund accumulation of the subscriber, the date of issue of the orders regarding absorption shall be deemed to be the date on which the amount to the credit of subscriber became payable.

- (5) Interest shall not be credited to the account of a subscriber if he informs the Drawing and Disbursing Officer that he does not wish to receive it, but if he subsequently asks for interest, he shall be credited with effect from the first day of the year in which he asks for it.
- (6) In case a subscriber is found to have drawn from the Fund an amount in excess of the amount standing to his credit on the date of the drawal, the overdrawn amount, irrespective of whether the overdrawal occurred in the course of an advance or a withdrawal or final payment from the Fund, shall be repaid by him with interest thereon, or in default, be ordered to be recovered by deduction from the emoluments or other dues of the subscriber. In case the subscriber is still in service, the amount shall ordinarily be repaid by him or recovered from him in one lump sum, but if the total amount to be recovered is more than half of the subscriber's emoluments, the recovery may be made in monthly instalments as may be determined, taking into consideration the period left before the retirement of the subscriber. In case, a subscriber is no longer in service, the entire amount with interest shall be repaid by him or recovered from him in one lump sum. In all cases of Overdrawals where the overdrawn amount or a part thereof, with interest, cannot be recovered by other means, it shall be recovered as arrears of land revenue. The overdrawn amount, after recovery, shall be credited to Government account under the receipt Head of the Department concerned.
- (7) The rate of interest to be charged on overdrawn amount referred to in sub-rule (6), would be 2 1/2% over and above the normal rate on Provident Fund balance under sub-rule (1). The interest realised on the overdrawn amount shall be credited to Government account under the sub-head "Interest on overdrawals from provident fund" under the head "0049-

Interest Receipts – Interest receipt of State/Union Territory Governments – Other receipts Interest on other miscellaneous loans”.

- (8) In case any excess or wrong payment is made under Rule 23 of the G.P.F.(U.P.) Rule 1985, the amount so paid together with interest as mentioned in sub-rule (6) above shall be recovered from the emoluments or other dues of the deceased subscriber and credited to Government account in the manner in the aforesaid sub-rule. If there be no such due or the over-paid amount with interest cannot be recovered in full there from, the outstanding amount shall be recovered, if necessary as arrears of land revenue, from the person who had received excess or wrong payment.

(Rule 11 of the General provident fund (Uttar Pradesh) Rule, 1985).

### Para 50: RATES OF INTEREST

Rate of interest on Deposits and Balances in the General Provident Fund and other similar Funds from time to time have been as under :-

Period	Rate of Interest (Percent)	Authority
Ist August, 1909 to 31st March, 1919	4.00	G.I.F.D. Resolution No. 2986-P dated 14th June 1909.
Ist April 1919 to 31st March 1927	5.50	G.I.F.D.R. No. 272- G.L.(F.E.) dated 11th Feb. 1920
Ist April, 1927 to 31st March, 1930	4.75	G.I.F.D. Resolution No. F-70-II-(F.E.) dated 29th September, 1926
Ist April, 1930 to 31st March, 1932	5.00	G.I.F.D. R.No.F- 37- V.R. II dated 10th March, 1930
Ist April, 1932 to 31st March, 1933	5.25	G.I.F.D.R. Notification no. 3843-R-II dated 12th March, 1932
Ist April, 1933 to 31st March, 1934	5.50	G.I.F.D. No. 4415- R-II-3 dated 8th March 1933.

Ist April, 1934 to 31st March, 1935	5.25	G.I.F.D. R.No. F-30-R-II/3 dated 15th March, 1934.
Ist April, 1935 to 31st March, 1936	5.00	G.I.F.D. No. 301-R-II-35 dated 14.2.1935.
Ist April, 1936 to 31st March, 1937	4.75	G.I. NO.F.30(i)-R-II/36 dated 13.2.36
Ist April, 1937 to 31st March, 1938	4.00	G.I. No. F-30 (2)-R-II/36 dated 11.2.1937
Ist April, 1938 to 31st March, 1939	3.50	G.I. No. F-38 (2)-R-II dated 3.3.1938.
Ist April, 1939 to 31st March, 1940	3.50	G.I. No. F-30(3)-R-II 38 dated 15.2.1939.
Ist April, 1940 to 31st March, 1942	3.25	G.I. No.F-30(3)-R.H./39 dated 14.2.1940.
Ist April, 1942 to 31st March, 1946	3.50	G.I. No.F-30(1)-R-II/42 dated 17.2.1942.
Ist April, 1946 to 31st March, 1947	3.25	G.I. No.F-33(2) Est.46 dated 23.3.1946.
Ist April, 1947 to 31st March, 1953	3.00	G.I. No.F-33(1)- Est.47dated 25.4.1947.
Ist April, 1953 to 31st March, 1955	3.25	G.I. Fd. 43 (1)/EV/53 dated 4.3.1953.
Ist April, 1955 to 31st March, 1956	3.50	G.I. F-23(1)-EV/55 dated 10.3.1955.
Ist April, 1956 to 31st March, 1962	3.75	G.I.No.F-25(1)EV/56 dated 29.3.1956.
Ist April, 1962 to 31st March, 1965	4.00	G.I.No.F-5 (1)EV/(B)-62 dated 1.5.1962.
Ist April, 1965 to 31st March, 1966	4.25	G.I.No.F-24(1)EV/(B)/65 dated 11.5.1965.

Ist April, 1966 to 31st March, 1967	4.60	G.I.No.F-3(4)EV/ 66 dated 23.7.1966.
Ist April, 1967 to 31st March, 1968	4.80	G.I.No.F-34(1)EV/ dated 9.2.1967.
Ist April, 1968 to 31st March, 1969	5.10 for first Rs. 10,000/- and 4.80 for any sum in excess of Rs. 10,000/-	G.I.No.F-34(1) EV/68 dated 26.4.1968.
Ist April, 1969 to 31st March, 1970	5.25 for upto Rs. 10,000/- 4.80 for excess of Rs.10,000/-	G.I.No.F-34(1) -EV/69 dated 19.5.69
Ist April, 1970 to 31st March, 1971	5.50 for upto Rs. 10,000/- 4.80 for excess of Rs. 10,000/-	G.I.No.F-34(1) -EV/70 dated 18.4.70
Ist April, 1971 to 31st March, 1972	5.70 for upto Rs. 10,000/- 5.00 for excess of Rs. 10,000/-	
Ist April, 1972 to 31st March, 1974	6.00 for upto Rs. 10,000/- 5.30 fr excess of Rs. 10,000/-	G.4-338/X-59 72 dated 23.5.1974
Ist April, 1974 to 31st July, 1974	6.50 upto Rs.15,000/- 5.80 for excess of Rs. 15,000/-	G.4-2606/X-59/ 74 dated 22.1.1975
Ist August, 1974 to 31st March 1977	7.50 upto Rs.25,000/- 7.00 for excess of Rs. 25,000/-	F-16(2)-EV(8)/ 74,dated 19.8.1974
Ist April, 1977 to 31st March, 1980	8.00 upto Rs.25,000/- 7.50 for excess of Rs. 25,000/-	G-4-2972/X-59- 76 dated 13.1.1978
Ist April, 1980 to 31st March, 1981	8.50 upto Rs.25,000/- 8.00 for excess of Rs. 25,000/-	F.6(2)-PD/80dated 30.8.80
Ist April, 1981 to 31st March, 1983	9.00 upto Rs.25,000/- 8.50 for excess of Rs. 25,000/-	F.6(1)-PD/81dated 1.7.1981
Ist April, 1983 to 31st March, 1984	9.50 upto Rs. 40,000 9.00 for excess of 40,000/-	F.6(2)-PD/83dated 31.5.1983.
Ist April, 1984 to	10%	Sa-4-I-15/Das84-

31st March, 1985		59/81 dated 3.9.1984.
Ist April, 1985 to 31st March, 1986	10.50%	
Ist April, 1986 to 31st March,2000	12.00%	F.6(1)-PD/86dated 14.8.1986.
Ist April, 2000 to 31st March,2001	11.00%	.....
Ist April, 2001 to 31st March,2002	9. 5%	F.5/PD/2001 dated 13.3.2001
Ist April 2002 to 31 <sup>st</sup> March,2003	9%	F-5(1)-PD/2002 dated 30-03-2002
Ist April 2003 to 31 <sup>st</sup> March 2004	8%	F-5(1)-PD/2003 dated 12-03-2003

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## CHAPTER –VI

### Temporary Withdrawals

**Para 51: Check of Sanction to Advances:**

All sanctions to advances should be scrutinised with reference to the following points :-

1. that the sanction is accorded by the competent authority.
2. that the purpose for the advance falls under one or more of the recognised objects for which advance can be granted under the rules;
3. that in the case of an advance sanctioned as an ordinary case –
  - (i) the amount does not exceed three months pay of the applicant or half the amount at his/her credit, whichever is less and
  - (ii) that the advance has not been granted until at least twelve months have elapsed after the complete repayment or during the currency of the previous advance, if any.
4. That if an advance is granted as a special case, the reasons thereafter are recorded.
5. that there is no tendency on the part of the subscriber to treat General Provident Fund as a cheap loan account.

If the sanctions are in order they should be admitted under the orders of the Accounts Officer.

**Para 52: Insufficient Sanctions:**

Whenever any sanction is challenged in review/check it should be entered in the register of insufficient sanctions and the disposal watched through the register.

**Para 53: Limitation of Advances:**

Grant of advances is against the spirit of the Provident Fund Act, 1925.

The Fund is designed solely for the protection of a subscriber's family against his sudden death, or if he serves till retirement, to Provide him and his family with additional resources in his old age.

Anything which interferes with a subscriber's normal accumulation detracts from these purposes and tends to defeat true object of the Fund and is also contrary to the spirit of the Provident Fund Act. The Rule for the grant of temporary advances from Provident Funds may not be regarded as a banking account. Sanctioning authorities ought to have no hesitation in resisting any attempt to use Fund as a cheap loan account and in enforcing the altogether exceptional character of rules as a provision to meet urgent needs which could not ordinarily have been anticipated. Every prudent married man should be prepared to meet a certain demand upon his resources on account of doctor's bill and it is only when the burden is exceptionally prolonged or the necessity unusually grave and sudden that he ought to think of making use of the Provident Fund for this object.

(GIMF OM No. 1309 F.E. dated 24.11.1916 Govt. U.P. LKO No. G.2-4880/X-514-)

**Para 54: Conversion of P.F. Advance into a Final Withdrawal:**

A subscriber who has already drawn or may draw in future an advance for any of the purpose specified may convert, at his discretion by written request addressed to the Accounts Officer through the sanctioning authority, the balance outstanding against it into a final withdrawal after satisfying the conditions laid down in the Rules. The provisions of the para apply to G.P.F. (UP) Rules also in respect of advance drawn for marriage purpose.

(GIMF. NO. F. 4 (10)-EV (8)/61 of 18.11.61 and U. P. Govt. Vitta (Samaya) Vibhag-2) No-G.2-12189/X-527-1955 dt. 1.12.60 and Vitta Samaya anubhag-47 No. 1837/X-527-55 dated 21.1.78 (Annexure II).

**Note : 1** The D.D.O. shall on receipt of information from the competent authority regarding conversion of an advance into a withdrawal, stop recovery from the pay bills. Competent Authority shall endorse a copy of his order to Accounts Officer also.

**Note : 2** The amount of an advance to be converted into a withdrawal shall not exceed the limits laid down in sub rule (i) of Rule 17 of G.P.F. (UP) Fule, 1985 and for this purpose the balance in the account of the subscriber at the time of conversion plus the outstanding amount of advance shall be taken as the balance at his credit in Fund. Each withdrawal shall be treated as a separate one and the same principle shall apply in the event of more than one conversion.

**Para 55: Recovery of advances:**

1. An advance shall be recovered from the subscriber in such number of equal monthly instalments as the sanctioning authority may direct but such number shall not be less than twelve unless the subscriber so elects, and not more than twenty four. In special cases where the amount of advance exceeds three months pay of the subscriber under sub rule (4) of Rule 13 of G.P.F.(U.P.) Rule, 1985 the sanctioning authority may fix such number of instalments to be more than twenty four but in no case more than thirty six. It will be ensured in each case that the instalments are fixed in such a manner that the entire amount of the advance is to be recovered latest by six months before the date of retirement of the subscriber on superannuation. A subscriber may, at his option, repay more than one instalment in a month. Each instalment shall be in whole rupees, the amount of the advance being raised or reduced, if necessary, to admit of the fixation of such instalments.
2. Recovery shall be made in manner prescribed in Rule *ibid* and shall commence with the issue of pay for the month following the one in which the advance was drawn, recovery shall not be made except with the subscriber's consent while he is in receipt of subsistence grant or is on leave for ten days or more in a calendar month which either does not carry any leave salary or carries leave salary equal to half pay or half average pay as the case may be. The recovery may be postponed on the subscriber's written request by the sanctioning authority during the recovery of an advance of pay granted to the subscriber.
3. If an advance has been granted to a subscriber and drawn by him and advance is subsequently disallowed before repayment is completed, the whole or balance of the amount withdrawn shall forthwith be repaid by the subscriber to the Fund or in default, be ordered by the sanctioning authority to be recovered by deduction from the emoluments of the subscriber in a lump sum or in monthly instalments not exceeding twelve as may be directed by the authority competent to sanction an advance for the grant of which special reasons are required under sub rule (4) of Rule 13 *ibid*.
4. Recoveries made as such shall be credited as they are made to the subscriber's account in the Fund.
5. No interest will be charged on the temporary advance granted from P.F.

## **CHAPTER-VII**

### **Part –Final withdrawal (Non Refundable Advances)**

#### **Para 56: Discontinuance of payment authorities for non-refundable advance**

The Government of U.P. vide their finance Department O.M. No. G-4-2385/X-514-53 dt.1.10.75 have dispensed with the system of issue of payment authority by this office for drawal of non-refundable advances sanctioned from State Provident Funds. However, in order to ensure that no overpayment results on this account, the Govt. order enjoins upon the drawing and disbursing officers not only to endorse a copy of the sanction to this office but also obtain acknowledgement thereof from the A.G.

The following procedure is accordingly laid down for record and review of sanctions to non-refundable advances received in the fund sections of this office.

- (i) On receipt of the sanction, full particulars thereof should be prominently noted on the ledger cards of the subscriber under Branch Officer's attestation who should also record admittance of sanction in review on the body of sanction itself.
- (ii) After the action indicated above is completed, an acknowledgement of receipt of the sanction should be sent to the sanctioning authority as well as D.D.O.
- (iii) If the sanctions were not admitted, a note to this effect should be clearly noted in the office copy of ledger cards as well and intimation to this effect should be sent to the sanctioning authority as well as D.D.O.
- (iv) The receipt of the actual debit on account of the withdrawal should be watched during the course of monthly posting account as well as during the review conducted by Accountant/Section Officer. Where the debit does not appear within one or two months of the issue of sanction, details of drawal should be called for demi-officially from the quarters concerned (Sr.DAG(F)'s standing order No. 4 of 1976).

**Para 57: Register of Non-Refundable Advance**

A register of non-refundable advance is to be maintained. The debit on account of part final withdrawal should be watched through the register. This register should also be utilized in watching the receipt of disbursement certificates.

The certificate when received should also be noted in subscriber's account.

The register should be closed and submitted to the Branch Officer on 10<sup>th</sup> of each month. (C.A.G. letter No. 409-TA.II/20-78 dt. 4.9.78 and 2144-Tech.Admn.II/342-63 dt. 12.8.1968.)

**Check and filing of Debit Vouchers :**

Relevant paras in the chapter of final withdrawal of G.P. Fund balances may be seen.

**Para 58: Purposes/Conditions for final withdrawals**

(1) Subject to the conditions specified herein, final withdrawals which will not be repayable may be sanctioned by the competent authority for special reasons at any time as follows :-

(A) After the completion of twenty years of service (including periods of suspension followed by reinstatement and other broken periods of service if any) of a subscriber or within ten years before the date of his retirement on superannuation, whichever be earlier, from the amount standing to his credit in Fund, for one or more of the following purposes, viz.

- (i) education outside India for academic, technical, professional or vocational course beyond the High School Stage and
- (ii) medical, engineering or other technical or specialized course in India beyond the High School Stage.

(B) After the completion of twenty years of service (including period of suspension followed by re-instatement and other broken periods of service, if any) of subscriber or within ten years before the date of his retirement on superannuation whichever be earlier, and subject to the restrictions in respect of pay in force for the eligibility of advances for the

purchase of a Motor Car, Motor Cycle or Scooter (including moped) from the amount standing to his credit in the Fund for one or more of the following purposes, viz.:-

- (i) Purchasing a motor car, motor cycle or scooter (including moped) or for repaying any advance already taken for the purpose.
- (ii) Extensive repairs or overhauling of his motor car, motor cycle or scooter.

(C) After the completion of fifteen years of service (including period of suspension followed by reinstatement and other broken periods of service, if any) of a subscriber or within ten years before the date of his retirement on superannuation, whichever be earlier, from the amount standing to his credit in the Fund for one or more of the following purposes viz.

- (a) Building or acquiring a suitable house or ready built flat for his residence including the cost of flat.
- (b) Repaying an outstanding amount on account of loan expressly taken for building or acquiring a suitable house or ready built flat for his residence.
- (c) Purchasing a site for building a house for his residence or repaying any outstanding amount on account of loan expressly taken for the purpose.
- (d) Reconstructing or making additions or alterations to a house or a flat already owned or acquired by a subscriber.
- (e) Renovation, additions or alterations or upkeep of an ancestral house.
- (f) Constructing a house on a site purchased under sub class (c).

(D) After the completion of three years of service (including period of suspension followed by reinstatement and other broken periods of service, if any) of a subscriber from the amount standing to his credit in the Fund for the purpose of paying premium/premia of policies of life insurance not exceeding four, including existing policies there to being financed from the Fund effected by the subscriber on his own life or on the joint lives of the subscriber and his/her wife or husband .

E. Within twelve months before the date of the subscriber's retirement, from the amount standing to his credit in the Fund for the purpose of acquiring land or business premises or both.

(Rule 16 of the G.P.F.(U.P.) Rules, 1985)

**Para 59 : Condition of withdrawal**

(1) Any sum withdrawn by a subscriber at any one time for one or more of the purposes from the amount standing to his credit in the Fund shall not ordinarily exceed one half of such amount or six months pay whichever is less. The sanctioning authority, may however, sanction the withdrawal of an amount in excess of this limit upto 3/4<sup>th</sup> of the balance at his credit in the Fund having due regard to (i) the object for which the withdrawal is made (ii) the status of the subscriber and (iii) the amount to his credit in the fund,. Provided withdrawal would not exceed the amount Rs.40000/- in any case for the purposes specified in the sub para (d) & (e) of para 65 (1c).

(2) A subscriber who has been permitted to withdraw money from the Fund shall satisfy the sanctioning authority within a reasonable period as may be specified by that authority that the money has been utilized for purpose for which it was withdrawn, and if he fails to do so, the whole sum so withdrawn or so much thereof as has not been utilized for the purpose for which it was withdrawn, shall forthwith be repaid in one lump sum by the subscriber to the Fund and in default of such payment, it shall be recovered from his emoluments either in a lump sum or in such number of monthly installment as may be determined.

(3) A subscriber who has been permitted, for the construction of house, to withdraw money from the amount standing to his credit in the Fund shall not part with the possession of the house built or acquired or house site purchased with the money so withdrawn whether by way of sale, mortgage (other than to Governor), gift, exchange or otherwise, without the previous permission of the Governor;

provided that such permission shall not be necessary for :-

- (i) the house site being leased for any term not exceeding three years or
- (ii) its being mortgaged in favour of a Housing Board, Development authority, Local Body, Nationalised Bank. L.I.C. or any other Corpn. Owned or controlled by the Central or

State Govt. which advances loans for the construction of a new house or for making additions or alterations to an existing house.  
( Rule 17 of the G.P.F. (U.P.) Rules, 1985)

**Para 60 : Validity of Sanctions :**

Order sanctioning part final withdrawal will remain operative for a period of three months, one year in case of AIS/ICS/ICS(NEM) Provident Fund from the date of its issue. However, in view of the fact that drawals of Provident Fund Advances sanctioned by State Govt. are not generally delayed, no orders fixing a time limit need be issued generally and that a time limit be imposed only in such individual cases where it was considered necessary to do so .  
(Vitta(Sawamya-2) G.O.No.G-2-3913/1959 dt. 31.1.62).

