

## **ALL INDIA SERVICES, (PROVIDENT FUND) RULES, 1955**

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## **ALL INDIA SERVICES, (PROVIDENT FUND) RULES, 1955**

<sup>1</sup>1 . Vide M.H.A. Notification No. 12/1/54-A.I.S.(II), dated 12th September, 1955. In exercise of the powers conferred by sub-section (1) of Sec. 3 of the All India Services Act, 1951 (LXI of 1951), the Central Government, after consultation with the Governments of the States concerned, hereby makes the following rules, namely:-

### **1. Short title :-**

These rules may be called the All India Services (Provident Fund) Rules, 1955.

### **2. Definitions :-**

(1) In these rules, unless the context otherwise requires,-

<sup>1</sup>[(a) 'Accounts Officer' means the officer to whom the duty to maintain the provident fund account of the subscriber has been assigned by the Comptroller and Auditor General of India or Government, as the case may be;]

NOTE :- In relation to a subscriber borne on the cadre of a State or Union Territory where the provident fund accounts have not been departmentalised, the duty to maintain the provident fund accounts is assigned by the Comptroller and Auditor General of India. In case of other subscribers, this duty is assigned by Government;

(b) 'child' means a legitimate child, a step-child and shall include an adopted child if, under the personal law of the subscriber, adoption is legally recognised as conferring the status of a natural child ;

(c) 'emoluments' means, except where otherwise expressly

provided, pay, special pay, personnel pay, leave salary or subsistence allowance and includes any remuneration in the nature of pay received by a member of the Service while on foreign service ;

(d) 'family' means-

(i) in the case of a male subscriber, the wife or wives and children of a subscriber and the widow, or widows, and children of a deceased son of the subscriber. Provided that if a subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance, she shall thenceforth be deemed to be no longer a member of the subscriber's family in respect of matters to which rules relate, unless the subscriber subsequently indicates in writing to the Account Officer that she shall continue to be so regarded ;

(ii) in the case of a female subscriber, the husband and children of a subscriber, and the widow or widows and children of a deceased son of a subscriber. Provided that if a female subscriber notifies in writing to the Account Officer expressing her intention to exclude her husband from her family, the husband shall thenceforth be deemed to be no longer a member of the subscriber's family in respect of matters to which these rules relate, unless the subscriber subsequently indicates in writing to the Account Officer that her husband shall continue to be so regarded;

(e) 'form' means a form annexed to these rules ;

(f) 'Fund' means the All India Services Provident fund ;

(g) 'Government' means-

(i) in the case of a member of the Service serving in connection with the affairs of the Union, the Central Government, or

(ii) in the case of a member of the Service serving under a foreign Government (whether on duty or on leave), the Central Government, or

(iii) in the case of a member of the Service serving in connection with the affairs of a State, the Government of that State : Provided that the President in the case of members of the Service referred to in sub-clause (i) or (ii) and the Governor in the case of members of the Service referred to in sub-clause (iii) shall be deemed to be the

Government for the purposes of assignment of an insurance policy or mortgage to the Government.

Explanation.- A member of the Service whose services are placed at the disposal of any company, corporation, organisation or any local authority by the Central Government or the Government of a State, shall, for the purposes of these rules, be deemed to be a member of the Service serving in connection with the affairs of the Union or the affairs of that State, as the case may be, notwithstanding that his salary is drawn from sources other than the Consolidated Fund of the Union or of that State.

(iv) in the case of a member of the Service on leave, the Government who sanctioned him the leave;

**2**[(gg) "Indian Civil Service member of the Indian Administrative Service" means a person who was initially appointed to the Civil Service of the Crown in India known as the Indian Civil Service and who subsequently became a member of the Indian Administrative Services ;

(ggg) "Indian Police member of the Indian Police Service" means a person who was initially appointed to the Police Service of the Crown in India known as the Indian Police and who subsequently became a member of the Indian Police Service;]

(h) 'insurer' has the same meaning as assigned to it in Insurance Act, 1938 ;

(i) ' leave' means any kind of leave granted under the All India Services (Leave) Rules, 1955;

**3** (j) 'member of the Service' means a member of an All India Service as defined in Sec. 2 of the All India Services Act, 1951 (61 of 1951)] ;

(k) 'year' means a financial year.

(2) All words and expressions used in these rules and not defined but defined in Provident Fund Act, 1925 or in the Indian Administrative Service and the Indian Police Service (Pay) Rules, 1954, shall have the meanings respectively assigned to them in the said Act or in the said Rules.

1. Substituted by D.P. and A.R. Notifi. No. 11026/11/77-A.I.S.(III), dated 27th November, 1979 i.e. G.S.R. 1529, dated 29th

December, 1979.

2. Inserted by Deptt. of Personnel Order No.31/7/72-AIS-(III), dated 1st October, 1972.

3. Substituted by MHA Notification No.5/28/66-AIS-(II), dated 13th December, 1966 i.e. (G.S.R. 1913, dated 27th December, 1966).

### **3. Constitution of the fund :-**

(1) The Fund shall be maintained in India in rupees.

(2) Every member of the Service shall subscribe to the Fund.

(3) In the case of a member of the Service who immediately before joining the Fund was a subscriber to any other non-contributory provident fund or funds maintained by the Government under whom he was at that time serving, his credit in, and liabilities to, any such fund or funds shall be transferred to this Fund.

[(4) In the case of a member of the service who immediately before joining the Fund was a subscriber to any Contributory Provident Fund or Funds maintained by the Government under whom he was at that time serving, his credit in, and liabilities to, any such Fund or Funds shall, in so far as the subscriber's contribution and interest thereon are concerned, be transferred to this Fund and the Governments contribution with interest thereon shall be [dealt with in the manner indicated in rule 8 of the All India Services (Death-cum-Retirement Benefits) Rules, 1958.]

[(5) In the case of an Indian Civil Service member of the Indian Administrative Service, his credit in the Indian Civil Service Provident Fund and in the Indian Civil Service (Non-European Members) Provident Fund shall be transferred to this Fund.

(6) In the case of an Indian Police member of the Indian Police Service, his credit in the Secretary of State's Services General Provident Fund shall be transferred to this Fund.]

GOVERNMENT OF INDIA'S DECISIONS<sup>1</sup>: 1. Officers appointed to the Indian Administrative Service and the Indian Police Service from various sources prior to 12th September, 1955, the date of promulgation of these Rules should subscribe to the General Provident Fund (Central) from the date of confirmation and not from the date of appointment on probation, though they would be eligible to subscribe to the fund at their own option during the period of probation. The amount so subscribed voluntarily during

the probationary period should not be refunded to them.<sup>2</sup> A question was raised whether officers of the All India Services should be required to subscribe to the fund compulsorily from the date of their appointment on probation or from the date of their confirmation in the Service. The status of a probationer is the same as that of a person appointed substantively to the service and he becomes a member of the Service from the date of appointment on probation. The Government of India have, therefore, decided that officers of the Indian Administrative/Police Service should be required to subscribe compulsorily to the Fund from the date of their appointment on probation.<sup>3</sup> 3.3. It is also clarified, having regard to the provisions of Rule 3, according to which the credit in and liabilities to any Provident Fund (only the subscriber's contribution and interest thereon in respect of a Contributory Provident Fund) to which a member of the All India Service was subscribing prior to his joining the All India Service, shall be transferred to the All India Services Provident Fund, that the previous service rendered under the State or Central Government, by a member of the Service, during which such member was subscribing to the P.F. shall be reckoned for calculating the incentive bonus in accordance with the provisions of the new bonus scheme referred to above.

1. [G.I., M.H.A. letter No. 13/35/56-AIS(II), dated 8th October, 1956.]
2. [G.I., M.H.A. letter No. 13/35/56-AIS(II), dated 27th December, 1956.]
3. [G.I., EP and AR letter No. 11026/8/83-AIS(III), dated 14th July, 1983.]