(G.I.M.F.Memo No.F-111(25)-E-II(A),65 of 14.1.66 and GIMHA letter No.5/5/70/A-15 (11) dated 19.5.70.

Note :- The Provisions contained in the above para will not apply to withdrawals effected in instalments. In such cases, the sanction accorded for the non-refundable withdrawals from the Provident fund will remain valid upto a particular date to be specified by the sanctioning authority in the sanction order itself.

(GIMF OM No.F-11(25)-/E-II(A)/66of. 30.7.66)

**Para 61 : Drawal Admissible during Suspension :**

Part final withdrawal admissible for various purposes may be sanctioned form Provident Fund to a subscriber who is under suspension, Provided he is otherwise eligible for the concession and fulfils other conditions prescribed in the respective rules and orders in this regard.

(G.I. letter No. F-24(9) /EV/57 of 4.11.57 cited below para 1904 of Fund Manual A.G. Madras).

**Para 62: Advances from the Fund:**

(1) A temporary advance (in whole rupees) may be granted to a subscriber, from the amount at his credit in the Fund, at the discretion of the appropriate authority (specified in the second schedule of the G.P.F.(U.P.) Rules 1985 subject to the conditions laid down in sub rule 2,3,4,5,6,7 below.

(2) No advance shall be granted unless the sanctioning authority is satisfied that the applicant's pecuniary circumstances justify it, that it will be expended on the following object or objects and not otherwise viz.

(i) Meeting the expenses in connection with the illness, confinement or disability including where necessary the travelling expenses, of the subscriber, member of his family or any other person actually dependant on him ;

(ii) Meeting cost of higher education, including where necessary the travelling expenses of the subscriber's member of his family or any other person actually dependant on him in the following cases, viz. :

(a) education outside India for academic, technical, professional or vocational course beyond the High School stage; and

(b) Medical engineering or other technical or specialized course in India beyond the High School Stage.

(iii) Meeting obligatory expenses on a scale suitable to subscriber's status which by customary usage the subscriber has to incur in connection with the marriage of the subscriber or marriage, funerals or other ceremonies of the members of his family or any other person actually dependant on him.

(iv) Meeting the cost of legal proceedings instituted by or against the subscriber, any member of his family or any person actually dependant on him.

(v) Meeting the cost of the subscriber's defence where he engages a legal practitioner to defend himself in an enquiry in respect of any alleged misconduct on his part.

- (vi) Meeting the cost or part thereof of house or house site or of construction of house for his residence or for reconstruction, repair of or addition or alteration to his house or for making payment towards the allotment of house site or house to him by a Development Authority, Local Body, Housing Board or House Building Cooperative Society under a Housing Scheme, including a self financing scheme.
- (vii) Meeting the cost of a motor cycle, scooter(including moped) bicycle, refrigerator, room cooler, cooking gas connection or television sets for subscribers own use.

Provided that the Governor, may in special circumstances, sanction the payment to any subscriber of an advance for a purpose other than those mentioned in sub clause (i) to (vii) above if Governor is satisfied with the Justification given in support thereof.

- (3) The sanctioning authority shall record in writing its reasons for granting the advance.
- (4) An advance shall not, except for special reasons:-
  - (i) exceed three month's pay or half the amount at the credit of subscriber in Fund whichever is less, or
  - (ii) be granted until at least twelve months have elapsed after the repayment of all previous advances.

Provided that so long as the amount already advanced together with the fresh advance applied for does not exceed the amount admissible under clause (i) at the time of the grant of the first advance, specified reasons will not be required for the grant of a second advance or subsequent advances and such advances may be granted by the authority specified in paragraph 1 of the second schedule even if the condition mentioned in clause (ii) is not fulfilled.

- (5) When an advance is sanctioned under sub rule (4) before repayment of last installment of any previous advance is completed, the balance of any previous advance not

- recovered shall be added to the advance so sanctioned and the instalments for recovery shall be fixed with reference to the consolidated amount.
- (6) In fixing the amount of an advance the sanctioning authority shall pay due regard to the amount at the credit of the subscriber in the Fund and shall take into account any advance or withdrawal already sanctioned to the subscriber. The sanction for the advance must indicate G.P.F. account no. and a copy be endorsed to the Accountant General.
- (7) Ordinarily no advance will be sanctioned to a subscriber during the last six months preceding his retirement on superannuation. In unavoidable cases, it may be sanctioned but it will be the responsibility of the sanctioning authority to ensure that such a sanction is promptly notified to A.G. It will also be ensured by the above authorities that the amount of advance, if not fully recovered from the subscriber before retirement, is duly adjusted against the amount of Final Payment.
- (Rule 13 of G.P.F. (UP) Rules 1985)

## **CHAPTER-VIII**

### **Policies Linked with P.F. Accounts :**

#### **Para 63: Re-assignment of Insurance Policies linked with P.F. Accounts:**

Insurance Policies taken on or after 29.10.1985 would not be accepted for its financing from the G.P.Fund. As such no authority for financing the policies from the Fund would be required to be issued by this office. Those subscribers who have completed 3 years of service may take non-refundable advance for financing policies not exceeding four but only one withdrawal can be taken in a year for the payment of premium/premia of all policies of life insurance.

The existing policies taken before 29.10.1985 hitherto being financed from the Fund should be re-assigned to them or person legally entitled to receive it. The matured value of the policy should not be obtained from the Life Insurance Corporation for credit to the subscriber's accounts. In this respect necessary action should be taken as under:

- (i) In case the policy had been assigned to the Governor under the rules heretofore in force, the policy should be reassigned in the form as given at Annexure 24 of this manual to the subscriber, or to the subscriber and the joint assured, as the case may be, and should be made it over to the subscriber together with a signed notice of the re-assignment addressed to the Life Insurance Corporation,
- (ii) In case the policy had simply been delivered under the rules heretofore in force, it should be made over to the subscriber;
- (iii) In case of death of the subscriber-
  - (a) Where the policy had been assigned to the Governor under the rules heretofore in force, the policy should be re-assigned in form (2) [Format at Annexure 15 of this Manual ] to such person as may be legally entitled to receive it, and should be made over to such person together with a signed notice of the re-assignment addressed to the Life Insurance Corporation,;

- (b) Where the policy had simply been delivered under the rules heretofore in force, the policy should be made over to the beneficiary, if any, or, in case there is no beneficiary, to such person as may be legally entitled to receive it,

Provided that where a policy assigned to the Governor has matured or fallen due for payment by reason of the death of the subscriber's wife or husband and the amount assured has been realized from the life insurance corporation and credited to the account of the subscriber, the said policy need not be re-assigned.

In order to re-assign the existing policies to the concerned subscriber, beneficiary, following details in respect of such policies should be sent by the drawing and disbursing office/Head of the office/Head of the department-

1. Full name of subscriber-----
2. New/old G.P.F.Account number of the subscriber -----
3. Insurance Policy number-----
4. Amount of the policy-----
5. Amount of policy instalment-----
6. Date of commencement of the policy-----
7. Date of maturity of the policy-----
8. Present Department/office and name/designation of the Drawing & Disbursing office with full address-----
9. Present address of the subscriber/beneficiary-----

[ Rule 19 of the G.P.F. (U.P.) rules,1985 and Uttar Pradesh Government order no. sa-4-A.G.II/das-86-505/85 dated 19.2.1986]

However for the residual policies which have not been re-assigned for any reason, action has to be taken in accordance with the provisions of para 63 to 72 of this manual.

**Para 64: Register for watching the policies :**

For the purpose of watching the return of policies sent out of stock for change of assignments conversion of policies into paid up assurance, for change in the mode of payment of premiums etc. a check register should be maintained.

When a policy is sent out, column (1) to (VI) should be filled and section officer will initial with date in column (vii), other columns should be initialled by the section officer as and when necessary.

The register should be submitted to the Branch officer on the 3<sup>rd</sup> Monday of every month.

**Para 65: Custody of Policies :**

The policies should be kept in the safe custody of the Branch Officer and should be arranged in alphabetical order . The Branch officer (Provident Fund Section ) will be personally responsible for the safe custody of Insurance Policies received in this office.

(C.A.G. No. 3895- Admn.II/413-60 of 19.12.60 cited below para 8.11 of Fund Manual of A.G., Rajasthan ).

**Para 66: Stock Register of policies :**

For the purpose of watching the maturity of Life insurance policies financed from the provident fund and of taking timely action for realization of money due on maturity of the policies, two check registers (i) Register of dates of maturity of policies and (ii) check Register of realization of money due on maturity of policies should be maintained .

The entries in column (a) to (e) should be filled in at the time of accepting a policy for being financed from the provident fund and the entries in column (3) should be initialled by the section officer.

Action should be taken three month's before a policy actually matures e.g. when a policy matures for payment in March, action should be taken on 1st of January. In taking action the entries in column I to V in the check register of realization of money due on maturity of policy should be

filled in and the serial number of entry in that register should be noted in column (F) of this register and initiated by the Accountant and the Section Officer in col. (g) and (h).

While issuing memo to Insurance company's seeking for matured value with accrued bonus column (v) should be initialled by the Section Officer with date. The number and date of the letter should be noted in column (v) when it has been issued. All the other columns except column (viii) should be initialled by the Section officer as and when necessary.

Both the registers should be submitted to the Branch officer on the first Monday of every month.

(O.O. No.Fund-I/General/5722 dt. 23.1.1958).

**Para 67: Register Of Matured Policies:**

The details of policies maturing during a month should be copied from the stock Register of policies in separate register called "Register of Matured Policies" which should be submitted to the Branch officer for scrutiny on first of each month. Its submission should be watched through the calendar of Returns.

**Para 68: Action on policies which lapse or become encumbered:**

Doubts have been raised as whether cases in which Life Insurance policies financed from provident Funds which lapse or become encumbered by means of loans advanced under the non-forefeiture clauses owing to subscriber's default in paying the premium, should be reported to Govt. by Accounts officers.

The matter has been examined and it has been decided that, in all cases where policies have lapsed, the provisions of rule 26 of G.P.F. (CS) Rules would apply and the Accounts officers can recover the General Provident Fund advance under sub rule 4 of rule 21 of the said rules and re-assign and make over the policy in terms of rule 23 *ibid*. There is no necessity for such cases to be referred by Accounts officer to Govt.

In cases where under the operation of non-forefeiture clause of a policy, premia within the limits of surrender value are advanced by the insurance companies to keep policies inforce, the Accounts officer after notice of the encumberances arising out of the advance of premium shall in terms of rule 26 read with rule 21 (4) of G.P.F. (CS) Rules proceed to recover the General Provident Fund Advance. Then out of the following three events may happen and the procedure indicated against each may be followed in that event.

- (a) If the recovery is complete before the policy become a claim by maturity of death, the Accounts officer shall re-assign or make over the policy, as in para 2 above without referring the matter to the Govt.
- (b) If the policy matures before the completion of the process of recovery, the Accounts officer shall, without referring the matter to the Govt. proceed in the following manner.
  - (i) When the net proceeds under the policy (i.e. the claim amount payable by the insurance company minus the accumulated premia advanced by the company ) exceed the unrecovered amount of advance given from the G.P.F., Accounts officer shall re-assign the policy or make it over to the subscriber and then ask for repayment of the un-recovered G.P. Fund advance.
  - (ii) If the net proceeds under policy as explained above fall short of the un-recovered G.P.Fund advance, the Accounts officer shall realize the net proceeds and then by to recover the balance out of the unrecovered G.P.Fund advance from the subscriber.
- (c) If the policy becomes a claim by death before the completion of the process of recovery, the Accounts officer shall without referring the matter to Govt. re-assign or make over the policy as in rule 23(2) of G.P.F. (CS) Rule.

The encumbrance arising of the non-forefeiture clause of a policy would not come within the provision of rule 27 of the G.P.F.(CS) Rules but rule 26 would continue to apply to such cases.

Similar orders have been issued by Govt.of U.P.also.

(GIMF(Deptt. Of Exp.) O.M. No.F-41(ii)-EV/59 dated 3.3.60 and Govt. of U.P. No.G-2-1295/X-806(7)1960 of 22.12.62).

**Para 69: Verification of policies:**

The annual verification of the policies should be done in April each year personally by the Branch Officer of the Fund section-in-charge of policies and the following certificates should be recorded in his own hand writing under his dated signature in each of stock registers in use :-

“The physical existence of the policies which as per entries in this stock register should be in my custody has been verified”.

A report of the completion of the work should be submitted to the A.G. on the 15<sup>th</sup> of May each year. This should be watched through the calendar of Returns.

The policies in custody should be verified whenever there is a change in Gazetted officer of the Fund section in-charge of policies and the result of verification should be recorded in the stock registers under the dated signature of the relieved ad relieving officer. If the verification on account of a change of the Gazetted officer-in-charge of policies in the Fund section had taken place three months before the annual verification, the earlier verification may be taken as covering the requirements of the annual verification.

**Para 70: Procedure for disposal of policies on the death of subscriber:**

In cases where Subscribers die and no legal claimant come forward to claim the amount of Life Insurance Policy financed from the provident Fund account, the Accounts Officer shall after expiry of two years from the date of death of the subscriber, issue public notices through the leading dailies of the region, where the subscriber served or the place where the death had occurred, asking the legal heir(s)/claimant(s), if any, to submit their claims within the period of three months from the date of issue of the said notice. If no claim is received within the said period, the Accounts Officer shall realize the proceeds of the policy and credit the same to the Provident Fund Account of the deceased subscriber and the subsequent disposal of the amount being regulated in accordance with rules on the subject.

(GIMF No. F-7(8)EV(8)/63dt. 31.12.64 received with CAG's endt. No. 68-I Admn.II/7964 dt. 14.1.65) and U.P. Govt. G.O. No. G.2-1605/10/528 dt.8.12.69)

**Note :**

The expenditure on the issue of public notice as envisaged in above para will be borne and debited to the office contingencies of this office.

(C.A.G. No. 810-Tech Admn.II/79-64 dt. 7.5.65)

**Para 71: Loss of Insurance policies:**

An insurance policy is a very important document, therefore to be handled with utmost care. Apart from the inconvenience and botheration caused to the policy holder the loss of insurance policy in the custody of the Accounts Officer is a serious reflection on the working and efficiency of IA & AD. While there is no objection to a policy being entered in the stock register after a preliminary scrutiny has been exercised by the accountant concerned and the assignment is found to be in order, Insurance policies received in this office should be treated as valuable right from the moment of their receipt and handled with care. There should accordingly be a proper procedure for recording their receipt, disposal and custody, in order that they may not get lost.

There can be cases when policies would have to be simply delivered to the Accounts officer even though they are not assigned the President/Governer. In such and similar cases also, it should be ensured that the policies are entered in the stock register forthwith.

(C.A.G.No 3895-Admn.I/413-60 dt. 19.12.1960)

**Para 72: Payment of matured value of policies:**

In the case of policies first financed from the provident fund but subsequently kept alive by the L.I.C. by advance bearing interest to cover the over due premia, the advance thus made by Corporation which will eventually be adjusted against the value of policy at the maturity (unless the loan is in the meantime repaid to the L.I.C. by the policy holder ) or interest bearing loans taken by the policy holder against the surrendered value of the policies and policies in question should therefore be treated as charged or encumbered.

(C.A.G. Endt. No. 505-A/198-42 dt.21.10.42 )

## **CHAPTER – IX**

### **Final Withdrawal – ( Final Payments )**

**Para 73: Rules relating to Final Payment of P.F. Balance (including 90% payments by D.D.O.):**

(i) When a subscriber quits the service the amount standing to his credit in the Fund shall become payable to him. Provided that a subscriber who has been dismissed from the service and subsequently reinstated shall, if required to do so by the Govt., repay any amount paid to him from the Fund, in a lump sum or in instalments as may be determined. The amount so repaid shall be credited to his account. Provided further that where subscriber, after quitting the service takes up appointment, with or without any break, on a new post under the Central Govt., another State Govt. or an Undertaking, the amount of his subscriptions together with interest thereon, may, if he so desires, be transferred to his new P.F. account of the concerned Govt. or Undertaking, as the case may be and also agree to such a transfer. If, however, the subscriber does not opt for such transfer or the concerned Govt. or undertaking does not agree to such transfer, the amount aforesaid shall be refunded to the subscriber.

(ii) with effect from 19.02.2000 When a subscriber quits the service or expires, the Drawing and Disbursing officer will prepare calculation sheets on the prescribed form for the current as well as five preceding financial years in triplicate and will forward two copies of calculation sheets and G.P.F. Pass Book to the Sanctioning authority through the Head of the Department for payment of 90% balance without waiting for the application in Form 425 A or 425 B as the case may be. After payment of the 90% balance sanctioning authority shall, without waiting for the application in Form 425-A/425-B, forward to the Accounts Officer the order of Sanction for payment of the 90 balance and copies of the calculation sheet with G.P.F. Pass Book to enable him to authorize payment of the residual balance. In case of retirement on superannuation the final payment case shall be forwarded 3 months before the date of retirement and in other cases without avoidable delay. The Accounts Officer shall after reconciliation of Account and subject to adjustment, if any, issue order for payment of the residual amount so as to enable the recipient to receive the payment, in case of

retirement on superannuation on the date of retirement or as soon thereafter as may be but, in any case, not later than three months after such date, and within three months from the date on which the amount becomes payable in other cases.

( Rule 20 of G.P.F. (UP) Rule 1985, U.P. Govt. G.O.No. S-4-AG.57/X-84-510-84 Dt. 26.12.84) and U.P. Govt. G.O.No. – Sa-4-41/X-2000-500(i)/99 dt 19.02.2000)

**Para 74: Verification of distinctive seal of the office on the Ledger Cards :**

At the time of making final payment of the provident fund balance to the subscriber it should be verified that the ledger card bears the distinctive seal of the office.

(C.A.G.No. 1089-Admn.II/211-52 dt. 12.09.52 cited below Para 509 of F.M. of A.G.Madras).

**Para 75: Review of P.F. accounts in the event of their Closure:**

The following procedure should be followed in regard to review of provident fund accounts at the time of authorizing final payments or while transferring the accounts from one account circle to another –

- (i) The individual subscriber's accounts should be checked in detail for the past five years preceding the year in which the subscriber quits the service.
- (ii) The accounts for the remaining years should be generally reviewed in order to see that balances have been correctly carried forward from year to year and no missing credits/debits exist. Before authorisation, missing credits/debits should be adjusted on the basis of collateral evidence available in the form of Pass Book under the normal rules.

[O.O. No. Fd I/4 Dt. 02-07-2002 & No. Fd I /06/2002-2003 Dt. 08-07-2002]

However, under Gross Accounting System which has been adopted in U.P. w.e.f the year 1987-88, adjustment of missing credits/debits in G.P.F. Accounts for the post 1987-88 period on the basis of collateral evidence by operating the Head 8658-P.F.Suspense, docs not appear to be necessary because the drawal of T.E. will have the effect of unnecessarily increasing the balances both under the Head 8009-State G.P.F. and 8658-Suspense Account. The matter along with a detailed note has been referred to Headquarters Office. Decision n

this respect is still awaited. Therefore the above provision is subject to any change on the basis Headquarter' decision or any amendment in the State G.P.F. rules by the State Govt.

- (iii) If in the course of the above mentioned reviews, serious discrepancies/mistakes are noticed in a particular account, that account may at the discretion of the Group Officer in charge of Fund Section be thoroughly checked abnition . If any unbooked suspected debit comes to notice during such scrutiny, the probable amount alongwith interest upto the date of release of final payment should be computed and the total amount of such debits with interest should be deducted from the available balance worked out earlier. The net amount should then be released to the subscriber, calling for at the same time, necessary clarification/particulars in respect of the amount withheld. The case relating to residual balance/ withheld amount shall thereafter be vigorously pursued with a view to its early final settlement.
- (iv) The register of Missing Credits and Explanation sheets of differences should also be gone through in order to ascertain the credits/debits missing in the accounts and to adjust any items remaining unposted as far as possible before the available balance is authorized for payment, or the account is transferred.
- (v) A reference should also be made to the objection Book and review note of the triennial review in order to see that no discrepancies/defects indicated therein remain unsettled.
- (vi) In case of accounts kept under the computersied system of posting, the detailed review of accounts should , if the work of annual agreement of balances is in arrears, be extended upto the year from which it is in arrears.