#### **4. Nomination :-**

(1) Each subscriber shall, as soon as may be after joining the Fund, send to the Account Officer 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 that amount has become payable or having become payable, has not been paid: Provided that if at the time of making the nomination the subscriber has a family, the nomination shall not be in favour of any person or persons other than the members of his family.

(2) If a subscriber nominates more than one person under sub-rule (1), he shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of

the amount that may stand to his credit in the Fund at any time.

(3) Every nomination under sub-rule (2) shall be in such one of the Forms I to IV as appropriate to each case.

(4) A subscriber may at any time cancel a nomination by sending a notice in writing to the Account Officer : Provided that the subscriber shall, along with such notice, send a fresh nomination made in accordance with the provisions of this rule.

(5) A subscriber may provide in a nomination-

(a) in respect of any specified nominee, that in the event of his predeceasing the subscriber the right conferred upon that nominee shall pass to such other person or persons as may be specified in the nomination : Provided that such other person or persons shall if the subscriber has other members of the family, be a member or members of his family ;

(b) that the nomination shall become invalid in the event of the happening of a contingency specified therein : Provided that if at the time of making the nomination the subscriber has no family, he shall provide in the nomination that it shall become invalid in the event of his subsequently acquiring a family:

[Provided further that, if at the time of making the nomination the subscriber has only one member of the family, he shall provide in the nomination that the right conferred upon the alternate nominee under clause (a) shall also become invalid in the event of his subsequently acquiring other member or members in his family.]

(6) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination Cl. (a) of sub-rule (5) or on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of Cl. (b) of sub-rule (5) or the proviso thereto, the subscriber shall send to the Account Officer a notice in writing cancelling the nomination, together with a fresh nomination made in accordance with the provisions of this rule.

(7) Every nomination made, and every notice of cancellation given, by a subscriber shall, to the extent that it is valid take effect on the date on which it is received by the Account Officer, who shall acknowledge the receipt of every such communication.

[Explanation.- For the purpose of this rule 'person' or 'persons' shall include 'a company or association or body of individuals, whether

incorporated or not'. It shall also include a Fund such as the Prime Minister's National Relief Fund or any of charitable or other Trust or Fund, to which nominations may be made through the Secretary or other executive, authorised to receive payments.]

**1** GOVERNMENT OF INDIA'S DECISIONS : Subscribers to the Fund, who had made their nominations under General Provident Fund (Central Services) Rules, prior to promulgation of these rule, should be required to make fresh nominations in the prescribed forms.

1. [G.I., M.H.A. letter No. 13/33/56-AIS(II), dated 14th September, 1956.]

#### **5. Subscribers account :-**

An account shall be prepared in the name of each subscriber and shall show the amount of his subscriptions with interest thereon calculated as prescribed in sub-rule (2) of Rule 9.

GOVERNMENT OF INDIA'S INSTRUCTIONS <sup>1</sup> The problem regarding missing credits in the Provident Fund Accounts of members of the All India Services was considered by the Ministry of Finance (Department of Expenditure-Controller General of Accounts) and they have issued instructions in this regard to all Chief Controllers of Accounts/Controllers of Accounts of various Ministries/Departments of Government of India, according to which members of All India Services and other Central Services on deputation with the Central Ministries/Departments should be supplied with an annual statement in the prescribed proforma indicating the amount of GPF and other deductions made from their salary. A copy of this statement will also have to be sent simultaneously to the accounting authority concerned. In this connection, a copy of Ministry of Finance (Controller General of Accounts) letter No. C. 30012/Coord/MF/CGA/307, dated 31st October, 1981, addressed to all Chief Controllers of Accounts/Controllers of Accounts of various Ministries/Departments along with its enclosure, is annexed. <sup>2</sup> Annexure to Government of India Instructions Mow Rule 5

1. [DP and AR. letter No. 11026/12/83-AIS(III), dated the 27th May, 1983.]

2. [Copy of Ministry of Finance, Department of Exp. Letter No. C. 30012/Coord/MF/CGA/307, dated 31st October, 1981.]

#### **6. Conditions and rates of subscriptions :-**

(1) A subscriber shall subscribe monthly to the Fund except during

a period of suspension : Provided that a subscriber may, at his option, elect not to subscribe during leave; Provided further that a subscriber on reinstatement after a period passed under suspension shall be allowed the option of paying in one sum, or in instalments, any sum not exceeding the amount of subscriptions in arrear payable for that period.

Explanation.-A subscriber shall be deemed to have intimated his election not to subscribe during leave if he makes no deduction on account of subscription in his first pay bill drawn after proceeding on leave and the option so intimated shall be final.

**1**[(1A) notwithstanding anything contained in sub rule (1)-

(a) a subscriber due to retire shall not subscribe to the fund during the last three months of his service;

(b) a subscriber not covered by '(a)' above shall not subscribe to the fund for the month in which he quits service unless, before commencement of the said month, he communicates to the Head of the Office in writing his option to subscribe for the said month.]

(2) A subscriber, who has under Rule 29 withdrawn the amount standing to his credit in the Fund shall not subscribe to the Fund after such withdrawal unless and until he returns to duty.

(3) The amount of subscription shall be Fixed by the subscriber himself subject to the following conditions, namely :-

(a) it shall be expressed in whole rupees;

(b) it may be any sum, so expressed, not less than **2**[6 per cent] of his emoluments **3**[\* \* \*] and not more than **4**[his emoluments.]

(4) For the purpose of sub-rule (3), the emoluments of the subscriber shall be-

(a) in the case of a subscriber who was a member of the Service on the 31st day of March of the preceding year, the emoluments to which he was entitled on that date, provided as follows-

(i) if the subscriber was on deputation out of date and elected not to subscribe during such leave or was under suspension on the said date, This emoluments to which he was entitled on the first day after his return to duty;

(ii) if the subscriber was on deputation out of India on the said

date or was on leave on the said date and continues to be on leave and has elected to subscribe during such leave, his emoluments shall be the emoluments to which he would have been entitled had he been on duty in India;

(b) in the case of a subscriber who was not a member of the Service on the 31st day of March of the preceding year, the emoluments to which he was entitled on the first day of his Service.

(5) A 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 day of March of the preceding year, by the deduction which he makes in this behalf from his pay bill for that month;

(b) if he was on leave on the 31st day of 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 makes in this behalf from his first pay bill after his return to duty;

(c) if he has been appointed as a member of the Service during the year, by the deduction he makes in this behalf from his pay bill for the month following the month in which he was appointed to the Service;

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

(e) if he was on foreign service on the 31st day of March of the preceding year, by the amount credited by him into the treasury on account of subscription for the month of April in the current year.

**5** [(6) The amount of subscription so fixed may be-

(a) reduced once at any time during the course of the year; or

(b) enhanced twice during the course of the year; or

(c) reduced and enhanced as aforesaid :

[(7) If a subscriber is on leave without pay or leave on half-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 the leave referred to above.]

GOVERNMENT OF INDIA'S DECISION <sup>6</sup>: 1. It has been decided that it would not be necessary to increase the rate of subscription consequent on the increase in pay, due to revision of pay scales etc, during the course of the year. R.11(4) of the General Provident Fund (Central Services) Rules in the P and T.'s compilation of the Provident Fund Rules) Second Edition, which provides that in the case of subscribers to the General Provident Fund (Central Services) the amount of subscription originally fixed by a subscriber is not to be varied during the course of the year on account of any increase or decrease of pay which might ultimately have been found to be due in respect of 31st March preceding or which might take place during the year. The Government of India have decided that similar procedure should be followed in the case of subscribers to the All India Services (Provident Fund) Rules. In view of the above position it would be not necessary to increase the rate of subscription to the Provident Fund consequent on the increase of pay of the subscribers during the course of the year.