( C.A.G.No. 125 Tech.Admn.II/159-67 dt. 16.01.68)

**Para 76: Scrutiny of Final Payment Calculation:**

The final closure of the account should be put up to the officer\_incharge of the Section for scrutiny. All calculations of the amount due for payment should be checked by the Section Officer. Thereafter, it should be submitted to the Branch Officer for approval alongwith the ledger, the original application, if any, with all other connected record, It should be ensured that all ledger cards are put up alongwith the calculation. If any ledger

card is missing, manual script-should be prepared on the basis of balance sheet in respect of post computerisation period and on the basis of MSO(T)-76 in other cases.

Soon after approval by the Branch Officer the authority for payment should be issued and the fact of the issue of authority noted in the last printed ledger card under the initials of the Branch officer. At the same time entries relating to the closure of the accounts should be made in (i) the General Index Register (ii) Register of closed accounts /Final Payment Register ( format given at Annexure 16) (iii) the Residual Balance Register ( Where there is a residual balance).

**Para 77: Special Check on debits at the time of Final Payment:**

The accountants, while authorising final payments, should ensure that no debits are missing in the ledger account concerned. In this connection the following instructions should be followed:-

- (i) All the Fund Sections, before authorising payment, should verify the debits which are outstanding in the Register of unposted items .
- (ii) A reference should also be made to the following records as safeguard against any over-payment:-
  - (a) Triennial report – list of wanting debits.
  - (b) Register of non-refundable advance.
- (iii) In cases where subscriber is financing his policy from G.P.Fund and the policy has not been re-assigned to him under normal rules, the Accountant while authorising payment should take special care to see that no debit on account of Life Insurance premium is missing from the account of the subscriber concerned. Policy case and Policy should also be obtained from P.I.F. Section (now Fund 23) and released simultaneously after proper checking. (O.O.No. Fund-I/IX(44-A)/31 dt. 09.04.70).

**Para 78: Minus Balance Cases:**

Where a Subscriber is found to have drawn from the Fund an amount in excess of the amount standing to his credit on the date of drawal, irrespective of whether the overdrawal occurred in the course of an advance or a withdrawal or final payment from the Fund, the details of minus

balance should be entered into the Register of Minus Balance in the format (Given at Annexure 17 ) noting therein name of Subscriber, P.F. account number, Amount in minus figure, Designation of D.D.O./address of subscriber, Action taken from either side and Final action taken in settlement of minus balance case. The register should be submitted to the Branch Officer weekly on each Monday and to the Group Officer fortnightly on 1<sup>st</sup> and 3<sup>rd</sup> Monday of each month.

Besides above, minus balances in the account may also arise for want of -

- (i) details of missing credits and missing debits ( - against which suspected debit/debits have been accounted for at the time of final payment calculation),
- (ii) Certain information as to the maturity amount of Life Insurance Policy financed from G.P. fund (as against which annual withdrawals from the fund for repayment of premium have been deducted)
- (iii) Transfer of balances from old account to new account.

Every minus balance case should be pursued vigorously until its final settlement either by way of certain adjustments or deposit of overpaid amount by the subscriber into Govt. Treasury .

**Para 79: Final payment of C.P.P. Funds balances:**

In case of a Government Servant who was previously a subscriber to C.P.P. Fund, the amount of Subscriptions together with interest thereon standing to his credit in such fund should invariably be transferred to the credit of his account in the G.P. Fund which may be paid alongwith the final payment of G.P. Fund balance when it becomes due. Where a Subscriber being a member of the C.P.P. fund quits to Subscribe, retires on superannuation or dies in harness before joining the G.P.Fund or an account number has not been allotted to him in the G.P.Fund, the P.I.F. Section (now Fund 23) should authorize the Final Payment of C.P.P. Fund balance observing the same provisions as are followed while making final payment from the G.P.Fund.

**Para 80: Payment authorities and their usage:**

The authority for payment of provident Fund accumulation should be issued in the prescribed two forms as the case may be. The one is used for authorising payments to be drawn and made by departmental officer within the State and the other in cases where the payment is desired by the subscriber directly at the treasury within the State.

The following instructions have been issued by the C.A.G. with a view to ensure that authorities for payment of various kinds issued by Account Office reach the proper hand and that there are as few chances as possible for duplicating such authorities to obtain payment for a higher amount than actually to be paid.

- (i) The authorization forms should be kept under the custody of responsible officials to ensure their use only for bonafide persons.
- (ii) The authorities for payments should be written as in the manner of cheques i.e. all such authorities should have written across them in word, a sum which is little in excess for which these are issued.

(C.A.G. No. 1996. Admn.II/526-56 dt. 17.09.67)

For authorization of G.P. Fund accumulations machine numbered authority should be used. For preventing fraudulent use of payment authorities the following procedure should be adopted:-

- (a) The machine numbered bound books should be kept for G.P.F. withdrawal forms under the custody of responsible officials in coordinating section to ensure their use only for bonafide purpose.
- (b) The bound books containing authority forms should be issued only to S.O.s/ accountants in charge of Funds section and they should be personally held responsible for the use of the Forms for bonafide purposes only. For watching the disposal of the authority forms the section officer's/Accountants should maintain a suitable register.

(C.A.G. No. 1996-Admn.II/526-56 dt. 17.09.67 and 1490-TA.II/127-68 dt. 17.9.71).

- (c) Copy of the authorities endorsed to Treasury officers for payments should be earmarked by the embossing machine.

(DAG's order : Fund1/authority (October 1997))

**Para 81: Payment place and Agency**

Final payment of G.P.F. accumulation should be authorized to the drawing and disbursing officer and the treasury officer concerned to make payment to the subscriber or their nominees, as the case may be, drawing a bill on the Treasury. The payment should be made in India in Rupees only. The person to whom the amount is payable should make his own arrangement to receive payment in India.

(Rule 24 of the G.P.F. (U.P.) Rules 1985)

Payment may also be made to a well known bank or agent provided (1) letter is sent by a Government servant requesting payment to such bank or agent and (2) the receipt of the bank or agent is furnished.

**Para 82: Return of Final Payment Cases:**

No final payment case should be returned with observations/objections except with the approval of the Group Officer. While putting up such proposals for approval, a provisional calculation memo working out the available balance in the subscriber's account should be prepared and certified details in respect of the missing credits, suspected missing debits, unusual amounts etc. if any, revealed, should be simultaneously called for from the disbursing/sanctioning authorities concerned, under intimation to the subscriber / beneficiary. The fact of return of the final payment case should also be intimated to the subscriber for information and necessary action.

All proposals for return of final payment case should be put on the Performa given below:-

**Note for Orders**

Sub:- Proposal to return the final payment case of Sri/Smt.....

Ref:-Letter No.....Dated.....

From.....

The above final payment case is proposed to be returned to sender for the following reasons:-

1. Under mentioned information is wanting

2. Provisional calculation in the above case have been made and the available balance has been worked out at Rs.....only. The calculation have revealed the following missing credits/suspected missing debits/doubtful and unusual amounts:-

- (i) Missing Credits (Paid Months)
- (ii) Suspected missing debits.
- (iii) Doubtful/unusual amounts.

3. Certified particulars in respect of the above items are being called for simultaneously from the concerned offices as well as from.....

4. A copy of each of the above communications is also being endorsed to the subscriber/beneficiary for information and necessary action.

5. The return of the final payment case may please be approved by D.A.G. (Funds) as required under standing order no. 42 of 1976.

S.O.....

B.O.....

DAG(F).....

.....

Accountant.

**Para 83: Elimination of Delays in the payment of Provident Fund Claims:**

The entire balance in the Provident Fund accounts of subscribers should not be held up for want of certain information as this causes great hardship to the subscriber concerned.

- (i) If there is any dispute in the payment of a portion of the balance in the Fund accounts, the undisputed portion should be authorized for payment immediately. F P cases should be cleared within three weeks as per the Codal provisions, However as per citizen's charter approved by the Headquarters Office, our office has resolved as under:-

**Recognising**

The right of the Retired Govt. Servants to receive prompt settlement of their provident fund balance dues.

**Conscious of**

Our responsibility as Scrutinizing and authorizing authority.

**In Evidence**

Of our commitment to provide and maintain the highest quality of service.

**We Resolve**

- To authorize provident fund dues within two months of receipt of the cases complete in all respects.
- To address the concerned authorities, in respect of deficiencies and defects, within one month and to keep the beneficiaries informed of such action.
- To acknowledge receipt of all complaint cases within one week.
- To furnish final replies to complaints relating to P.F. dues within two months of their receipt.

**We Further Resolve:**

- To suitably disseminate knowledge and information on the procedures and processes to all stake holders.

**Dated : May 1, 2003**

**Accountant General**

The following procedure should be observed in dealing with final payment cases by all fund sections:-

- (i) The diarist of the Fund section shall enter the case in the relevant diary immediately after it is received and obtain the acknowledgement of the concerned Accountant in token of having received the case.
- (ii) Concerned dealing Accountant shall scrutinise the case with reference to the ledger cards and send the case to Broadsheet sections without delay for verification with the unposted items.

- (iii) After the relevant certificate is received from the Broadsheet section, the dealing Accountant should take steps to adjust the missing credits/debits on CE basis, if necessary, and clear the case immediately thereafter.
- (iv) If certain information is wanting and it is necessary to obtain it for authorisation of payment, proposal of keeping the case in Part-II diary pending receipt of the wanting information should immediately be submitted to the Group Officer.
- (v) To avoid delay in the checking of the calculations, balances for each year as per the ledger card as well as per the calculation sheet should invariably be noted on the left margin of the calculation sheet and the differences worked out on the calculation sheet itself for the purpose of proving.

(O.O. No. Fund -I/8/2002-2003 dt. 9.7.2002)

**Para 84: Protection of compulsory deposit in the G.P. Fund:-**

A compulsory deposit (meaning thereby a subscription and interest accruing thereon) in the G.P. Fund shall not in any way be liable of being assigned or charged and shall not be liable to attachment under any decree or order of any civil, Revenue or Criminal Court in respect of any debt or liability incurred by the subscriber and neither the official Assignee nor any receiver appointed under the Provincial Insolvency Act, 1920 (5 of 1920), Shall be entitled to, or have any such compulsory deposit.

(Section 3 of the Provident Fund Act No. 19 of 1925)

Such protection can not be sought in case any excess or wrong payment is made from the G.P.F. account of a subscriber. The amount so paid together with interest shall be recovered from the emoluments or other dues of the subscriber, retired/deceased subscriber as the case may be and credited to Government account. Where there be no such dues or the overpaid amount with interest cannot be recovered in full there from, the outstanding amount shall be recovered, if necessary, as arrears of land revenue from the person who had received excess or wrong payment.

(Rule 11 of the G.P. Fund (U.P.) Rules 1985)

**Para 85: Authorisation of Credits /debits pending actual posting :-**

Authorisation of the payment of the whole or any part of the P.F. balance should not be delayed merely because the posting work is in arrears or is not yet due. The subscription made before six months prior to the date of retirement and withdrawals taken upto the date of retirement, if any, or upto the last fund deduction in case a subscriber quits the service or dies in harness should be authorized on receipt of the final payment case of the subscriber even before the normal work of posting for those months is taken up.

**Para 86: VALIDITY OF PAYMENT AUTHORITY**

The authority remains current for a period of 6 months from the date of its issue and will have to be revalidated by the issuing Accounts Officer, if any claim is required to be paid after this period. For this purpose, this authority should be returned to the Accounts Officer with a non-payment certificate by the Treasury Officer and Disbursing Officer as well.

( C.A.G. No. 1740-Admn.II-275-55 dt. 3/6.12.66)

Often a situation arises where drawal and payment of the amount of authorities issued by this office for making final payment of G.P.F., is delayed and as a result the subscribers are devoid of admissible interest. In such cases, it should be ensured by the drawing and disbursing officers to draw and make payment, without delay, of the amount of the authorities. In case of any delay in drawing and disbursing the payment so authorised, the concerned officer/official would be responsible for such delays and necessary action should be taken by the department against him under the rules.

If such authorities are returned by the DDO's for revalidation on the ground that the time has so elapsed in its receipt after the date of issue that the authority has become time barred for drawal and payment, such authorities should be revalidated as soon as possible. Such cases may be considered to allow any additional interest, admissible under the rules , for such period.

It should also be ensured that the authorities of final payment of G.P.F. should immediately be despatched after the date of its issue.

(U.P. Govt. G.O. No. sa-4-A.G. 28/Das-89-502-85 dated 4.8.1989)

**Para 87: Conditional Revalidation of Final Payment Authorities:**

Complaints are often received from the subscribers regarding non-drawal/non-receipt of their G.P. Fund Balance authorized for payment by this office, within the period of validity (six months) of the authority. It has been seen that the request made by us to the Treasury Officers to return the original authority with their no payment certificate to enable us to either revalidate the original authority or to issue a fresh one in lieu thereof remain uncomplished for a long period causing acute distress and anguish to the subscribers. With a view to mitigating the subscriber's hardship on this account, it is therefore considered desirable that a conditional revalidation advice may be issued to the Treasury Officers concerned, per registered post, on the lines indicated in Annexure-18 thereby doing away with the necessity of prolonged correspondence to call back the original payment authority. It should be particularly noted that no indication of the amount authorised as per the original authority is given in this conditional revalidation, lest it might be misconstrued as fresh authority resulting in risk of double payment.

(Standing order No. 65 of 1978)

In some cases, it has come into knowledge that non-payment certificate has been given by the Treasury Officer even after making payment on the original authorities issued by this office and payment has been made by him again on the authorities revalidated by this office. In this reference it has been decided that-

- (i) Authorities should not be revalidated only after receipt of non-payment certificate from Treasury Offices but drawing and disbursing officer's copy of the authority with non-payment certificate should also be sought for. It should also be ensured that no payment has so far been made before the authority is revalidated.
- (ii) In case the amount of the authority issued after revalidation is differed either due to allowing the upto date interest or other reasons, a reference of the authority issued earlier should be made with suitable condition in bold letters.

(Officer Order No. Fund 1/F.P./1020 dated 28.3.90)

**Para 88: PROCEDURE IN RESPECT OF TRANSFER OF ACCOUNTS  
FROM ONE ACCOUNT CIRCLE TO ANOTHER**

Following procedure may be adopted in case of transfer of balances in Provident Fund Account from one account circle to another.

(i) With a view to ensuring that the accounts are transferred to a new accounts circle within the prescribed period the Fund Sections should maintain a separate Register for watching transfer of provident fund accounts to the another Account Circle. Cases should be entered in this Register immediately after an application requesting for transfer of balance is received from the subscriber or it is noticed that the credits of a particular subscriber are being received regularly through Settlement Account indicating that a subscriber has been transferred to another Account Circle. The Register should be submitted to DAG(Funds) on the 10<sup>th</sup> of every month.

(ii) The transfer of Provident Fund Account from one Account Circle to another Circle should be considered as closure of the Provident Fund Account so far the Transferred Office is concerned. The old Accounts Officer should however be responsible for settlement of the missing credits and debits in the account of the subscriber up to the month of transfer. The new Accounts Officer to whom the Account is transferred should also render such assistance as may be necessary for getting collateral evidence etc. from the subscriber for adjustment of the missing Credits/Debits.

The original ledger cards should be retained in the former Accounts Office and preserved for a period of 3 years after settlement of all the missing Credits/Debits (upto the month of transfer of P.F. Account).

(iii) In respect of Provident Fund governed by Central Rules, no interest for the portion of the year within which the transfer is made should be allowed. In the case of Provident Fund Governed by State Rules interest must be allowed upto the end of the month preceding the month in which the transfer is made.

(iv) A note showing the reason for transfer, the amount transferred, the number and date of the transfer entry, etc. should be made in the remarks column of the ledger card under the initial of the Gazetted Officer. The amount transferred should be posted as a minus figure in the subscription column.

(v) Alongwith the advice of transfer, the following documents should be sent to the Accounts Officer concerned:-

- (a) a copy of subscribers ledger account for the year.
- (b) his nomination in original
- (c) a statement showing:-
  - (i) details of temporary advance, if any, with the outstanding balance, the number of instalments etc.
  - (ii) details of withdrawals for payment of Life Insurance Premia.
  - (iii) Whether the subscriber is a compulsory or optional subscriber, if the later, the number of breaks, if any, and
  - (iv) The Insurance Policy or Policies if any, in the case of transfer of a subscriber from one account circle to another under Central Govt. (the transfer is permanent or temporary) for a period exceeding one year.
  - (v) The procedure prescribed in above paras for the review of Provident Fund accounts at the time of authorising final payment should also invariably be observed in the case of transfer of accounts from one account circle to another.

**Para 89: Review of Residual Balance Cases:**

(1) All the Residual balance cases which have been outstanding for a year or more should be reviewed in depth at the Section Officer/Branch Officer level and reference made to the authorities concerned, with a view to obtaining the requisite details /clarifications. A careful watch should be kept on the effective pursuance of these cases so that they are cleared as expeditiously as possible and are not rendered more complex with the passage of time.

(2) Similar action should be initiated in respect of remaining cases which are less than a year old and a letter issued from individual case file to the authorities concerned.

(3) In all cases where authority for part payment of Provident Fund balance is issued from now onwards, a similar reference should be made simultaneously in the prescribed proforma so that the matter comes to the pointed notice of the authorities concerned as well as the subscriber for early necessary action and submission of the wanting details. Each Branch Officer should, therefore, ensure that this letter is signed by him simultaneously with the Final Payment Authorities.

(4) In old cases where only one or two missing credits may be involved in the Residual Balance and the amount is not large, a registered letter should be sent to the Head of office concerned as well as to the subscriber calling for certified particulars of deductions and within a reasonable period say 45 days it would be presumed that no G.P.F. subscription /refund was made during the relevant months and the case would be closed accordingly. Such cases, thereafter should be put upto Group Officer for orders on the expiry of the above limit of 45 days.

(5) A register of Residual Balance cases should be maintained in the format (given at Annexure 19)

(Standing Order no. 2 of 1976)

**Para 90: Transfer - Advice:**

While transferring the balances through Bank Drafts lying in the Provident Fund accounts to other accounting circle/Pay & Accounts Officers, the 'Transfer advice' incorporating year-wise statement of credits/debits/interest alongwith details of missing credits and debit; should also be sent.

**Para 91: Final Payment diary:**

A Final Payment diary (or check Register of Final Payment cases) should be maintained in each fund section where final payment cases are dealt with. This diary is maintained in two distinct parts. The two parts of this diary namely " Final Payment diary Part I" and "Final Payment diary Part-II" are maintained in the format (given at Annexure 20 and 21) on the former and the latter half portions of the Final Payment diary respectively.

Final Payment diary Part I carries those cases, in which part or full payment has been authorized, whereas Final Payment diary Part II contains cases which have been kept under correspondence.

These diaries should be submitted to the Branch Officer weekly on each Monday and to the Group Officer fortnightly on the 2<sup>nd</sup> and 4<sup>th</sup> Monday of each month.

## CHAPTER – X

### **Para 92: PROCEDURE FOR ANNUAL CENSUS:**

Para 12.55 of the C & A.G.s' M.S.O. ( A&E) Vol I and C&AG' letter no 54-TA II/314-65 dated 7.1.1966 prescribes that after completion of the posting for the month of March, a Census of ledger cards should be conducted with the purpose to ensure, on the one hand, that the Index Registers are up-to-date and on the other, that no cards are missing. Advantage should be taken of this census to classify the ledger cards as live, dormant, having petty balances, and minus balances. In fact, annual census of ledger cards is a very important factor / performance indicator. The quality of maintenance of provident fund accounts by Accountant General's Office and State Govt. Offices (in case of preparation/sending of provident Fund credit schedules /debit vouchers etc.) is depicted through the annual census. It also helps in calculating Staff Proposals. To get exact number of Provident Fund accounts maintained, in accordance to C. & A.G letter no. 1795-TA.II/305-69 dated 13.10.1970 and no. 101-0 & M/53-79 dated 31.3.1979. Number of dormant accounts, number of accounts with petty balances, number of accounts with minus balances , number of duplicate ledger cards should be segregated in addition to number of live accounts (which include the accounts in which Residual balance is still to be authorized / transferred). Register for each such categories should be opened, and the kind of ledger cards as described in paras given below should be entered in these Registers respectively. The results of the annual census should be intimated to coordinating Section after its completion every year. The information should contain; No. of live accounts, No. of dormant accounts, No. of accounts with petty balances, number of accounts with minus balances and No. of duplicate ledger cards amalgamated with original cards.

But Consequent upon switching over to the computerized system of posting of P.F. accounts of all series of accounts, master files in respect of each subscriber should be created in computers on the basis of series wise General Index Register so that there may not be any possibility of duplicate cards being opened for the same subscriber or any card being missing. The reports regarding dormant cards, cards having 'NIL' deposits or negative balances are automatically generated as and when required. Therefore , under the computerized system of posting the exercise of physical census of ledger cards is saved.

**Para 93: Register of Dormant Cards:**

The Provident Fund accounts in which transactions have not appeared for the past five years should be counted and segregated separately through a Register for this purpose, in which Provident Fund Account numbers and name of the subscriber should be noted. Such accounts/cards are called Dormant. These include such accounts in which transactions have not appeared owing to :-

- (i) Stoppage of subscription authorized under the rules;
- (ii) Unauthorized discontinuance of subscription requiring recovery from the subscriber with interest or in default report to Government the unauthorized deviation from the rules;
- (iii) Opening of duplicate accounts for the same subscriber in which case the transaction get posted in the new account and the old ledger card shows no transaction;
- (iv) Temporary Government Servants bearing government service who have not claimed their provident fund amount, in which case action should be taken to settle the case after consulting the drawing officers or to transfer the unclaimed balance to deposits.

Thus, Register of Dormant Cards should be bifurcated in two parts, and each sub-part of this register should carry Provident Fund accounts numbers and names of respective subscribers as mentioned in (i) & (ii) above.

**Para 94: Register of Petty Balance Cards:**

During Census of ledger cards, ledger cards with Petty Balances (i.e. Rs. 100/= or less than Rs. 100/=) should be segregated and P.F. account number, name of the subscriber and amount of closing Balance should be noted in a separate register meant for this purpose. The idea behind maintenance of 'Register of Petty Balance Cards' is that the cases with small residual balances, may be segregated and by taking benefit of rules, which allow to authorize amount upto Rs. 100/= without any certified details/affidavits, may be authorized to appropriate subscribers (if address of the subscriber /DDO is known); otherwise they may be easily transferred to 'unclaimed-

deposits'. A few ledger cards of newly allotted subscribers may also have Petty Balances because of the fact that they might have started subscribing at the fag-end of the last year. Precaution should be taken that name of such subscribers may not appear in "Register of Petty Balance Cards".

**Para 95: Register of Minus Balance Ledger Cards :**

Minus Balances in Provident Fund ledger cards may occur owing to undermentioned reasons :-

- (i) Allowing overdrawals through temporary advances or non-refundable final withdrawals by Drawing & Disbursing Officer/Head of Department in excess to the balances outstanding in subscriber's account;
- (ii) Allowing overdrawals, by DDO/Head of department, at the time of making 90% payment in accordance with revised rules of U.P. Govt. vide Uttar Pradesh Provident Fund Rules, 1985.
- (iii) Owing to missing credits in subscriber's account maintained in A.G.'s Office.
- (iv) Owing to posting of Provident Fund debit pertaining to Group 'D' employees (wrongly passed on to 8009-Provident Fund – Other than Class IV) against the P.F. account numbers earlier allotted to them when the P.F. accounts of Gr. 'D' employees were dealt in A.G.'s Office, while provident fund credits of such subscribers are not received at all.
- (v) Owing to irrelevant/wrong posting of debits in subscriber's accounts.

All the ledger cards having minus balances should be segregated and a list should be prepared in 'Register of Minus Balance Ledger Card's, (format given at Annexure 24), noting therein Provident Fund account number & name of the subscriber, last Drawing & Disbursing Officer and amount of minus balance arrived at.

All efforts, either by making rectifications possible through A.G.'s records or through correspondence with Drawing & Disbursing Officers/ head of department should be made to clear the minus balances and converting them into plus-balances.

**Para 96: Triennial Review of Ledger Cards:**

A review of the Provident Fund Accounts should be conducted by Internal Test Audit Section, after the despatch of the annual accounts, in three batches so as to complete it in a cycle of three years in accordance with para 12.68 of the C&AG's M.S.O. (A&E) Vol.I. The scope of review should be as follows:

- (i) to see that there are no cases of omission to open ledger accounts or cases where double accounts have been opened for the same subscriber; for this purpose, a census of ledger cards should be taken and agreed with the number of subscribers to the Fund, including subscribers who have discontinued their subscriptions;
- (ii) to check in detail one month's credits in the ledger accounts of each department with reference to the schedules, the selection of the month for each department being made by the officer-in charge of Internal Audit Section;
- (iii) to examine generally the credits for the remaining 11 months appearing in the ledger accounts and to see that the reasons for non-recovery or irregular recovery (short or excess) of advances and subscriptions are properly recorded therein;
- (iv) to check the debit postings of the whole year with reference to vouchers;

While exercising this check it should inter alia be seen whether debits on account of withdrawals for financing life insurance policies have been regularly received in the relevant ledger accounts from year to year;

- (v) to see that the balances are correctly carried forward. In conducting the review it should be seen that:-
  - (a) the instructions in Para 12.32 of the CAG's M.S.O. (A&E) Vol. I are observed;

- (b) the accounts of subscribers who have ceased to be in service have been promptly closed and refund authorized;
- (c) there has been no omission to issue supplementary refund orders in case where credits have been undisbursed;
- (d) there has been no omission to transfer the balance of subscribers who have quitted service to “Unclaimed Deposits” in March Final accounts under the rule of the Fund;
- (e) the subscriptions are within maximum and minimum limits and
- (f) all final payments in excess of Rs. 20,000/= have been correctly made.

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**CHAPTER -XI**

**MISCELLANEOUS**

**Para 97: Honorarium:**

(i) **Honorarium for additional work /Grant of Honorarium for posting of additional Credits in the P.F. A/c :**

It has been decided that honorarium at the rate of 0.16 paise (paise Sixteen only) per extra credit representing arrears of Pay and Allowances, D.A., Additional D.A. etc. may be allowed for posting such credits, keeping in view of the provisions of item no. 22 of Section 'B' of C.A.G. M.S.O. (Admn.) Vol.II. The claims for honorarium shall be checked by the I.T.A. before these are passed. For this purpose, suitable Registers will have to be maintained to record the number of extra credits posted by each Accountant, so that the claims can be verified and settled without any dispute.

No honorarium on this account will be admissible to the Section Officer.

(C.& A.G. Circular No. 940-NGE.I/41-8011 dated 19.03.81 and 47-AC.II/1986 dated 08.07.86) and (C & AG Circular No-12-Acctts 11/1993, No.-502- Acctts. 11/60-92 dated 21.06.93)

(ii) **Grant of Honorarium to the Staff for Opening of new P.F. Ledger :**

It has been decided by the Headquarters that a honorarium will be allowed for the work of opening of new Provident Fund ledgers (both under machine and hand posting systems) at the rate of Rs.25.60 per 100 accounts subject to the conditions that the work is done by the staff in addition and without detriment to their normal work.

It has also been decided that the opening balances in new ledger cards would be written both in words and figures. The rate of honorarium prescribed also includes provisions for the extra work involved in writing of opening balances in words in ledger cards.

(C.A.G. Circular NO. 58/87 circulated vide No. 1087.AC.II/83-86 of 07.09.87)

(CAG Circular No. 12- Acctt, 11/1993, No. 502- Acctt. 11/60-92 dated 21.06.93)

**Honorarium for Annual Closing of P.F. Accounts :**

The following rates are of honorarium for work in connection with the annual closing of Provident Fund accounts.

		Rates per 100 accounts (in Rs.)	
		G.P.F.	C.P.F.
(a)	Calculation of Interest	43.20	59.20
(b)	Checking of Interest Calculations	35.20	49.60
(c)	Preparation & Despatch of Annual account statement.	25.60	25.60

However, under computersied system of posting no honorarium is admissible for the items (a) and (b).

These rates have been prescribed after taking into account, inter alia, all additional labour involved in calculation of interest on account of variations in rates of credits resulting from pay and dearness allowances arrears, compulsory Deposits in Provident Fund etc. and calculation of bonus. All processes involved in the preparation of Annual Account Statements including exhibition of up-to-date missing credits and debits and writing of closing balances in orders in the Provident Fund Account statements issued to subscribers have also been taken into consideration. No additional or separate honorarium will be paid for above mentioned items of work.

It should also be ensured and verified before making payment that the total work for which honorarium is being paid has actually been done. If it is found later on that the account statement issued to any subscriber was incomplete and deficient, action may be taken to effect recoveries.

General Supervision and Control should generally be exercised at all levels to see that the instructions issued from time to time and codal provision and checks relating to annual closing of Provident Fund Accounts are strictly followed by all concerned.

It must also be ensured that the time schedule for issue of Account Statements is strictly adhered to.

(C.A.G.'s letter no. 1083-AC.II/83-86 of 03.09.87)

(CAG's General circular no.=12-Acctt, 11/1993, no. 502-Acctts, 11/60-92 dated 21.06.93)

**Honorarium for clearing of arrears in the posting of Provident Fund Accounts:**

To overtake the arrears, due to the shortage of staff in P.F. group and / or owing to delayed receipt of Provident Fund Schedules from the treasuries etc. a honorarium may be sanctioned @ Rs. 272/= for posting an extra month's account over and above their normal quota.

(CAG's General circular no.=12-acctt, 11/1993, no. 502-Acctts, 11/60-92 dated 21.06.93)

**Honorarium to Assistant Accounts Officer/Section Officer/Examiner for Annual Closing work of Provident Fund Accounts:**

For timely completion of annual closing of P.F. accounts and issue of annual statements of provident Fund Accounts, Asstt. Accounts Officer/Section Officer/Examiner may be granted honorarium at the following rates.

Examiner	Rs. 400/=
Asstt. Accounts Officer/Section Officer/Supervisor.	Rs. 560/=

(CAG's no. 1085-ACII/83-86 dated 28.09.1987 and CAG's General circular no.=12-Acctts, 11/1993 no. 502-Acctts, 11/60-92 dated 21.06.93)

**Limit of Honorarium in Provident Fund Section:-**

It has been clarified by Government of India, Ministry of personnel, Public grievances and pensions, Department of personnel and Training, New Delhi office Memorandum No. 21011/26/96-Estt (Allowances) dated 20.1.1997 that the total amount of honorarium payable to a government servant during a financial year is limited to Rs. 5000/= under the powers delegated to C&AG of India and to Rs. 2500/= under the powers of Heads of Department [(As per item No. 22 of M.S.O. Administration volume II full powers have been vested with the Accountants General / Pr. Directors of Audit to incur expenditure upto Rs. 2500/= on account of honorarium (CAG's Circular No. 1663NGEI/33-93 dated 16.11.93)]. These limits cannot be exceeded in any case by treating different items of works or same item of work performed at different times of the year as separate for the purpose of calculating the entitlement of honorarium.

(CAG's circular no. 49 Audit (Rules)/25-92 /IV-97 (7) dated 4.3.1997)

**Para 98: Maintenance of Files correspondence etc:**

The general instructions for the maintenance of files conducting correspondence etc. are contained in the Manual of office Procedure. The correspondence and notes of the section should be tagged in files. A personal file for each subscriber shall be maintained in the Provident Fund sections in order that all correspondence with him is recorded therein till his account is finally settled. This will enable us to see that a subscriber's letters and complaints have been adequately dealt with the information given by him regarding nominations, missing credits, withdrawals and that advances is always on record and assurances given to him regarding adjustment of missing credits etc. have been fulfilled.

(A.D.A.I's d.o. no. 2459-TA.II/302-78 dated 03.10.1978)

**Para 99: Preservation of Records:**

- (a) All Vouchers and bills will always be kept under lock and key in the racks provided for the purpose. The Vouchers etc. under examination being locked

up every evening by the accountants before leaving office in the racks or in their tables or boxes as may be convenient.

- (b) After the close of each financial year the diarist should after careful examination prepare a list of papers due for destruction and submit it through the Section Officer for sanction of the officer-in-charge.
- (c) The following table shows the period for which each category of records is to be preserved. The term “Year” denotes complete “account year.....”

SL No.	Name of Records	Period of preservation in the office.	Period of preservation in the Section	Authority for Column no. 3
1.	2.	3.	4.	5.
1.	G.P. F. Schedules	3 years	3 months	C.A.G. no.716-Admn.34-Admn.I-40 of 16.12.40.
2.	P.F. Broadsheet	6 *		Annex.I to para 343 of CAG’s M.S.O.
3.	Monthly audit sheet and Master Cards.	2 years	1 year	CAG no. 716-Admn. 34-Admn. I/40 dt.16.12.40.
4.	Premium Receipt Register	5 years		
5.	Register of closed a/cs.	5 years		
6.	G.P.F. debit vouchers.	6 years	3 months	Annexure-I to para 343 of CAG’s M.S.O.
7.	Application form for admission to G.P.F. received from subscriber.	1 year	1 year	
8.	Calendar of Return	1 year	1 year	

9.	Note and order books of the Sections.	Permanent in the Section		
10.	Case Register	Permanent in the Section		
11.	Objection Book	3 years	1 year	
12.	Provident Fund payment and Policy cases in which payment is made to the subscriber concerned on quitting service/ P. Fund and policy cases in which payments are made to persons other than the subscriber.	6 years		
	(a) to minors	30 years	1 year	
	(b) to other than minors			
	(I) Not in accordance with declaration of subscribers.	30 years	1 years.	Para 343 of CAG's M.S.O.
	(II) In accordance with the declaration of subscribers.	6 years	1 year	
13.	Sectional diaries & Dispatch Registers	5 years	1 year	
14.	Book of Transfer Entries	3 years		Headquarter no. 716-Admn. /34-Admn./1-40
15.	Bill Register	4 years	1 year	-do-

16.	Declaration to join sterling Branch.	1 year	1 year	-do-
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Provident Fund Broadsheet-6 years after the close of the year to which it pertains. However, the Broadsheets which have been proved and balances in which have not agreed with those in the P. Fund ledger should continue to be preserved even after 6 years and weeded out only after the proving and agreement has been effected and discrepancies and differences, if any, fully settled.

**Para 100: Transmission of Records to Old Records :**

The fund sections are responsible to transmit the schedules/voucher, files to old record after accounting review. The records should be sent to old records regularly as may be found convenient to avoid congestion in the section. The transit register for sending records to Record Room should be submitted by the Section to the Branch Officer on 25<sup>th</sup> of each month.

The old ledgers, Broadsheets etc. should be sent to the ledger Room for custody of the Record Clerk/ Record Sorter who is responsible for the safe custody of all the records in the ledger room. He should issue the ledger after keeping a record in his issue register. Similarly, he should collect the ledger from the Sections concerned within a week's time if not more required. The ledger room clerk will be attached to the controlling section of the Group and will be under the supervision of the Section Officer of the Section Concerned.

**Para101: Secrecy of Account of the Subscriber:**

The deposit account of a subscriber should be treated as Confidential Record. No information should be communicated to any outsider without the written permission of the Branch Officer-in-charge. But there is no objection in supplying (Confidentially if necessary) such information to the Police, Heads of the Departments or State Govt. for all official purposes. (CAG NO.2796-Admn. II/382-57 of 23.12.1957).

**Para102: Incentive Bonus Scheme-****First Part**

Any subscriber to the G.P.F. and C.P.F. who has not withdrawn any amount from his Provident Fund Account during the preceding five years commencing from 1.4.1974 will be entitled to a bonus @ 1% on the entire balance at his credit on the last day of the year viz.31.3.1979, for payment of bonus during 1979-80 the five years period to be taken into account will be the period from 1.4.1975 to 31.3.1980 and so on. The balance on which this bonus is to be calculated is the balance on the last day of the last year of the five year period after crediting interest for the said last year. Withdrawals for financing insurance policies will not make subscribers ineligible for this benefit. The bonus thus calculated will be rendered to the nearest whole rupee. This will be credited to the account of the subscriber in addition to the interest on the Provident Fund balances. In the cases of C.P.F. the balance representing only subscriber's portion will be taken into account. The bonus will be admissible when a subscriber has been subscribing to the fund during the preceding 5 years except where the rules permit temporary suspension of subscription for a short period e.g. while on leave without pay or half pay or under suspension. The year for the purpose of calculating bonus will mean financial year. But if a subscriber joins the fund or quits service in the middle of a year, the year of joining the fund and the year of quitting service will be deemed to be full year. The amount of bonus will be debited to the minor head "Incentive Bonus to Provident Fund Subscriber" under the Major head '2049 – Interest Payment- C- Interest- on small savings, Provident Fund etc. Similar provision with minor changes exists for A.I.S., Provident fund as well.

(U.P. Govt. G.O.No.SA-4-2869)/x-512-75 dated 25.11.1978)

**SECOND PART**

Including all the conditions mentioned in first part above, the period of five years has been reduced to three years w.e.f. the payment of bonus during 1983-84 and so on, (i.e. for payment of bonus during 1983-84 the three years period to be taken into account will be the period from 1.4.1981 to 31.3.1984 and so on.

(U.P. Govt. No. Sa – 4-2133/x-83-512/75 dated 24.9.1988)

**THIRD PART**

With effect from the year 1986-87 the rate of interest has been enhanced to 12%, the incentive bonus scheme has been undone.

**Para103: Deposit – Linked Insurance Scheme**

On the death of a subscriber during service, the Account Officer in the case of subscribers belonging to Group 'D' and the authority specified in Para 2 of the Second schedule (All U.P. State Govt. Officers cited in U.P. G.P.F. Rules 1985 ) in all other cases shall sanction, subject to the following conditions, payment of an additional amount equal to the average balance in the account during 3 years immediately preceding the death of such subscriber and arrange its prompt disbursement to the person entitled to receive the amount standing to credit of the subscriber by the drawing and disbursing officer :-

- (a) The balance at the credit of such subscriber shall not at any time during the three years preceding the month of death have fallen below the limits of ( Earlier position prior to 25.04.94 was as given within brackets) :-
- (I) Rs.12000/- in the case of a subscriber who has held for the greater part of the aforesaid period of three years a post the maximum of the pay scale of which is equal to or more than Rs.4000/- . (Rs. 4000/= for the post the maximum of the pay scale of which is more than Rs. 1720/-)
  - (II) Rs. 7500/- in the case of a subscriber who has held for the greater part of the aforesaid period of three years a post the maximum of the pay scale of which is equal to or more than Rs.2900/- but less than Rs. 4000/- . (Rs. 2500/= for the post the maximum of the pay scale of which is not more than Rs. 1720/-)
  - (III) Rs. 4500/- in the case of a subscriber who has held for the greater part of the aforesaid period of three years a post the minimum of the pay scale of which is Rs.1151/- or more but less than Rs. 2900/- . (Rs. 1000/= for the post the minimum of the pay scale of which is Rs. 354/- or more)

- (IV) Rs. 3000/- in the case of a subscriber who has held for the greater part of the aforesaid period of three years a post the maximum of the pay scale of which is less than Rs.1151/-. (Rs. 500/= in the case of a subscriber to Group “D” (i.e. all other than non-gazetted officials)
- (b) The additional amount payable under this rule shall not exceed Rs.30,000/-. (Rs. 10000/= was only admissible prior to 25.04.94)
- (c) The subscriber has put in at least three years service at the time of his death. (It was 5 years period prior to 25.04.94)
- (d) The expenditure under this scheme will be adjustable under Major head ‘2088 Social Security and Welfare’-E- Other Social Security and Welfare Programmes’.
- (e) Similar Provision with minor changes exists for A.I.S. Provident Fund as well.