1. Substituted by O.S.R. 932, dated 22nd October, 1986.
2. Substituted by D.P. and A.R. Notification No. 11026/4/77-AIS(III), dated 21st November, 1977 i.e. G.S.R. 1657, dated 10th December, 1977.
3. The word and letters "i.e. one anna in the rupee" omitted by M.H.A. Notification No. 13/2/29/57- AIS (III) A, dated 27th May 1958 i.e. G.S.R. 447, dated 7th June, 1958 (w.e.f. 27th May, 1958.)
4. Substituted by M.H.A. Notification No.13/2/29/57-AIS (III) A, dated 27th May 1958 . for "15-5/8 per cent (i.e. 2 annas in the rupee".)
5. Subs by. D.P. and A.R. Notification No 11026/9/79-AIS (III), dated 12th March, 1980 i.e. G.S.R. 346, 29th March, 1980.
6. [G.I., M.H.A. letter No. 6/21/62-AIS (II), dated the 29th September, 1962.]

### **7. Transfer to foreign service or deputation out of India :-**

When a subscriber is transferred to foreign service or sent on deputation out of India, he shall continue to be subject to the rules of the Fund in the same manner as if he was not so transferred or sent on deputation.

### **8. Realisation of subscriptions :-**

- (1) When emoluments are drawn from a treasury in India, subscriptions on account of such emoluments and the principal and

interest of advances, if any, shall be deducted from the emoluments; but when emoluments are drawn from any other source, the subscriber shall forward his dues monthly to the Accounts Officer : <sup>1</sup> [Provided that in the case of subscribers on deputation to a body corporate owned or controlled by Government, the subscriptions shall be recovered and forwarded to the Accounts Officer by such body.]

(2) If a subscriber fails to subscribe with effect from the date on which he joined the Fund or is in default in any month or months during the course of a year otherwise than as provided in Rule 6, the total amount due to Fund on account of arrears of subscription shall with interest thereon at the rate provided in Rule 9, forthwith be paid by the subscriber to the Fund or in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber by instalments or otherwise as may be directed by the Government : Provided that subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

1. Added by MHA Notification No. 5/22/67-AIS(II)-A, of 18th March, 1968 i.e. G.S.R. 584, dated 30th March, 1968.

#### **9. Interest :-**

(1) Subject to the provisions of sub-rule (5), interest at such rate as may be determined for each year according to the method of calculation prescribed .from time to time by the Central Government shall be paid to the credit of the account of a subscriber.

(2) Interest shall be credited with effect from 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, less any sums withdrawn during the current year-interest for twelve months;

(ii) on sums withdrawn during current year-interest from the beginning of the current year upto the last day of the month preceding the month of withdrawal;

(iii) on all sums credited to the subscriber's account after the last day of the preceding year-interest from the date of deposit upto the end of the current year;

(iv) the total amount of interest shall be rounded to the nearest whole rupee, a fraction of a rupee less than <sup>1</sup>[Fifty Naye Paise] being disregarded and a fraction of a rupee equal to or exceeding <sup>1</sup>[Fifty Naye Paise] being regarded as one rupee :

(3) In this rule, the date of deposit shall:-

(a) in the case of a recovery from emoluments, be deemed to be the first day of the month in which it is recovered; and <sup>3</sup>[Provided that where there has been a delay in the drawal of pay of leave salary and allowances of a subscriber and consequently in the recovery of his subscriptions 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:

(b) in the case of an amount forwarded by the subscriber, be deemed to be the first day of the month of receipt if it received by the Accounts Officer before the fifth day of that month and if it is received on or after the fifth day of that month the first day of the next succeeding month: <sup>4</sup>[Provided that in the case of an amount forwarded in accordance with the proviso to sub-rule (1) of Rule 8, the date of deposit shall be deemed to be the first day of the month if it is received by the Accounts Officer before the fifteenth day of that month.]