**Note :1:** The average balance shall be worked out on the basis of the balance at the credit of the subscriber at the end of each of the 36 months preceding the month in which the death occurs. For this purpose as also for checking the minimum balances prescribed above (a) the balance at the end of March shall include the annual interest credited (b) if the last of the aforesaid 36 months is not March, the balance at the end of the said last month shall include interest in respect of the period from the beginning of the financial year in which death occurs to the end of the said last month.

**Note :2:** Payments under this scheme should be in whole rupees.

**Note :3:** This work was conducted by A.G.’s office in the death cases upto 29.10.1985 as per provisions of U.P. Govt. G.O. No. Sa-4-209/X-501-75 dated 5.12.1979, but as soon as the U.P. ( Provident Fund ) Rules, 1985 came into force, this work as indicated above has been conducted by the U.P. Govt. drawing and disbursing officers.

(G.O. No. G-4-152/10-94-501-75 dated 25.4.94)

#### **Para 104: Payments of Provident Funds Through Bank Drafts**

When money from one Accounting circle is transferred to other Accounting Circle, the payments are made through Bank Drafts. Similarly the payments of Provident Fund

personal accounts are also made to the subscribers / Pay and Account Officers, if they do not live in the Accounting Circle of the former, in the event of death, retirement etc. and also on permanent transfer to other Govt./other Accounting Circle etc. All such payments of Provident Fund assets through Bank Drafts are arranged by the Coordinating section. When such eventuality arises, concerned Fund section should obtain Bank Draft requisition forms and fill them and send them to the Coordinating Section in triplicate under signature of their Branch Officer. The Coordinating Section enters these requisitions in a 'Register of Bank Drafts. The requisition are then signed by the Branch Officer of the Coordinating section and these are sent to the State Bank Main Branch. The signature of the Branch Officer of the Coordinating section are forwarded to the State Bank at the time of assumption of charge. The responsibility for procuring the Bank Drafts and handing over to concerned Fund Section rests with the Coordinating Section. Similarly cancellation and revalidation of Bank Drafts are also arranged by the coordinating section.

**Para 105: Unclaimed and Lapsed Deposits –Procedures Etc.**

No amount of residual balance should be transferred to 'Unclaimed Deposits' unless the Deputy Accountant General incharge of Fund Sections has satisfied himself personally that the whereabouts of the subscribers / claimants could not be found out despite all deligent efforts made. The efforts should be made to locate the subscribers/claimants through their departments or Treasuries at which they were drawing pensions. It would not be correct to transfer such balances to 'Unclaimed Deposits' only because of the age of the outstanding amounts and without making any endeavours to locate the subscribers / claimants concerned.

(No. 2262-Tech –Admn.-II / 409-65 dated 6.11.1965 )

Inspite of above mentioned efforts, if sums which remain unclaimed for period of exceeding six months after a subscriber has dies or quitted the service of Govt. should be picked out from the ledgers by the Accountant concerned from time to time and entered in the register of items transferred to unclaimed-deposits through following transfer entry:-

Credited to – “ K-Deposits and Advances –

(b)- Deposits not bearing interests

- 8443-Civil Deposits
- 124 Unclaimed Deposits in General Provident Fund  
or 126 other Provident Funds”

Debited to – “I-Small savings-

(b) Provident Fund etc.

- 8009 – State Provident Fund etc.
- 01-Civil- 101-General Provident Fund etc.”

These items should also be entered in a ‘Register of Items transferred to unclaimed P.F. Deposits’(Format given as Annexure 25) and necessary entries should be made in the Ledger cards under attestation of Branch Officer. This work should be done during month of June of each year.

In fact items remaining unpaid under unclaimed fund deposits should be lapsed to Govt. account according to rules. Thus, the P.F. Sections should send a statement of lapsed deposits (i.e. the items put under unclaimed P.F. Deposits ) and should send to the Deposit section for scrutiny. On return of the statement necessary Transfer entry debiting unclaimed Provident Fund Deposits’ and crediting ‘Misc. General Services- unclaimed Deposits’ should be prepared, but this action should be taken after assurance of the fact that no claimant has been there.

If the amounts are still under ‘Unclaimed Provident Fund Deposits’ and not lapsed to the Govt. and the subscriber / claimant claims his / her claim of P.F. a reverse transfer entry by debiting ‘Unclaimed P.F. Deposits’ and crediting State Provident Fund etc.’ should be prepared and after necessary entries in Register of unclaimed deposits and concerned ledger cards, payment should be authorized.

(Based on the note under ‘8443-Civil Deposits’ in list of Major / Minor heads)

### **Para 106: Instructions Relating to A.I.S. Provident Fund Accounts:**

- (1) All India Services Provident Fund was started in 1955 under the provisions of All India services Act, 1951. The rules governing this funds are contained in the All India services

- (Provident Fund) Rules 1955 issued by the Government of India in the form of a separate pamphlet under the Ministry of Home Affairs Notification No.S.R.O. 1980 dated 12.9.1955. These rules have been published separately and should be referred to in relating to the various points connected with this fund.
- (2) The officers appointed to the Indian Administrative services and the Indian Police services from the various sources prior to the promulgation of A.I.S. (P.F.) Rules 1955 on 12.9.1955 should subscribe to the G.P.F. (Central services) in the state section from the date of their confirmation but they may subscribe to the fund at their own option during the period of probation. The amount, so subscribed voluntarily during the probationary period, should not be refunded to them.  
(G.I.M.H.A. letter No. 13/35/56-A.I.S.(II) dated 8.10.1956)
- (3) The credits and liabilities to the said General Provident Fund (Central services) to which these officers have been subscribing prior to 12.9.1955 should be transferred to All India Services (Provident Fund). In case of State Service officers who after promotion to the All India Services continued to subscribe to the State Provident Fund, a General Provident Fund Account should be constructed on the basis of the General Provident Fund (Central Services) Rules from the date of his promotion till the 11<sup>th</sup> September, 1955 and thereafter on basis of the All India services (Provident Fund) Rules 1955.  
(G.I.M.H.A. letter No. 13/11/56-A.I.S.(II) dated 20.2.1957)

However, on promotion from state services to the All India Services, the A.I.S.P.F. Rules do not apply suo moto but on allotment of an account number in the A.I.S.P.F. accounts. In case of state services officers, who after promotion to the All India services continue to subscribe under the same State Provident Fund Rules, the provisions relating to final payment of the Rules will mutatis–mutandis be applied to them. Where a promoted officer retires or dies in service, without allotment of account No. under A.I.S.P.F. and continues to be the member of the State GPF, the provisions relating to final payment of the G.P.F. (U.P.) Rule 1985 will be applied to him notwithstanding the fact that he was permanent in the All India services before he retired or died.

(DAG's order No. Fund1/A.I.S.P.F./281 dated 27.6.2001)

- (4) The officers of the Indian Administrative Services and Indian Police Services should be required to subscribe compulsorily to the All India Services Provident fund from the date of appointment on Probation, in case of appointments made after 12.9.1955.  
(G.I.M.H.A. letter No. 13/35/56-AIS (II) dated 27.12.1956).
- (5) It would not be necessary to increase the rate of subscription to the Provident Fund consequent on the increase of pay of the subscriber during the course of the year.  
(G.I.M.H.A. letter No. 6/21/62-AIS-II dated 25.9.1962)
- (6) The amount of subscription should be fixed by the subscriber to A.I.S. Provident Fund himself subject to the following conditions namely :-  
It should be expressed in whole rupee and it should be any sum so expressed not less than 6% his emoluments and not more than his total emoluments.  
(G.I.M.H.A. letter No. 12/29/57-AIS (II) dated 27.5.1958)
- (7) The arrears of Provident Fund can not be recovered after the date of superannuation. Recovery of Provident Fund subscription at enhanced rates against his normal rates is not in order. Interest on the arrears of Provident Fund recoveries is not admissible with retrospective effect.  
(NO. CAG's No. 141-Audit/87-79 dated 28.2.1981 and G.O.I.U.No.11026-19/80-AIS(II) dated 17.11.1980)
- (8) A subscriber to the A.I.S. Provident Fund Rules shall not subscribe to the fund for the month in which he quits services unless, before the commencement of the said month, he communicates to the Head of office in writing his option to subscribe for the said month. (This is to be inserted in rule 6 after sub-rule (i) of A.I.S. P.F. Rules 1955)  
Payment of interest on the fund balances may be authorised upto the end of the month preceding that in which the payment is made or up to the end of the sixth month after the month in which such amount became payable, whichever of these periods be less;
- (a) upto a period of one year by an officer (including pay and Accounts officers in Union Territory where the Accounts have been departmentalized) nominated by the Head of Accounts Office.

- (b) Upto a period exceeding one year by the Head of Accounts Office (including controller of Accounts in a Union Territory), after these Accounting officers have personally satisfied themselves that the delay in payment has occasioned by circumstances beyond the control of the subscriber or the persons to whom such payment was to be made, and in every such case the administrative delay involved in the matter shall be fully investigated and action, if any required, taken (To be substituted in rule 9 for the not below) sub rule (4).

(G.I. Notification No. 11026/7/79-AIS(III) dated 17.11.1980)

The protected rate of interest of 4% which was admissible to some officers under the State Provident Fund is not admissible on promotion to the All India Services.

(G.I.M.H.A. letter No. 8/4/57-AIS (III) dated 1.4.1957)

- (9) Where there has been delay in the drawal of pay or leave salary and allowances of a subscriber and consequently in the recovery of his subscription towards the Fund, the interest on such subscription shall be payable from the month in which the pay or leave salary of the subscriber was due under the rules, irrespective of the month in which it was actually drawn. Provided further that where the emoluments for a month are drawn on the last working day of the same month the date of deposit shall be deemed to be the first day of the succeeding month.

(G.I.M.H.A. letter No. 5/22/57-AIS (II) dated 18.3.1968)

- (10) Officers of the All India Services who are permitted to withdraw money from the Provident Fund for house building purposes under the provision shall be required to submit annual declaration.

(G.I.M.H.A. letter No. 13/25/55-AIS (II) dated 27.4.1956)

Second final withdrawal for the construction of the same house is not permitted from A.I.S. Provident Fund. Final withdrawal for house building should be one, even though it can be taken in more than one instalment. If however, the amount of first withdrawal is not found to be adequate for the purpose, then the officer may apply for second withdrawal which will be considered on merit, if necessary, in relaxation of the relevant

rules, subject to the overall condition that the total of first and second withdrawal from the fund for house building purposes or purchases of a house site does not exceed the prescribed limit of the balance standing to the subscriber's credit in the fund at the time of first withdrawal.

(G.I.M.H.A No. 6/24/62-AIS (II) dated 28.1.1963)

- (11) Service paid from the consolidated fund of India or a State would qualify for the purposes of reckoning fifteen years of service (including broken period of service, if any) or within ten years before the date of his retirement on superannuation whichever is earlier, for Part Final withdrawal in the case of A.I.S. Provident Fund, but service under semi Govt. institutions and Public undertakings will not qualify for the purpose (For the purpose of Rule 12(i)).

(G.I.M.H.A. No. 5/26/68-AIS(II) dated 14.1.1969)

Any sum withdrawn by a subscriber from the amount standing to his credit in the fund shall not exceed:-

- (a) One-half of such amount or
- (b) In the case of building or acquiring a suitable house for his residence, including the cost of the site or the amount required for repayment of the loan taken for this purpose or for reconstruction or making additions or alterations to a house already owned or acquired by him the actual cost, whichever is less. Provided that the sanctioning authority may sanction the withdrawals of an amount in excess of the limit set out in clause (a) upto ninety percent of the balance at the credit of the subscriber in the fund but not exceeding two hundred times the basic pay subject to a maximum of Rs.8 lakhs whichever is less.

Provided further that in the case of a subscriber who has availed himself of an advance under the scheme of the Ministry of works and Housing for grant of advances for house building purposes, or has been allowed any assistance in this regard from any other Govt. source, the sum withdrawn under this sub-rule together with the amount of advance taken under the aforesaid scheme or the assistance taken from any other govt. source shall not exceed Rs. 8 lakhs or two hundred times the basic pay whichever is less.

(Sub. rule (i) of rule 13 of A.I.S.P.F. Rules, 1966 substituted as above)

Maximum amount of withdrawal for meeting the expenses on illness etc. - Any sum withdrawn by a subscriber under clause (C) of sub-rule 1 (A) of rule 12 from the amount standing to his credit in the fund shall be limited to one half of such amount or six months pay whichever is less .

Provided that the sanctioning authority may sanction the withdrawal of an amount in excess of this limit upto three fourths of the balance at the credit of the subscriber in the fund, having due regard to his status and the amount to his credit in the fund (After Rule 14 (A), namely Rule 14 (B) shall be inserted)

(G.I.M.H.A. No. 11026/3/79/AIS(III) dated 5.11.1980)

The Governor of Uttar Pradesh delegated the powers vested in him under Rule 10 of the AIS P.F. Rules 1955 sanctioning temporary advances from the Provident Funds to the members of I.A.S./I.P.S. for the grant of which special reasons are not required, to undermentioned officers:-

1.	Administrative Member, Board of Revenue, U.P.	For Members, Board of Revenue, U.P.; Judicial Members Board of Revenue U.P. and Commissioners of Divisions.
2.	The Commissioners of Division	For all the I.A.S. Officers posted in their Division viz. D.M. Joint & Asstt. D. Ms. Etc.
3.	Heads of Department	For all I.A.S. Officers posted under their administrative control.
4.	Inspector General of Police, U.P.	For all D.I.G.&I.P.S. officers posted in I.G's office.
5.	Dy. I.G. of police	For all I.P.S. Officers in their range viz. S.P., A.S.P. etc.

Advances to be sanctioned in relaxation of the above rules and for special reasons will be dealt with by Govt. in Appointment (A) Department. Advances to Officers, not covered by the above delegations will be sanctioned by Govt.

(U.P. Govt. circular No. P-2020/II A –511-1953 dated 11.4.1963)

12. A subscriber who has already drawn or may draw in future an advance under Rule 10 for any of the purpose specified in sub rules (i) and I (A) of Rule 12 of A.I.S. (P.F.) Rules 1955 may convert on his discretion by a written request addressed to the Accounts Officer through the Govt. the balance outstanding against it into a final withdrawal on his satisfying the conditions laid down in related Rules.

(G.I.No. 11026/4/80-AIS (III) dated 14.10.1986)

On a question whether recovery orders under Rule 21 (4) and 25 of A.I.S. (P.F.) Rules 1955 should be stopped and the amount already recovered be refunded as soon as the policy re-assigned, delivered, converted into a paid up one are received, as the case may be, it has been decided that further recovery should be stopped in such cases but no refund of an amount already recovered should be allowed.

(G.I.M.H.A No. 12/36/56 – AIS (II) dated 26.9.1956)

13. Minimising the Exchange/settlement Account Transactions settlement of Provident Fund transactions and credits on account of interest bearing advances relating to A.I.S., Officers borne on the cadres of the State Govt. who are on deputation to Central Govt. by Bank Drafts.

Provident Fund debits/credits pertaining to A.I.S. Officers (i.e.I.A.S., I.P.S. etc.) borne on the cadres of the State Govt. who are on deputation to the Ministries or Departments of the Central Government in Delhi and whose pay and allowances are audited and adjusted in accounts by A.G.C.R. or A.G.C.W.M. but who are subscribing to A.I.S. Provident Fund which form part of the Public account of the state Govt. should be settled in cash by means of Bank Drafts instead of passing them on to the State Accountants General concerned through settlement Accounts. It has further been decided that in the case of such of the above mentioned officers as are holding posts equivalent there to, the A.G.C.R. and A.G.C.W.M. should maintain duplicate provident fund accounts in the form of the ledger/accounts instead of the P.F. Accounts. The opening balance in the duplicate accounts

should be indicated after ascertaining them from the State Accountant General. This work may be entrusted to the section to which the work of settlement by means of Bank Drafts has been allotted.

The Annual Account Statements of the officers in question should be sent by the State Accountant General concerned through the A.G.C.R. or A.G.C.W.M as the case may be. The latter mentioned Accountant General should reconcile these statements with reference to the deposits and withdrawals during the years as reflected in the duplicate accounts maintained by them and indicate therein the action taken to trace the missing credits if any. (CAG's letter No.1329-T.A.II/361 – 69 dated 1.7.1969)

14. Except the para (1) to (13) mentioned above in case of A.I.S. (Provident Fund) all other paragraphs prescribed in this Manual relating to accounting compilation, admission, diaries, returns etc. applies mutatis-mutandis for A.I.S. (Provident Fund) Accounts also.
15. Unlike other G.P.F Accounts, the nominations to All India Services provident fund subscribers are still maintained in the state A.G's offices. Thus at the time of admission in the A.I.S.P.F. accounts it should be ascertained that the officer has properly nominated one or more persons in the prescribed form and this nomination papers should be tagged with the provident fund file of the subscriber and the custody and check should be made time to time.

Where, however, the applications for admission to provident fund are not accompanied by nomination, the allotment of account number should not be withheld and the application should not be rejected merely because nomination has not been sent therewith, Instead necessary correspondence should be made and entry should be made in the application and a register for wanting/missing nomination and register for allotment of account number (Admission)

(C.A.G's letter No. 2485-TA. II/345-57 dated 26.9.1967)

As prescribed in para 12.16 of C&AG's M.S.O. (A&E) vol.I all nominations should be verified annually by a Gazetted officer other than the officer incharge of the Fund Section to be selected by the Accountant General. The verification of the nominations should be carried out in three batches so as to complete it in a cycle of three years. A certificate indicating the result of the annual verification should be recorded in the following form by

the Gazetted Officer “Periodical Review of nomination for the year .....

The nominations received as per Index Registers have been verified and ..... nominations were found missing/no nomination was found missing.

Details of the missing nominations have been incorporated in the report submitted separately.’’

**Para 107: Instruction Relating to High Court Judges**

The proviso of section 20 of the High Court Judges (Conditions of Service) Act, 1954 provides that an I.C.S. Judge shall continue to subscribe to Provident Fund to which he was subscribing before his appointment as a Judge and that in absence of any provision to the contrary the rules of the fund to which the judge is subscribing will govern his membership and other allied matters. Formal amendments made by the State Govt. to the I.C.S. Provident Fund Rules and I.C.S.(NEM) Provident Fund Rules extending the concession of withdrawals of money for house building purpose etc. will also apply to the judges of the High Court who continuously subscribe to these fund.

(G.I. M.H.A. No. 16/39/57 Judge-I-dt.20.11.1957)

**Para 108: General Provident Fund Pass Book**

All drawing and disbursing officers should maintain a G.P.F. Pass Book in respect of the G.P.F. Account of each subscriber working under them, in such manner and in such form as may be prescribed by the Government and the subscriber shall be entitled to receive a copy of the G.P.F. Pass Book on payment of such fee as may be prescribed and to get it updated at such intervals and in such manner as may be prescribed by the Government. When a Subscriber is transferred to another Government Department or an undertaking, his pass-book completed in all respects till the date of his transfer shall be forwarded to such other Government Department or undertaking alongwith his last pay certificate and a mention regarding the closing balance as on the date of transfer in the G.P.F. pass book shall be made in the last-pay certificate. The pass

book so received will be maintained by such Govt. Department/Undertaking in the same manner.

Drawing and Disbursing officers should furnish following information to the Accountant General each year:

(I) Name and Account No. of Subscribers who have been admitted to the Fund during the preceding year.

(II) List of such Subscribers who on transfer from other office/ Department have taken charge during the year.

(III) List of such Subscribers who have been transferred to other Office/Department during the year.

(IV) List of such Subscribers who are going to retire during succeeding 18 months.