(4) In addition to any amount to be paid under Rule 28, Rule 29 or Rule 30, interest thereon up to 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, shall be payable to the person to whom such amount is to be paid: Provided that where the Account Officer has intimated to that person (or his agent) a date on which he is prepared to take payment in cash, or has posted a cheque for the amount to that person, interest shall be payable only up to the end of the month preceding the date so intimated or the date of posting of the cheque, as the case may be: <sup>5</sup>[Provided further that where a subscriber on deputation to a body corporate owned or controlled by the Government or an autonomous organisation registered under Societies Registration Act, 1860 is subsequently absorbed in such body corporate or organisation with effect from a retrospective date, for the purpose of calculating the interest due on the Fund accumulations 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 the subscriber became payable subject, however, to the condition that the amount recovered as subscription during the period commencing from the date of absorption and ending with the date of issue of orders of absorption shall be deemed to be the subscription to the Fund only for the purposes of awarding interest under this sub-rule.]

NOTE-Payment of interest on the Fund balance beyond a period of six months may be authorised:- (a) upto a period of one year, by an officer (which expression includes the Pay and Accounts Officer in a Union Territory where the Accounts have been departmentalised) nominated by the Head of Accounts Office; and (b) upto a period, exceeding one year by the Head of Accounts Office (which expression includes a Controller of Accounts in a Union Territory where the accounts have been departmentalised), after the said officer or as the case may be the Head of Accounts Office has personally satisfied himself that the delay in payment was occasioned by circumstances beyond the control of the subscriber or the person 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.

[\* \* \*]

(5) Interest shall not be credited to the account of a subscriber if he informs the Account Officer that he does not wish to receive it; but if he subsequently asks for interest, it shall be credited with effect from the first day of the year in which he asks for it.

(6) Interest on amounts which under sub-rule (2) of Rule 8, [\* \* \*] Rule 28 or Rule 29, are replaced at the credit of the subscriber in the Fund, shall be calculated at such rates as may be successively prescribed under sub-rule (1) of this rule and so far as may be in the manner described in this rule.

GOVERNMENT OF INDIA'S DECISIONS<sup>6</sup>All India Service Officers who prior to their appointment to the All India Services were governed by the State Provident Fund Rules, cease to become entitled to the protected rate of interest from the date of their promotion. As member of AIS, the officer is entitled to get interest according to G.P.Fund (Central Services) Rules, from the date he becomes subject to new Rules.

**7** [(7) 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 the final payment from the fund, shall be repaid -by him with interest thereon, in one lump sum, or in default, be ordered to be recovered by deduction in one lump sum from the emoluments of the subscriber. If the total amount to be recovered is more than half of the subscriber's emoluments recoveries shall be made in monthly instalments of moieties of his emoluments till the entire amount together with interest, is recovered. For this rule the rate of interest to be charged on overdrawn amount would be 2½ per cent over and above the normal rate of Provident Fund balances under sub-rule (1). The interest realised on the overdrawn amount shall be credited to Government account under a distinct, sub- head "Interest on overdrawal from Provident Fund".]

1. Substituted for 'eight annas' by M.H.A. Notification No. 13/29/57-AIS (III)-A, dated 27th May, 1958.
3. Added by MHA Notification No. 5/22/67-AIS(II)-A, dated 18th March, 1968 i.e. G.S.R. 584, dated 30th March; 1968.
4. Added by Deptt. of Personnel Notification No. 5/8/71-AIS (II), dated 9th February, 1972 i.e. G.S.R. 2249, dated 26th February, 1972.
5. Substituted by G.S.R. 1235, dated 6th December, 1980.
6. [G.I., M.H.A. letter No. 8/4/57-AIS (III), dated 1st April, 1957, and letter No. 6/1/62-AIS (II), dated 1st September, 1962.]
7. Inserted by G.S.R. 234 dated 19th February, 1972 amended by G.S.R. 295 dated 24th December, 1979.

#### **10. Advance from the Fund :-**

(1) The Government <sup>1</sup>[or an officer not below the rank of the subscriber and specified in this behalf by the Government] may sanction the payment to a subscriber of a temporary advance from the amount standing to his credit in the Fund, subject to the following conditions:-

(a) No advance shall be granted unless the sanctioning authority is satisfied that subscriber's pecuniary circumstances justify it and that it will be expended on any of the following objects namely:-

(i) to pay expenses incurred in connection with the serious or prolonged illness of the subscriber or any person actually dependent on him;

(ii) to pay for the overseas passage for reasons of health or education of the subscriber or any person actually dependent on him and also to meet the cost of education of the subscriber or of any person actually dependent on him outside India, whether for an academic, technical, professional or vocational course; or in India for medical, engineering or other technical or specialised courses beyond the high school stage, provided that the course of study is not less than 3 year;

(iii) to pay obligatory expenses on a scale appropriate to the subscriber's status which by customary usage the subscriber has to incur in connection with marriages, funerals or other ceremonies;

**2**[(iv) to meet the cost of legal proceedings instituted by or against the subscriber, any member of his family or any person actually dependent upon him, the advance in this case being available in addition to any advance admissible for the same purpose from any Government source;]

**3**[(v) to meet the cost of the subscriber's defence where he engages a legal practitioner to defend himself in an enquiry in respect of any alleged official misconduct on his part;]

**3**[(vi) to meet the cost of plot or construction of a house or flat for his residence or to make any payment towards the allotment of plot or flat by any Urban Development Authority or a State Housing Board or a House Building Co-operative Society:]

**5**(vii) to purchase consumer durables such as television, video cassette recorder, video cassette player, washing machine, cooking range, geysers, computers

**6**[Provided that (in special circumstances, the Government at its discretion or where the sanctioning authority is other than the Government, such authority with previous approval of the Government, may) sanction an advance if it is satisfied that the subscriber concerned requires the advance for reasons other than those mentioned above:] **7**[Provided that the advance under sub-clause (iv) or sub-clause (v) shall not be admissible to a subscriber who institutes legal proceedings in any court either in respect of any matter unconnected with his official duty or against Government in respect of any condition of service or penalty imposed on him.

(b) The (sanctioning authority) shall record in writing its reasons for

granting the advance.

(c) An advance shall not, except for special reasons-

(i) exceed three month's pay or half the amount standing at the credit of the subscriber in the Fund, whichever is less, or

(ii) unless the amount already advanced does not exceed two-thirds of the amount admissible under sub-clause (i) above, be granted until at least a period of twelve months has lapsed after the final repayment of all previous advances <sup>8</sup>[\* \* \*]:

[Provided further that where the sanctioning authority is other than the Government no such advance shall be sanctioned except with the previous approval of the Government]

(2) In fixing the amount of an advance, the (sanctioning authority) shall pay due regard to the amount standing at the credit of the subscriber in the Fund.

[(3) When an advance is sanctioned under clause (c) of sub-rule (1) before repayment of the last instalment of any previous advance is completed, the balance of any previous advance not recovered shall be added to the advance so sanctioned and instalments for recovery shall be fixed with reference to the consolidated amount.]

[(4) After sanctioning the advance, the amount shall be drawn on an authorisation from the Accounts Officer in cases where the application for final payment had been forwarded to the Accounts Officers under Cl. (ii) of sub-rule (3) of Rule 31.]

GOVERNMENT OF INDIA'S DECISION: It has been decided to treat the following courses as technical/specialised for the purpose of grant of advances under Rule 10(1)(a)(ii) and withdrawal under 12(1A)(a) respectively of the All India Services (Provident Fund) Rules, 1955: (i) The Company Secretaryship Course of the Institute of Company Secretaries of India; and <sup>9</sup>(ii) The Course of Pre-Sea Training imparted on the Training Ship 'Rajendra' to prospective navigating officers on merchant ships.

GOVERNMENT OF INDIA'S INSTRUCTIONS<sup>10</sup> 1. The powers of the Central Government to sanction advances under this rule to members of the Service serving in the Union Territories shall subject to the conditions prescribed in the rule, be exercised by the Administrators of the Union Territories within their respective

jurisdiction. <sup>11</sup> 2. The sanctioning authority for the purposes of granting temporary advances from the Fund to the members of the Indian Police Service, serving in the Intelligence Bureau, the Special Police Establishment and the Central Reserve Police shall be the Director Intelligence Bureau, the Inspector General special Police, Establishment and the Inspector General, Central Reserve Police respectively.