(Rule 28 of G.P.F. (U.P) Rules 1985)

(U.P. Govt. G.O. No. G-4-1980/x-502-1985 dated 29.10.1985)

### **Para 109: Conditional Authority**

The practice of issuing conditional authorities causes delay in the payment of Provident Fund balances to subscriber and is a source of avoidable hardship. Besides this, the practice of issuing conditional authorities appears to be irregular and wrong in principle as it de-facto, results in transferring responsibility of A & E offices to the DDOs. The CAG has felt extremely unhappy over this practice which has been causing hardship to a large number of retired subscriber. In future no conditional authorities should be issued. In all cases, where the final payment are to made to subscriber, AG's should complete necessary verification required in accordance with the prescribed procedures and rules before issuing any authority in favour of the DDOs for making payment of final Provident Fund balances to the subscriber.

(CAG Circular No. 55-TAII/ 1982 No. 861-TA-II/264-81 dated 31.7.1982)

**Para 110: Missing Credit / Debit Registers**

As per C & AG instructions contained in Headquarters office letter No. 1088-TA.II/153-81 dated 31.8.1981, the ledger cards should be reviewed six monthly once after posting of September accounts and after annual closing of accounts( but before despatch of annual accounts statements) and all missing credits/debits should be posted in the space provided therefor in the ledger card. The particulars of adjustment should also be noted therein. Then, the missing credit / debit register should be opened series – wise. A separate folio may be allotted to one or more subscriber as may be found convenient. The register should show yearwise break-up of number of missing credits & debits upto any particular year. The next set of entries will be on the basis of six monthly review covering the period of accounts of next six months. This process will be repeated year after-year. Total number of missing credits / debits alongwith the year-wise details should be copied from ledger cards in this Register. The letters should be issued to the Drawing & Disbursing Officers at the end of mid-year after six monthly review requesting for submission of details of missing items relating to the period from April to September each year. After closing of annual accounts for the year and before despatch of annual accounts statements, again the ledger cards should be reviewed and missing credits and debits covering the period from October to March (including March final and March supplementary) each year identified and noted in the ledger cards. Up-to-date missing credits and debits with particulars of months should be noted in the Accounts statements of subscribers and also simultaneously in the Register of missing credits/debits. The register should be closed, at this juncture, and an abstract prepared to indicate the closing balance of missing credits/debits. The register of missing credits/ debits should be reviewed by the Section Officer & Branch Officer at the end of every six months to see that the action is being taken to pursue the missing items. It should be ensured that the replies received from Drawing & Disbursing Officers/subscribers are properly recorded, processed and the missing items traced out. The format of Register of missing credits/debits is given at Annexure – 26. This register should be submitted to Branch Officer/Group/Officer, after review of missing credits/debits once after completion of September accounts and again after annual closing of accounts.

However, under computerised system of posting, missing credits during a year are depicted on the account statement of particular year.

## CHAPTER XII

### COURT CASES

#### **Para 111: Dealing with the court cases in the Fund coordination :-**

With a view to deal with, to keep a closer watch and proper monitoring of all the court cases, a legal cell has been opened in this office with effect from 1.8.90 Action to be taken by the section concerned and the legal cell, before final presentation of the cases before the courts, is detailed as under :-

#### **(A) Action to be taken by the Fund sections in respect of legal cases:-**

When a court case is received in the section, it should be entered in a separate diary, namely Court Case Diary, which should be submitted to the Branch officer every week on Monday. Immediate action should be taken to finalise the court cases; the section officer/A.A.O. and the Branch officer should keep a proper watch to ensure prompt disposal and all such cases should be submitted to the Group officer for perusal/orders. In cases, where a delay is anticipated, it should be brought to the notice of the Accountant General. Before submission of the court cases to the Group officer, the file should contain (1) history of the case, (2) the parawise reply of the plaint or the application (petition) and (3) the sufficient copies of the documents to be filed in support of the reply. The case, alongwith the history of the case and parawise comments/reply etc. should be sent by the sections to the legal cell at the earliest possible.

#### **(B) Action to be taken by the legal cell:-**

The legal cell should first register the court summons/notices in the court case diaries and should submit the same with brief notes of all the facts and circumstances for perusal and orders to the Group- officer who will sent the same to the Branch officer concerned for onward transmission to the section and taking prompt necessary action. Where a copy of the plaint or petition is not received with the Summons, the “legal cell” should call for it. If the court notice pertains to the Pension and Fund or other Group’ the cell should transmit a photocopy of the summons to the Pension or other pertaining Groups immediately for necessary action at that end.

When the case alongwith history of the case, parawise reply etc is submitted to the legal cell, it will prepare the reply or the written statement to be filed before the court concerned. After processing the case and approval of the reply/W.S. by the Group officer, the case file should be submitted to the A.G. for his perusal & approval. After approval of the Accountant General, the legal cell will make an arrangement to file the reply through the counsel authorized to deal with the case in the appropriate courts of Law. the cell should also guide the sections in regard to court cases as and when required.

The legal cell should ensure to avoid any delay in handling the court cases. A watch register entering each and every court case/notice should be maintained by the cell to keep a close watch over the progress of the case, the date of its submission before the courts and its ultimate disposal. This register should be submitted to the Group officer on each Monday. The Headquarters office should also be reported as and when required.

It should be ensured that in all cases, the government counsel is properly briefed by a senior/responsible officer of the office and a proper liasion is maintained between the government counsel and the office at every stage. Whenever a situation arises such as a case is decided against the Department, contempt proceedings are initiated in a court/Tribunal against the office/authorities or any appeal against the order of a court is required to be filed before the appellate court, the cell should intiate the prompt action to deal with the case. It should be ensured that no contempt proceedings may be initiated or no ex-party decision may occur against the Department.

**Para 112: Production of official documents in a Court of Law :-**

In accordance with para 2.41 of the C&A.G.'s M.S.O. (Admin.) Vol I, when a Government servant is summoned by a court to produce official documents for the purpose of giving evidence, he is bound to produce it personally or to cause it to be produced by one of his subordinates unless :

- (i) the document is not in his custody.
- (ii) the document is of a privileged class.

A document would be privileged if :

- (a) It is an unpublished official record relating to any affairs of state ; or

(b) It contains any communication made to a public officer in official confidence; provided that in either case the disclosure of the document would cause injury to the public interest.

It would normally be desirable to claim privilege on original notes, rough drafts/memos, copies etc. as these are not authoritative and might even be misleading. However, each such case should be considered on merits.

**Para 113 : Conduct of cases before courts/Tribunal :-**

whenever an application/petition is filed before the courts or U.P. State Administrative Tribunal by the employees of the State Government regarding payment of their G.P.F. balances, a brief history of the case alongwith parawise comments and a draft reply (in duplicate) duly prepared by the Government counsel should be forwarded to the Headquarters immediately so that the same could be vetted in the Headquarters as well as Ministry of Law and Justice etc. and returned to the field office for filing within the stipulated time. In case, the time stipulated by the courts/Tribunal to file the reply is short, an adjournment should be sought.

It may be ensured that in all cases, the Government counsel is properly briefed by a senior officer of the field office and a proper liaison is maintained between the Government counsel and the office at every stage. Whenever a case is decided against the Department, a copy of judgment alongwith the opinion of Government counsel as well as the opinion of the head of the field office regarding practicability of implementation of the judgement or otherwise or filing of the S L P/review petition should be sent to the Headquarters within 10 days of the receipt of the judgement. It may happen that even though the case was decided and a copy of the judgement was available with the Government counsel, the same was not obtained from the Government counsel even after considerable lapse of time. Such delays should be avoided and the Government counsel should be immediately contacted after pronouncement of the judgement and a copy of the judgement should be obtained as soon as possible. utmost promptness in these matters is necessary because the Headquarters have to consult a number of agencies of the Government of India e.g. Ministry of personnel

etc. before finally deciding about filling the SLP against the judgement of the courts/Tribunal. The above process requires time and the time limit for filling SLP is only 90 days from the date of receipt of the judgement.

On many occasions, a time limit is given in the Government for implementing the same. Every office has to keep a close watch on these time limits so that whenever the judgment cannot be implemented within the stipulated time for one reason or the other, a petition has to be filed for Seeking extension of time limit from the courts/Tribunal, which is necessary to avoid initiation of contempt proceedings by the affected party.

Contempt petitions require extra attention, whenever contempt proceedings are initiated by an employee in a court/Tribunal, special steps have to be taken by the Head of the field office. In the cases, where C.&A.G. or D.A.I. or anyother officer of the Headquarters have been impleaded as a respondent in a contempt petition, the Head of field office should immediately send a report to the Headquarters about the case and take steps to send the replies drafted by the Government counsel alongwith the history of the case to the Headquarters without any delay. They should personally monitor these cases and ensure that no lapse occurs in the conduct of these cases.

All the court/Tribunal matters may be personally supervised by the Head of field office at every stage and the Headquarters kept informed of every development. (C&A.G. letter No. 774-ALC/158-91 dated 4.12.1991).

**Para 114: Briefing of Govt. advocates/counsels and vigorous pursuance of court cases :-**

The cases filed before courts/Tribunal must be pursued actively and intelligently and that legal counsels must be briefed by the Accountant General/Director of Audit himself or by an officer not below the rank of DAG. It should not be left to junior functionaries. The office must also be represented properly. A senior officer who is well acquainted with the case may be present before the court/Tribunal to help the Govt. advocate/counsel at the time of hearing of the case.

The name of the officer who had briefed the Govt. advocate/counsel as also the name of the officer who was present in the court/Tribunal at the time of hearing of the case may be indicated in the remarks column in the quarterly statements showing the position of court cases.

(C&A.G. letter No. 730 – Lc/57 – 86 dated 28.11.1986)

**Para 115 : Engagement of counsels in defending court cases :-**

In accordance with para 2.37 of the C.&A.G.'s M.S.O. (Administrative) Volume I, in exercise of the powers Conferred by clause (a) of Rule 8-B of order XXVII of the first schedule to the Code of Civil Procedure, 1908 (Act V of 1908) , the Central Government have in various states appointed the State Government pleaders for the purpose of said order in relation to any suit by or against the Central Government or against a public officer in the service of that Government in any court in the states. The Accountant General should obtain the services of these Government pleaders on payment of usual fees in so far as litigation under the Civil Procedure Code is concerned.

In a case in which the Accountant General is cited as one of the parties in the litigation and where his interests do not conflict with those of the Government and / or any other departmental authority also cited as parties, it may not ordinarily be necessary for the Accountant General to engage a Separate pleader for representing him, unless otherwise advised by the Government or the Comptroller and Auditor General, and the pleaders appointed by Government in the case may be required to represent the Accountant General also, the necessary vakalatnamas being prepared and filed for the purpose.

It has been decided by the Headquarter ( intimated) vide letter dated 8.11.1993) that the cases filed by the employees of the State Government regarding payment of their G.P.F. balances in the U.P. State Administrative Tribunal should be represented separately and not through the State Government in the Tribunal in matters relating to G.P.F. etc.

The Headquarters officer has also taken the following decision (as intimated vide its letter dated 23.08.1996) in this regard-

- (I) The services of presenting officers appointed by the State Govt. on rates approved by State Govt. may be utilized in cases filed by State Govt. employees before State Administrative Tribunal.
- (II) The present system of filing counter replies in each case may be continued as it ensures against any ex-party decision.
- (III) In respect of Court cases filed before District Courts/ Munsif Courts, the Services of Govt. pleaders may be utilized and
- (IV) In regard to the question of deputing persons on each date of hearing, the Pr.A.G./ D.A.G. may decide having regard to the issue involved and importance of the case.

**PARA-116: FEES PAYABLE TO GOVT. COUNSELS:**

Para 2.40 of the C.A.G.'s M.S.O. (Admn.) Vol.-I provides for the Central Government is opposed to the engagement of lawyers at exorbitant daily fees in connection with the work relating to the government. The fees to be paid to empanelled/ listed counsels are to be determined in accordance with the rates fixed by the Ministry of Law and Justice, Department of Legal Affairs, Government of India from time to time and in accordance with item No. 9 of Schedule V of Delegation of Financial Power Rules 1978.

Where Special Counsel / panel counsel is engaged at a fee of more than Rs. 1050/- ( and above) per day, per case, it should be regarded as ' high fees' and the express prior concurrence of the Ministry of Law and Justice should be obtained. The Comptroller and Auditor General has accordingly decided that his prior approval should be obtained by the A.G. in every such case before the counsel is actually engaged.

Engagement of any Counsel, who is not empanelled and listed as a special counsel will continue to require the prior approval of the Ministry of Law, even if the fees payable do not exceed Rs. 1050/- per day per case.

The lawyer's bills should be settled promptly and in any case not later than three months of their presentation. Following the established practice in India, it is not necessary to insist non stamped receipt for the payment of the fees to a lawyer. The legal advice is to be obtained only from the Main Secretariat of the Ministry of Law at Delhi or its Branch Secretaries at Calcutta, Bombay, Madras and Bangalore and not from Government counsel or private pleaders.

**Para-117 Action on 80 c.p.c. Notice to settle the claim without litigation:**

According to Para 2.39 of the C & AG's M.S.O.(Admn.) Vol.I, section 80 (1) of the code of Civil Procedure, 1908 stipulates a minimum notice of two months being given before a suit is instituted against Government or against a public officer in respect of any act done in his official capacity.

The object of this notice is to provide an opportunity to reconsider the position of the Government vis-à-vis the claim made by the party and if necessary, to make amends or settle the claim without litigation. When a notice is received, it should be treated as an immediate reference and its detailed examination should be completed and a final decision taken well in advance of the expiry of the period of notice. If this is not possible, an interim reply should be sent. On receipt of every suit notice under section 80 of Civil Procedure Code, the Accountant General should immediately forward his paragraphwise comments on the 'Notice' to the C& AG who will, if necessary , obtain the advice of the Ministry of Law regarding the action to be taken on the Notice. The procedure will apply mutatis mutandis to notices received in applications for issue of merits and other remedies filed in a court.

**Para –118 Disposal of Cases pending before Consumer forums :**

Under the Consumer Protection Act 1986, a Consumer may file a Complaint with a three tier quasi-judicial machinery at the district, State and national level known as District Forum ( Claim lie upto 5 lakhs ), the State Forum ( Claim being between 5 lakhs to 20 lakhs ) and the National Commission (for claims above Rs.20 lakhs) respectively for redressal of his grievances about the quality, quantity, potency, purity, standard of goods or services to protect himself against unfair trade practices. The Act applies to all goods and services unless specifically exempted by the

Central Government. A Complaint can be filed by a consumer himself or by any registered voluntary consumer Association or by the Central Government or any State Government and all the Sectors whether private, public or cooperative coming under the purview of the said Act may be sued.

A Complaint may be filed with a district forum under section 12 of the Act. Appeal can be filed under section 15, 19 and 23 before the State Commission, National Commission and the Supreme Court of India respectively.

### **The G.P.F. Subscriber- not a Consumer:**

In a Case, "Madhya Pradesh Vs. District Consumer Forum and others" (Appeal No.64 of 1993 decided on 12.5.1993) the sole question for determination was, as to whether the Complaint about the deficiency in maintaining General Provident Fund account of a Government Servant would be covered by the Consumer Protection Act 1986, the State Commission has held that-

- (1) The G.P.F. subscriber is not a consumer.
- (2) The relationship of the Authorities maintaining the G.P.F. and the complaint was not that of a person giving services on hire and a person taking such services on hire.
- (3) The responsibility being discharged by the Accountant General in compiling and maintaining the G.P.F. accounts is in discharge of a statutory responsibility, the source of his authority being the provision to section 10 of the C.A.G. (D.P.C.) Act 1971.
- (4) The function of maintenance of G.P.F. accounts cannot be said to be a "service" for the section 2(1)(0) of the consumer Protection Act 1986.

In an another case, a Complaint filed by Shri Sukhbir Singh, Retd. Ex. Engineer, with District Consumer Forum Meerut (1980) Seeking general reliefs in the matter of payment of his G.P.F. was dismissed by the Forum on its view that the appellant did not fall within the Category of a "Consumer" and the matter could not be gone into under the provisions of the Consumer Protection Act 1986. The Forum held that a statutory duty has been cast upon the

Accountant General in respect of maintenance of account relating to the amount of P.F. of a Govt. employee under the Provident Fund Act 1925.

The element of Service as Contemplated by the Provision of the consumer protection Act 1986 or of any consideration therefor, so as to bring a subscriber within the definition of a consumer is lacking. In the appeal the State Commission upheld the view taken by The District Forum. The National Commission observed (December 1995) that the A.G. is discharging a statutory function and is not performing any service that has been hired for consideration. Therefore the Complaint is not maintainable under the Provision of the Consumer Protection Act 1986.

In a batch of revision petitions, National consumer Disputes Redressal Commission, New Delhi has taken the view (December 2002) that all the complainants were State Government employees and as such governed by the statutory rules applicable to their respective service and for the purpose of raising service dispute to go the state Administrative Tribunal wherever established or to any authority except to the Forum under the consumer protection Act, 1986 also wherever established. The commission held that dispute raised by the Complainants - respondents is not 'consumer dispute' and they are not 'consumers' and Accountants General are not rendering any service within the meaning of the consumer protection Act, 1986.

Notwithstanding the fact that maintenance of G.P.F. does not fall within the purview of the Consumer Protection Act, a number of Complaints are received from the District Forums. In such cases also, due weightage should be given and prompt action should be taken just like other court cases. On receipt of Complaints from the District Consumer Forums, the draft written statement should be prepared by the District Government Counsel. The Counter affidavits should be approved by the Dy. Accountant General (Fund) and the affidavit should be signed by the responsible officer of the department who will send it to the President of the Concerned District Consumer Forum per registered post.

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**APPENDIX - I**  
**ANNEXURES TO FUND MANUAL**

**ANNEXURE – I**  
**(Ref: Chapter-II, Para 8)**

**Weekly/Monthly Report on letters due on ..... Section .....**  
**Position of letters received upto ..... weekly report on Ordinary letter**  
**diary / Deputy A.G. Diary / P.A.G. Diary / A.G. Urgent letter diary / C. & A.G. letter Diary.**

(Strike out, which are not applicable)

- (i) Opening Balance : .....
- (ii) Receipt during the period : .....(Diary nos. from  
.....to.....)
- (iii) Total : .....
- (iv) Disposal during the period. : .....
- (v) Balance outstanding : .....

**N.B. : Accountantwise & periodwise position of outstanding letters mentioned at (v) have  
been shown on the page alongside.**

Diarist                      Sectional Officer                      Branch Officer                      Group Officer

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**Notes : Similar Report (Weekly / Monthly) are also prepared for Admission diary, sanction  
order diary, I.T.A. diary and Adjustment memos diary.**

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**ANNEXURE-2**

**CALENDAR OF RETURNS**

(Ref: Chapter II, para 9)

<b>Sl. No.</b>	<b>Name of the Diary&gt;Returns (Register / Report)</b>	<b>By whom due</b>	<b>To whom due</b>	<b>When due</b>	<b><u>Authority</u></b>
<b>WEEKLY :</b>					
1.	Ordinary letter diary	All Section	Branch Officer	Each Monday.	Para 118 of O.P.M.
2.	D.A.G. letter diary	All Section	Branch Officer	Each Monday	Para 118 of O.P.M.
3.	P.A.G./A.G. letter diary	All Section	Branch Officer	Each Monday	Para 118 of O.P.M.
4.	Urgent letter diary	All Section	Branch Officer	Each Monday	Para 118 of O.P.M.
5.	C.A.G. letter diary	All Section	Branch Officer	Each Monday	Para 118 of O.P.M.
6.	Final Payment diary	Sections dealing with FP cases.	Branch Officer	Each Monday	Para 18 of Chapter IX of Fund Manual
7.	Admission diary (To watch allotment of new Provident Fund Account numbers)	Sections dealing with P.F. A/c. no. allotments.	Branch Officer	Each Monday	Para 2 of Chapt. III of Fund Manal
8.	Sanction order diary (To watch sanctions to Provident Fund advances)	Sections dealing with sanction to P.F. debits.	Branch Officer	Each Monday	Para 2 of Chapter II of Fund Manual
9.	I.T.A. diary (To watch I.T.A. reports).	All Sections	Branch Officer	Each Monday	Para 2 of Chapter II of Fund Manual
10.	Adjustment memo diary	All P.F. accounting sections	Branch Officer	Each Monday	Para 2 of Chapter II of Fund Manual
11.	Court cases diary (To watch Court cases).	All Sections	Branch Officer	Each Monday	Para 2 of Chapter II of Fund Manual
12.	Facilitation Cell Diary	All Sections	Branch	Each	Fund-1 Visitors

			Officer	Monday	Facilitation Cell/1016 Dt. 16.03.99
13.	C & AG Complaint Register (To watch CAG complaint cases).	All Sections	Branch Officer	Each Monday	Para 2 of Chapter II of Fund Manual. (Annexure 14).
14.	Calendar of Returns	All Sections	Branch Officer	Each Monday	Para 44 of O.P.M.
15.	Register of Minus Balance cases.	F.P./R.B. dealing sections	Branch Officer	Each Monday	(Annexure-17) Para 17 of Chapter IX of Fund Manual
<b>FORTNIGHTLY:</b>					
1.	Final Payment diary	Sections dealing with FP cases.	Group Officer	II nd & IV Monday	Para 18 of Chapter IX of Fund Manual ( Annexure 9,10 & 11 )
2.	Register of minus balance cases.	Sections dealing with RB cases.	Group Officer	I st & 3 <sup>rd</sup> Monday	Para 17 of Chapter IX of Fund Manual ( Annexure-17)
3.	Report on C & AG Complaint cases	C & AG Complaint Cell	C & AG	15 th and last day of the month	
<b>Monthly :</b>					
1.	Ordinary letter dairy	All Sections	Group Officer	3 <sup>rd</sup> Monday	Para 118 of O.P.M.
2.	D.A.G. letter diary	All Sections	Group Officer	3 <sup>rd</sup> Monday	Para 118 of O.P.M.
3.	P.A.G. /A.G. letter diary.	All Sections	Group Officer	3 <sup>rd</sup> Monday	Para 118 of O.P.M.
4.	Urgent letter dairy	All Sections	Group Officer	3 <sup>rd</sup> Monday	Para 118 of O.P.M.
5.	C.A.G. letter dairy	All Sections	Group Officer	3 <sup>rd</sup> Monday	Para 118 of O.P.M.
6.	Admission diary	Sections dealing with P.F. A/c no. Allotments	Group Officer	3 <sup>rd</sup> Monday	Para 2 of Chapter III of Fund Manual.
7.	Sanction order diary	Sections dealing with Sanction orders to P.F.	Group Officer	3 <sup>rd</sup> Monday	Para 2 of Chapter II of Fund Manual

		debits			
8.	I.T.A. Diary	All Sections	Group Officer	3 <sup>rd</sup> Monday	Para 2 of Chapter II of Fund Manual
9.	Adjustment memo diary	All P.F. Accounting Section.	Group Officer	3 <sup>rd</sup> Monday	Para 2 of Chapter II of Fund Manual
10.	Court cases diary	All Sections	Group Officer	3 <sup>rd</sup> Monday	Para 2 of Chapter II of Fund Manual
11.	Register of Forms ( To Collect forms)	All Sections	Branch Officer	3 <sup>rd</sup> of each Monday	Para 171 of GD Manual
12.	Register of Stationery Sections ( To Collect Stationery)	All Sections	Branch Officer	3 <sup>rd</sup> of each Monday	Para 171 of GD Manual
13.	Register of Codes & Manuals	All Sections	Branch Officer	5 <sup>th</sup> of each Month	Instructions of library sections no. 63 dt. 30.9.61
14.	Register of Defalcation & Losses	All Sections	Branch Officer	5 <sup>th</sup> of each Month	Para 37 of O.P.M.
15.	Register of irregular & insufficient sanctions	P.F. Sanctions/Dealing Sections	Branch Officer	5 <sup>th</sup> of each Month	Para XV-14 of TAD Manual
16.	Register of closed accounts.	All F.P./R.B. dealing sections.	Branch Officer	4 <sup>th</sup> Monday	Para 10 of Chapter IX of Fund Manual (Annexure-12)
17.	Dictionary of references	All Sections	Branch Officer	3 <sup>rd</sup> of each month.	Para 179 of O.P.M.
18.	Register of Collateral Evidence	All P.F. Accounting Section	Branch Officer	15 <sup>th</sup> of each month	Para 12 of Chap. IV of Fund Manual (Annexure-13)
19.	Register of CAG complaint cases	All Sections	Group Officer	Ist Monday	Para 2 of Chapt. II of Fund Manual (Annex.15)
20.	Register of Residual Balance cases.	All F.P./R.B. Dealing Sections.	Branch Officer	15 <sup>th</sup> of each month	Para 16 of chapt. IX of Fund Manual (Annex. 15)
21.	Calendar of Returns	All Sections	Group Officer	5 <sup>th</sup> of each month	Para 44 of O.P.M.

22.	Incumbency Register	All Sections	Branch Officer	15 <sup>th</sup> of each month	Para 118 of O.P.M.
23.	Monthly Arrear Report	(a) All Sections	Coordinating Sections	3 <sup>rd</sup> of each month	Para 3/ Chapter II of Fund Manual
		(b) Coordinating Sections	P.A.G./A.G.	7 <sup>th</sup> of each month	Para 3 /Chapter II of Fund Manual
24.	Facilitation Cell diary	All Sections	Group Officer	Ist Monday	Fund-I/visitor's facilitation cell/ 1016 dated 16.03.99
<b>QUARTERLY :</b>					
1.	Register of closed A/cs	All F.P./ R.B. dealing Sections	Group Officer	20 <sup>th</sup> April, July, Oct. & Jan.	Para 10 / Chapter IX of Fund Manual
2.	Register of Collateral evidence	All P.F. Accounting Sections	Group Officer	15 <sup>th</sup> of April, July, Oct. & Jan.	Para 12 / Chapter IV of Fund Manual
3.	Register of Residual balance payment cases.	All FP/R.B. dealing sections	Group Officer	20 <sup>th</sup> of April, July, Oct. & Jan.	Para 16/ Chapter IX of Fund Manual
4.	Incumbency Register	All Sections	Group Officer	15 <sup>th</sup> of April, July, Oct. & Jan.	Para 118 of O.P.M.
5.	Report on progressive use of Hindi	(a) All Sections	Coordinating Sections	Ist of April, July, Oct. & Jan.	Para 2 / Chapter II
		(b) Coordinating Sections	Hindi Cell	5 <sup>th</sup> of April, July, Oct. & Jan.	
6.	Certificate of weeding of records	All Sections	Library section	10 <sup>th</sup> June, Sept., Dec. & March.	Para 2 / Chapter-II
7.	Report on Outstanding final payments & Residual balance payment	(a) All F.P./R.B. dealing section	Coordinating Section	10 <sup>th</sup> of May, Aug, Nov. & Feb.	CAG's no. 2949-Admn.I/354-56 dt. 8.12.1956
		(b) Coordinating sections	C. & A.G.	15 <sup>th</sup> of May, Aug., Nov. & Feb.	
8.	Report on unposted items.	(a) Broadsheet sections	Fund-I (Report Group)	15 <sup>th</sup> Dec., March & Sept.	CAG's no. 1088-TA.II/153-81 dt. 31.08.1981
		(b) Fund-I	C & AG	31 <sup>st</sup> Dec.,	I.T.A. circular

		(Report group)		March & 30 <sup>th</sup> Sept.	
9.	Director of Inspection Report	Coordinating Section.	I.T.A.	Ist week of March, June, sept., & Dec.	
10.	Report on C. & A.G. complaint cases.	C. & A.G. complaint cell.	C. & A.G.	30 <sup>th</sup> April 31 <sup>st</sup> July, Oct. & Jan	
11.	Report on Court cases	Legal cell	Coordinating section	7 <sup>th</sup> April, July, Oct. & Jan.	CAG's NGE. Circular no. 56/NGE/1986 dt. 18.07.86.
12.	Quarterly arrear report.	Coordinating section	T.M.	10 <sup>th</sup> April, July, Oct. & Jan.	Para 4 /Chapter-II of Fund Manual
<b>HALF YEARLY:</b>					
1.	Register of missing Credit and Debit	Each section	Branch Officer	25 <sup>th</sup> April & Oct.	Para 15 of Chapter XI (Annexure 16)
2.	Report on Incomplete accounts, missing credits/debits.	(a) All P.F. accounting sections	Coordinating section	25 <sup>th</sup> April & Oct.	CAG's No. 2406-T.A.II/232-67/dt.21.9.1967 and CAG'S General circular no. 3 ( No. – 243-AC-II/216-98 dt. 26.04.2000)
		(b) Coordinating section.	C. & A.G.	30 <sup>th</sup> April & 31 <sup>st</sup> Oct.	
3.	Report on C& AG complaint cases.	C & A.G. Complaint cell	C & A.G.	15 <sup>th</sup> April & 15 <sup>th</sup> Oct.	
<b>YEARLY:</b>					
1.	Annual Confidential Report	All Section	Respective ends	Ist of April	O.P.M.
2.	Staff-case proposals	(a) All section	Coordinating section.	Ist July	Admn. Section orders.
		(b) Coordinating section	Admn.	Ist of August	Admn. Section orders.
3.	Report on dispatch of Annual accounts statements (including the certificate of Census of ledger	Coordinating section.	C.& A.G.	30 <sup>th</sup> Sept.	155-Admn.II / 407-58 dt. 20.01.1959

	cards)				
4.	Report on Fair Index of Volume of Works	Coordinating section.	T.M.	Ist week of every year.	T.M. Sections order.
5.	Activity Report	Coordinating section.	O&M	April of each year	
6.	Administrative Report	Coordinating section.	O&M	April of each year	
7.	Report on vigilance	Coordinating section.	Administrative section	January of each year	

**ANNEXURE -3**

(REF -CHAPTER II, PARA 11(1))

**FORMAT FOR MODEL /APPRECIATION NOTE IN RESPECT OF STATE OF WORK REPORT FOR THE QUARTER ENDED.....**

Sl.No.	Group	Arrears at the end of last quarter	Arrear as per this quarter	Increase / Decrease during the quarter	Expected date of clearance of arrears	Action taken/to be taken for clearance / reduction of arrears in pursuance of	
						Headquarter Circulars	On Accountant General's Initiative
1	2	3	4	5	6	7	8
	P.F. Group						
(i)	Posting of accounts						
(ii)	Closing of Broadsheets						
(a)	Unit Broadsheets						
(b)	Consolidated Broadsheets						
(iii)	Clearance of unposted items (Cr./Dr.) Separately						
(iv)	Adjustment of missing credits/debits						
(v)	Clearance of						

	P.F. suspense						
(vi)	Clearance of final payment cases.						
(vii)	Clearance of R.B. cases.						

**ANNEXURE – 4**

(REF : CHAPTER II, PARA 11(2))

Format for ‘Report on Outstanding Final Payment/ Residual balance cases’ for the quarter ending.....

1. No. of cases outstanding at the close of previous quarter (opening balance)
  - (a) in which residual balance has yet to be authorized.
  - (b) in which authority has not been issued even for part.

**Total (1&2)** \_\_\_\_\_  
\_\_\_\_\_
  
2. No. of cases received during the quarter.

**Total** \_\_\_\_\_  
\_\_\_\_\_
  
3. (a) No. of cases in which final payment has been authorized during the quarter.  
  
(b) No. of cases in which authority has been issued for part only.

**Total 3(a) & (b)** \_\_\_\_\_  
\_\_\_\_\_
  
4. No. of cases outstanding at the close of the quarter (closing balance).
  - (a) in which residual payment is due.

- (b) in which authority has not been issued even for part.

**Total**

---



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5. Analysis of 4 (a)

- (i) No. of cases not more than three months old from the date of issue of authority for final payment of available balance.
- (ii) More than 3 months old but less than 6 months old from the date of issue of authority for final payment of available balance.
- (iii) More than 6 months old from the date of issue of authority for final payment of available balance (yearwise analysis given in annexure 'c' ).

---

**Total**

---

Statement showing the principal causes of delay and no. of cases affected by such causes and special measures taken to expedite disposal in respect of cases falling under 5 (iii) above is appended as Annexure (A).

Certified that in all other cases action to expedite payment has been taken at appropriate levels.

6. Analysis of 4(b) with reference to date of receipt of application.

- (i) No. of cases not more than 3 months old.
- (ii) No. of cases not more than 6 months old.

(iii) No. of cases over 6 months old  
(yearwise analysis given in  
annexure 'B')

---

**Total**

---

7. General Remarks.

\*\*\*\*\*

**ANNEXURE –‘A’**

Principal causes of delay and special measures taken to expedite disposal in respect of cases falling under column 5(iii).

\*\*\*

Sl. No.	Particulars	Number of cases	Special measure taken to expedite disposal of outstanding cases.
(a)	Subscriber is dead and valid claims from the nominee or nominees or legal documents from heirs wanting.		
(b)	Certificates regarding drawal of advances and part final withdrawals etc. from Provident Funds during the preceeding 12 months are wanting.		
(c)	Other defects in the application.		
(d)	Missing credits and debits.		
(e)	Transfer of balance awaited from other Accounts Officer.		
(f)	Other causes.		
	Total		

**ANNEXURE –‘B’**

Principal causes of delay and special measures taken to expedite disposal in respect of cases falling under column 6.

\*\*\*

Sl. No.	Particulars	Number of cases	Special measure taken to expedite disposal of outstanding cases.
(a)	Subscriber is dead and valid claims from the nominee or nominees or legal documents from heirs wanting.		
(b)	Certificates regarding drawal of advances, part final withdrawals etc. from Provident Fund during the preceeding 12 months are wanting.		
(c)	Other defects in the application.		
(d)	Missing credits and debits.		
(e)	Transfer of balance awaited from other Accounts Officer.		
(f)	Other causes.		
	Total		

**ANNEXURE – ‘C’**

Year wise analysis of cases falling under column 5 (iii).

	Number of cases	
	State	Remarks*
Cases over 1 year old		
Cases over 2 year old		
Cases over 3 years old		
Cases over 5 years old		
Cases over 10 years old		
TOTAL		

\* Please give reasons here.

Year wise analysis of cases falling under column 6 (iii).

	Number of cases	
	State	Remarks*
Cases over 1 year old		
Cases over 2 year old		
Cases over 3 years old		
Cases over 5 years old		
Cases over 10 years old		
TOTAL		

\* Please give reasons here.

\*\*\*\*\*

Formula to prove the Quarterly Final Payment Report

---

$$\text{Col.3(b)} = \text{Col.5(i)}$$

$$\text{Col.1} + \text{Col.2} - \text{Col.4} = \text{Col.3(a)}$$

$$\text{Col.4(a)} = \text{Col.5 (Total)}$$

---

\*\*\*\*\*

**ANNEXURE – 5**  
**(Ref: CHAPTER II, PARA 11(3))**

Report on unposted Provident Fund Credit/Debit items for the quarter ended  
on.....

Particular	Upto.....								<u>Total</u>	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
As per previous Quarter										
As per Current Quarter										
Addition										
Clearance.										

**Sr. Accounts Officer/Fund-1**

**ANNEXURE – 6**

(Ref:CHAPTER II, PARA 11(3))

Report on missing Credits/Debits items for the period ended on.....

No. of P.F. Accounts :.....

Period	Upto...										<u>Total</u>	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
As per previous Quarter												
As per Current Quarter												
Addition												
Clearance.												

**Sr. Accounts Officer/Fund-1**

**A N N E X U R E – 7**

(Ref : CHAPTER II, PARA 11(5))

**Report on amounts lying under ‘Provident Fund Suspense’ as on.....**

Amounts lying under P.F. Suspense at the end of previous report.		Number and amount of missing credits/debits adjusted during the period of report on the basis of Collateral Evidence by debit/credit to P.F. suspense.		
Debit Balance	Credit Balance	Missing credit adjusted		
		Number	Amount	No. of P.F. accounts affected.
1(a)	1(b)	2(a)	2(b)	2(c)

Missing debits adjusted			Amounts cleared during the period of report.	
Number	amount	No. of P.F. accounts affected	Debit	Credit
2(d)	2(e)	2(f)	3(a)	3(b)

Balance Outstanding at the end of half year.		Year wise analysis of amounts lying under ‘PF Suspense’ for over six months.		
Debit balance	Credit Balance	Year	Amount	
			Debit	Credit
4(a)	4(b)	5(a)	5(b)	5(c)

**ANNEXURE – 8**

**(Ref : CHAPTER II, PARA 11(6))**

**Format for Register of C & A G Complaint Cases**

<b>Sl.No.</b>	<b>Name of the subscriber and P.F. account no.</b>	<b>Correspondences no. and dates</b>	<b>Action taken (in brief)</b>	<b>Letter no. &amp; date intimating final settlement.</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

\*\*\*\*\*

**ANNEXURE – 9**

**(Ref: CHAPTER II, PARA 11(8))**

**Report on Civil Suits/writ petitions/applications filed by serving /retired State Govt. Employees and other persons not belonging to the IA&AD Department against Government wherein C. & A.G./ A.G./Director of Audit has been impleded as one of the defendents/respondents.**

- (1) (A) Old cases : (As on.....)
- (B) Add new cases added during the quarter :
- (C) Less cases closed during the quarter. :
- (D) Total number of cases outstanding : (As on.....)

(2) **Details in tabular statements:**

<b>Name of the employee &amp; designation</b>	<b>Name of the Court/Administrative tribunal.</b>	<b>Case No.</b>	<b>Brief Subject</b>	<b>Present position</b>	<b>Remark (indicating headquarters reference if any)</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>	<b>6.</b>

\*\*\*\*\*

**ANNEXURE – 10**

(Ref : Chapter III, Para 14)

**FORM NO. 472 – A**

**ADMISSION FORM TO GENERAL PROVIDENT FUND**

Head of Account : -----

Sl. No.	Name	Father's Name	Date of Birth	Pay Scale	Pay as on	Office to which attached	Nominee's to G.P. Fund	G.P.F. Account No. allotted by A.G.Office	Signature of Section Officer.
1	2	3	4	5	6	7	8	9	10

Name and designation of forwarding officer  
( with office seal )

**ANNEXURE –11**

(Ref : Chapter IV, Para 17)

**DEBIT VOUCHER REGISTER PART –I**

Name of Treasury Deptt. Or Exchange Account	Amount as per cage register (for try. Item only)	Amount as per covering payment schedule of Treasuries or Deptt. Schd. or Exchange a/c. sched.	Difference between 2 & 3 (for Try. Portion only)	Details of difference.	Remarks
1.	2.	3.	4.	5.	6.
<b><u>TREASURY :</u></b>					
Total Treasury					
Detail Book					
Difference					
Departments/Exchange accounts.					
Total Departments					
Total Departments & detail Book Figures.					
Differences					
Grant Total (Try. + Department+Exchange A/c.					
Book Figure					
Difference.					

\*\*\*\*\*

**ANNEXURE – 12**

(Ref : Chapter IV, Para 17)

**DEBIT VOUCHER REGISTER PART- II**

<b>Details of differences as per col.5 of Part I and Sorting Register</b>	<b>Action taken for reconciliation</b>	<b>Date of receipt of reply</b>	<b>Month of Reconciliation and mode of Settlement.</b>	<b>Month in which finally posted (linked with Master Cards) and /or adjusted</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Part differences (with Item & details) :				
(i) Treasury accounts.				
(ii) Departmental a/cs.				
(iii) Exchange A/c.				
(iv) Sorting Register differences.				

**CLOSING ABSTRACT OF EACH MONTH**

<b>Opening Balance of differences</b>		<b>Differences added during the month</b>		<b>Amount differences cleared during the month</b>	
<b>No. of Item</b>	<b>Amount</b>	<b>No. of Item</b>	<b>Amount</b>	<b>No. of Item</b>	<b>Amount</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

<b>Balance outstanding at the close of the month</b>		<b>Remarks during analysis of the balance.</b>
<b>No. of Item</b>	<b>Amount</b>	
<b>7</b>	<b>8</b>	<b>9</b>

**ANNEXURE –13  
(Ref; Chapter IV, Para 19)  
CONSOLIDATED BROAD SHEET**

Broad sheet of the -----Provident Fund for the year -----

No. of Account	Ledger Folio	Balance at commencement of year	<u>RECEIPTS IN THE MONTH OF</u>														
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Mar(F)	Mar(S)	

Interest of the Year	Total of receipts and opening balance	<u>WITHDRAWALS IN THE MONTH OF</u>															
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Mar(F)	Mar(S)		

Closing Balance	Total Withdrawals and closing Balance	Remarks

Total as per Broadsheet  
 Total as per Detail Book  
 Initials of Section Officer/Book (Civil)  
 Difference  
 Initials of Branch Officer (Funds Section)

**ANNEXURE –14**  
**(Ref : Chapter –IV, Para 24 )**  
**Format for Register of Collateral Evidence**

Sl. No.	Name of the subscriber and P.F. account no.	Monthwise amounts and total amount adjusted on the basis of Collateral Evidence.	Month/Months to which the Credits/debits pertain.
1.	2.	3.	4.

Nature & particulars of Collateral Evidence adjustment was based (i.e. T.E. No. & month & reference to DAG's orders)	Month of posting of T.E. in the ledger Card	Initial of S.O.	Action taken to clear the outstanding from 'Provident Fund Suspense' (Reference no. and dates).
5.	6.	7.	8.

Mode of clearance of P.F. Suspense (By tracing / By write off)	T.E. No. & date by which the P.F. suspense item cleared	Initial of Section Officer
9.	10.	11.

**Annexure 15**

(see: CHAPTER VIII, PARA 63)

**Forms of Re-assignment By the Governor of the Uttar Pradesh**

**Form (1)**

In pursuance of Rule 19 of the General Provident Fund (Uttar Pradesh) Rules, 1985, the Governor of the Uttar Pradesh doth hereby re-assign the within policy of assurance to the above named A .B./A.B. and C.D. Dated this..... day of ..... 20.....Executed by ..... Accounts officer of the Fund for and on behalf of the Governor of the Uttar Pradesh, in the presence of .....

YZ

XY

(One witness who should add his designation )

(Signature of Account Officer)

-----

----

**Form (2)**

The above named A.B. having died on the.....day of ..... 20..... the Governor of the Uttar Pradesh doth hereby re-assign the within policy of assurance to C.D. .... in pursuance of Rule 19 of the General Provident Fund (UttarPradesh) Rules 1985. Dated this .....day of .....20 .....Executed by .....Account officer of the Fund for and on behalf of the Governor of the Uttar Pradesh in the presence of .....

YZ

XY

**ANNEXURE – 16**  
**( Ref: 10 of Chapter IX, PARA 76)**  
**Format for “Register of Closed Accounts/ F.P.R”**

Sl. No.	Name of the Subscriber and P.F. account no.	Authority no. and date.
1	2	3

Amount authorised	Name of Drawing & disbursing Officer to whom authorised
4.	5.

Months of missing credits/withhold amounts, if any	Vr. No. and date of drawal of the payment.	Signature of Branch Officer
6.	7.	8.

\*\*\*\*\*

**ANNEXURE – 17**

( Ref: Chapter – IX, PARA 77A )

**Format of Register of Minus Balance cases**

<b>Sl. No.</b>	<b><u>Name of Subscriber</u></b>	<b>Provident Fund a/c. no.</b>	<b>Amount in minus figures</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

<b>Designation of drawing &amp; disbursing officer/address of subscriber.</b>	<b>Action taken/references made from either sides (from our office &amp; drawing &amp; disbursing officer or higher authorities/ subscribers)</b>	<b>Final action taken in settlement of minus balances case.</b>
<b>5</b>	<b>6</b>	<b>7</b>

\*\*\*\*\*

**ANNEXURE –18**  
**(Ref :Chapter IX, PARA 86)**  
**CONDITIONAL REVALIDATION ADVICE**  
**REGISTERED**

**OFFICE OF THE ACCOUNTANT GENERAL.....**

**No. Fund /**

**Dated :**

**To,**

**The Treasury Officer,**

-----

**Sub: Revalidation of payment authority No.....dated.....**

Sir,

I am to state that the above payment authority, authorizing Final payment of balance in G.P. Fund account No.....of Shri/Smt./Km..... retired on .....was issued on your treasury per registered post no..... dated..... It has since been reported that no payment against the said authority, which has in the mean time barred has been made so far.

You are accordingly requested to verify the above fact independently from your Treasury records. In case it is seen that no payment was made against the above authority so far, the payment may now please be made subject to the conditions prescribed in the said authority letter, treating this letter as revalidation of the said authority for a further period of six months from the date of issue thereof.

The following precautions may be taken further in this regard :-

- (1) A reference to this letter may be kept on the original authority letter under your attestation in proof of its revalidation.
- (2) A certificate that no payment was drawn against the original authority at any time earlier, may be got recorded by the drawee on the body of the bill.

You are requested to acknowledge receipt of this letter and confirm the final position to this office at an early date.

**Thanking you,**

**Yours faithfully,**

**Accounts Officer (     )**

**ANNEXURE – 19**

( Ref: Chapter – IX, PARA 88 )

**Register of Residual Balance Cases**

<b>Sl. No.</b>	<b>Name &amp; A/c No. of the subscriber</b>	<b>No. &amp; date of issue of original authority &amp; amount authorised</b>	<b>Details of discrepancies with details of missing credits &amp; withhold amounts</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

<b>Particulars of action taken</b>	<b>No. &amp; date of issue of authorisation for the Residual Balance</b>	<b>Signature of Accountant/Section Officer</b>	<b>Remarks</b>
<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>

**ANNEXURE 20**

(Ref: Chapter IX, PARA 90)

FORMAT OF FINAL PAYMENT DIARY, PART I

S. N.	No & date under which the F.P.case was received with designation of the forwarding officer	Name of the Dubscribers with designation	P.F. A/c No.	No. and date of authorization of final payment	*	Signature of Accountant/Sr.A ccountant
1	2	3	4	5	6	7

\* Remarks as to the disposal of F.P.case, if final payment not authorised [With reference number of F.P. Diary Part II/Minus Balance Register]

**ANNEXURE – 21**

**(Ref: Chapter – IX, PARA 90)**

**Format of Final Payment Diary Part –II**

<b>Sl. No.</b>	<b>Sl. No. of Final payment diary part-I</b>	<b>No. &amp; date under which the F.P. case was received with designation of the forwarding officer</b>	<b>Name of the subscriber with designation.</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>

<b>Provident Fund Account No.</b>	<b>Reason for not making even part payment.</b>	<b>Whether original F.P. case was retained or returned.</b>
<b>5.</b>	<b>6.</b>	<b>7.</b>

<b>Reference no. &amp; date and addressed to.</b>	<b>Reply received vide number &amp; date.</b>	<b>No. and date of authorization of Final payment.</b>
<b>8.</b>	<b>9.</b>	<b>10.</b>

\*\*\*\*\*

**ANNEXURE –22**

(Ref: Chapter IX, PARA 90)

**Weekly Report on Final Payment diary Part-I (unattended Cases ):**

Section:.....	Position of cases received upto.....
(i) Opening Balance :	.....(Please take cases received three
(ii) Cases added during the week :	.....weeks prior to diary date)
(iii) Total (i) + (ii) :	.....
(iv) Cases finalized :	
(a) In which full payment has been authorized: .....	
(b) In which part payment has been authorized: .....	
(c) In which even part payment Could not be authorized: .....	
Total (iv) (a) + (iv) (b)+(iv)(c) :	
(v) : Balance at close .....	

Note : (1) Cases at column (iv) (b) have been transferred to Register for Residual Balance Payment cases and cases at column (iv) (c) have been transferred to Final Payment Diary Part-II .  
 (2) Accountant wise and period wise position of outstanding cases shown at column (v) above have been shown on the page alongside.

**Diarist**

**Officer-in charge of the section**

**Branch Officer**

Group Officer

**ANNEXURE –23**

(Ref: Chapter IX, PARA 90)

**Weekly Report on Final Payment diary Part-II (Cases under correspondence):**

Section:.....Position of F.P. cases received upto.....

- (i) Opening Balance : .....
- (ii) Cases transferred, during the week from Final Payment diary Part-I :
- (iii) Total (i) + (ii) :
- (iv) Cases finalized :
  - (a) In which full payment has been authorized:
  - (b) In which part payment has been authorized:

Total (iv) (a) + (iv) (b) :  
 (v) Balance at close:

**Analysis of Column (v) :**

- (a) Cases, in which certificate regarding drawal of advances and part final withdrawals etc. from Provident Fund during the preceeding 12 months are wanting :
- (b) Cases in which other defects were found in the application and thus the application was returned.
- (c) Cases in which certified details of missing credits & debits are wanting.
- (d) Cases in which transfer of balances are awaited from other Accounts Officer.
- (e) Minus Balance cases :

- Note : (i) Cases at column (iv) (b) have been transferred to Register for Residual Balance cases and (v) (e) to Register of minus balance cases (Recovery Register).  
(ii) Accountant wise and period wise position of outstanding cases shown at column (v) have been shown on the page alongside.

**Diarist**

**Section Officer**

**Branch Officer**

**ANNEXURE 24**

(Ref: Chapter X, Para 94)

Format of Register of Minus Balance Ledger Cards

Sl. No.	Name of Subscriber	Provident Fund account Number	Amount (in minus balance)	DDO	Action taken/references made from either sides (from our office & Deptt. concerned)	Final action taken in settlement of the minus balance
1	2	3	4	5	6	7

**ANNEXURE – 25**

(Ref: Chapt. XI, PARA 104)

**RIGISTER OF ITEMS TRANSFERRED TO UNCLAIMED PROVIDENT FUND DEPOSITS**

<b>Sl. No.</b>	<b>Name and designation of subscriber</b>	<b>P.F. accounts</b>	<b>Amount</b>	<b>Particulars</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>

<b>Date of application for payment</b>	<b>Authority for payment</b>	<b>Date of payment</b>	<b>Remarks</b>
<b>6.</b>	<b>7.</b>	<b>8.</b>	<b>9.</b>

**ANNEXURE – 26**

( Ref: Chapter XI, PARA 109 )

**Format of Register of missing credits/debits.**

<b>Sl. No.</b>	<b>Name of the subscriber</b>	<b>P.F. account No.</b>	<b>Period of Review</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

<b>Missing Credits</b>		<b>Missing Debits</b>		<b>Remarks</b>
<b>Year to which relate</b>	<b>Number of items</b>	<b>Year to which relate</b>	<b>No. of itmes</b>	
<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

<b>Abstracts:</b>	<b>Credit</b>	<b>Debit</b>
Total no of items at the end of previous closing		
Addition during six months		
Clearance during six months		
Total number of itmes at the time of closing		

\*\*\*\*\*

## **APPENDIX – II**

**EXTRACTS FROM THE INSURANCE ACT 1938 WITH THE AMENDMENT MADE IN THE ACT NO. XIII OF 1941 NOTIFIED IN THE GAZETTE OF INDIA DATED 12<sup>TH</sup> APRIL 1941.**

### **PRELIMINARY**

- (1) This Act may be called the Insurance (Amendment) Act, 1941.
- (2) It extends to the whole of British India.
- (3) It shall come into force on such date as the Central government may, by notification in the official gazette, appoint in this behalf.

Note: The Act has come into force with effect from 1st July, 1939, vide G.I. Notification No. 589-I(4) 38, dated 01.04.1939.

### **DEFINITIONS**

- (4) “Policy holder” Includes the person who is the absolute assignee of the benefits under the policy.
- (5) “Insurance Company” means any insurer being a company, association or partnership which may be wound up under the Companies Act, 1913, or to which the Indian partnership Act-applies.
- (6) “Insurer” means:-
  - (a) Any individual or unincorporated body of individual body corporate incorporated under the law of any country other than British India, carrying on insurance business (not be a person specified in sub clause (c) of this clause) which
    - (i) Carries on that business in British India, or
    - (ii) Has his or its principal place of business or in British India :

- (b) Any body corporate (not being a person specified in sub clause (c) of this clause) carrying on the business of insurance. Which is a body corporate incorporated under any law or the time being in force in British India; or stands to any such body corporated in the relation of a subsidiary company within the meaning of the Indian Companies Act, 1913, as defined by sub-section (2) of section 2 of the Act, and
- (c) Any person who in British India has a standing contact with under writers who are members of the society of Lloyds whereby such person is authorized within the terms of such contract to issue protection notes, cover notes or that documents granting insurance cover to others on behalf of the under writers,  
But does not include an insurance agent licensed under 42 or a provident society to which the provisions of apply, vide the Gazette of India, March 5, 1938.

**ASSIGNMENT OR TRANSFER OF POLICIES AND**

38. (1) A transfer or assignment of a policy of insurance whether with or without consideration, may only be by an endorsement upon the policy itself or instrument, signed in either case by the transfer assignor or his duly authorized agent and attested by one witness, specifically setting forth the terms and conditions of the transfer or assignment.

(2) The transfer or assignment shall be complete and effectual upon the execution of such endorsement instrument duly attested but shall not be operative as against the insurer and shall not confer upon the transferee or assignee, legal representative, any right to sue for the policy or the moneys secured thereby until a copy of the transfer or assignment has been delivered to the insurer at his principal place of business in British India by or on behalf of the transferor or transferee.

- (3) The date on which the notice referred to in sub-section (2) is delivered to the insurer shall regulate the priority of all claims under a transfer or assignment as between persons interested in the policy; and where there is more than one instrument of transfer or assignment the priority of the claims under such instruments shall be governed by the order in which the notices referred to in sub-section (2) are delivered.
- (4) Upon the receipt of notice referred to in sub-section (2) the insurer shall record the fact of such transfer or assignment together with the date there of and the name of the transferee or the assignee and shall on the request of the person on payment of a fee not exceeding one rupee, grant a written acknowledgement of the receipt of such notice; and any such acknowledgement shall be conclusive evidence against the insurer that he has duly received the notice to which such acknowledgement relates.
- (5) From the date of receipt of the notice referred to in sub-section (2) the insurer shall recognize the transferee or assignee named in the notice as the only person entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the transferer or assignor was subject at the date of the transfer or assignment and may institute any proceedings in relation to the policy without obtaining the consent of the transferer or assignor or making him a party to such proceedings.
- (6) The rights and remedies of the assignee or transferee of a policy of life insurance existing prior to the commencement of this Act shall not be affected by the provisions of this section.
- (7) Not with standing any law or custom having the force of law to the contrary, an assignment in favour of a person made with the condition that it shall be in operative or that the interest shall pass to some other person on the happening of a specified event during the life of the policy holder, and an assignment in favour of the survivor or survivors of member of persons, shall be valid.

**NOMINATION BY POLICY HOLDERS**

39(1) The holder of a policy of life insurance may when effecting the policy or at anytime before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death.

(2) Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be.

(3) The insurer may charge a fee not exceeding one rupee for registering any such endorsement and shall furnish to the policyholder a written acknowledgement of having done so.

(4) A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination; provided that assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy.

(5) Where the policy matures for payment during the life time of the policy holder or where the nominee or if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representative or the holder of a succession certificate, as the case may be.

(6) Where the nominee or, if there are more nominees than the one, a nominee or nominees survive the policy holder, the amount secured by the policy shall be payable to such Survivor/ survivors.

(7) The provisions of this section shall not apply to policy of life insurance to which section 6 of the Married Women's Property Act, 1874 applies.

\*\*\*\*\*

## **GLOSSARY**

**Para / annex ./appen. No.**

### **A**

Admission

- to Provident Fund

Advances

- Conversion of
- From fund
- Limitation of
- Recovery of
- Sanction to part final (non refundable)
- Sanction to temporary (refundable)

Agreement of balances

- Annual (Handed posted)
- Annual (Machine posted)
- Monthly A.I.S. (Provident Fund)
- Instruction related to

Alphabetical Register

- Maintenance of

Annual Census

- Procedure of

Annual Closing

- Honoraria
- Process

### **B**

Balance Sheet

- Preparation of

## Broadsheet

- Unit
- Consolidated

## C

### Calendar of Returns

- Maintenance of

### Collateral evidence basis

- Adjustment on

### Competency to implead before

- Lok-Ayukt
- U.P. State Tribunals

### Completion of accounts

- Due dates

### Constitution

- Of Provident Fund

## D

### Debit Vouchers

- Check of
- Receipt of
- Deposit
- Unclaimed & Lapsed

### Deposit-Linked-Insurance Scheme

- Rules of

### Dairy

- Adjustment Memo
- Admission
- A.G./P.A.G. Letters
- Court cases

- D.A.G. letters
- Facilitation Cell
- Final Payment
- I.T.A.
- Ordinary letters
- Sanction Order
- Urgent letters

Distinctive seal

- on ledger cards

Division of work

- in Funds Wing

## **E**

Erroneous subscription

- accounting & refund of

## **F**

Final payment

- diary
- elimination of delays in
- ninety percent
- return of application of
- rules of
- Scrutiny of application of
- Special check of debits in

## **G**

- direction
- Index register

### Group 'D' employees

- Format
- Transfer of balances

## **H**

### High Court Judges

- Instructions relating to Honoraria
- Condition of
- Rates of

## **I**

### Incentive Bonus Scheme

- orders on Index Register
- Alphabetical
- General

### Indian Majority Act, 1875

- extracts from

### Insurance Act, 1938

- extracts from Interest

- adjustment of
- budget estimates of
- calculation of
- rates of

## **J**

### Joint report

- on receipt of schedules

## **L**

### Last fund deduction

- from subscriber Ledger Card
- format of
- Opening of
- Triennial review of Legal advice
- Procedure of Letters
- Receipt/disposal of

## **M**

### Maintenance of

- files/correspondence etc.

### Married Women's Property Act, 1874

- extracts from

### Master cards

- centralization of
- preparation of

### Monthly arrear report

- instruction on

### N

### Nature of work

- in funds wing Nomination
- maintenance of

### O

### Old series

- carry forward of balances of

### Opening balance

- attestation of

### P

### Part-Final-Withdrawals

- admissible during suspension
- condition of
- purposesof

### Payment Authorities

- Conditional
- Discontinuance for non-refundable
- Payment place of
- Usage of
- Validity of
- P.F. Suspense
- Clearance of Pink transfer lists

- Preparation of Policies
- Custody of
- Lapse of
- Loss of
- Maturity of
- Procedure on death
- Re-assignment of
- Stock of
- verification of Posting
- in advance
- in audit-sheet
- in ledger card
- in Unit broadsheet.

## **R**

### Records

- preservation of
- transmission to old record room

### Register

- C. & A.G. cases
- Closed account
- Codes/manuals
- Collateral evidence
- Defalcation & losses
- Dictionary of references
- Dormant cards
- Duplicate ledger cards
- Forms

- Incumbency
- Inward / outward
- Irregular & insufficient sanction
- Matured policy
- Minus balance ledger cards
- Missing balance ledger cards
- Missing credits/debits
- Non-refundable advances
- Petty balance cases
- Prompt disposal of f.p. cases
- Residual balance cases
- Stationery
- Watching policies

#### Report

- annual confidential
- C.& A.G. complaint cases
- Court cases
- Dispatch of annual accounts statements
- Director of Inspection
- Fair index of volume of work
- Incomplete accounts, missing credits/debits
- Monthly arrear
- Outstanding final payment & residual balances cases
- Progressive use of Hindi
- Quarterly arrear
- To be sent to headquarters office
- Unposted credits & debit items
- Weeding of records
- Weekly/monthly on letters

## Revalidation

- conditional

## Review of

- Provident Fund accounts
- Residual balance cases
- Triennial (ledger Cards)

## S

## Sanctions

- check of
- insufficient
- noting on ledger cards
- validity of

## Schedules

- check of
- receipt of

## Secrecy of account

- instruction on

## Strength

- of Funds wing

## S

## Subscription

- adjustment of
- commencement of
- compulsory

- deputation (Corporate bodies etc.)
- deputation (State of Central & vice-versa)
- during leave
- erroneous
- foreign service
- payment of
- proportionate on account of death
- rounding of

#### Suspense Broadsheet

- maintenance of

### T

#### Transfer

- from one account circle to another

### U

#### Unposted items

- accretion of
- clearance of

### W

#### Withdrawals

- part final (non-refundable)
- temporary (refundable)

\*\*\*\*\*