1. Substituted by G.S.R. 850, dated 25th July, 1959.
2. Substituted by G.S.R. 1048, dated 11th October, 1980.
3. Inserted by G.S.R. 1081, dated 25th August, 1979.
5. Inserted vide " ALL INDIA SERVICES(PROVIDENT FUND) RULES, 1955" Dt.22nd March, 1997 Published in Ministry of Personnel, Public Grievances and Pensions (Deptt. of Personnel and Training), Noti. No. G. S. R. 157, dated December 23, 1996, published in the Gazette of India, Part II, Section 3(i), dated 22nd March, 1997, p. 1428, No. 12 [No. 11026/2/95-AIS-III]
6. Inserted by G.S.R. 401, dated 24th May, 1958.
7. Inserted by Inserted by G.S.R. 401, dated 24th May, 1958.
8. Omitted by G.S.R. 515, dated 26th April, 1975.
9. [DP and AR letter No. 11026/3/81-AIS (III),dated 10th February, 1961.]
10. [G.I., M.H.A. letter No. 5/34/59-AIS (II),dated 30th July, 1960.]
11. [G.I. M.H.A. letter No. 16/16/69-P (III)dated 12th December, 1960.]

### **11. 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 or more than twenty-four. A subscriber may at his option, re-pay more than one instalment in a month. Each instalment shall be a number of whole rupees the amount of the advance being raised or reduced, if necessary to admit of the fixation of such instalments: Provided that where the amount advanced exceeds three months' pay or half the amount at the credit of the subscriber, the Government or where the sanctioning authority is other than that Government such authority with the previous approval of the Government, may direct that the amount may be recovered in a maximum of thirty-six instalments.

<sup>1</sup>[(2)(a)\* \* \*] Provided that-

<sup>2</sup>[(b) recovery may be postponed by sanctioning authority during

the recovery of an advance of pay granted to the subscriber.]

**3**[(3)\* \* \*]

**4**[(4)\* \* \*]

(5) If an advance has been granted to a subscriber and drawn by him and the advance is subsequently disallowed before repayment is completed the whole or balance of the amount withdrawn shall **3**[\* \* \*] forthwith be repaid by the subscriber to the Fund, or in default, be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber by instalments or otherwise, as may be directed by the **6**[Sanctioning authority]: **4**[\* \* \*] **8** [Provided that, before such advance is disallowed the subscriber shall be given an opportunity to explain to the sanctioning authority in writing, and within fifteen days of the receipt of the communication, as to why the repayment should not be enforced, and if an explanation is submitted by the subscriber within the said period of fifteen days, it shall be referred to the Government for decision and if no explanation within the said period is submitted by him, the repayment of the advance shall be enforced in the manner prescribed in this sub-rule.]

(6) Recoveries made under this rule shall be credited as they are made to be subscriber's account in the Fund.

1. Omitted by G.S.R. 1598, dated, 26th April, 1975.
2. Substituted by G.S.R. 850, dated 25th July, 1959.
3. Omitted by G.S.R. 515, dated 26th April, 1975.
4. Omitted by Omitted by G.S.R. 515, dated 26th April, 1975.
6. Substituted by G.S.R. 850, dated 25th July, 1959.
8. Inserted by G.S.R. 710, dated 22nd July, 1985.

## **12. Withdrawal from the Fund :-**

**1**

[(1) Subject to the conditions specified in Rule 13, Rule 15' and Rule 16, Government may at any time after the completion of fifteen years of Service (including broken periods of service, if any) of a subscriber or within ten years before the date of his retirement on superannuation which ever is earlier, sanction withdrawal by him from the amount standing to his credit in the Fund for one or more of the following purposes, namely:-

(a) building or acquiring a suitable house or a ready-built flat for his residence including the cost of the site;

(b) repaying an outstanding amount on account of a loan expressly taken for building or acquiring a suitable house or ready-built flat for his residence;

(c) purchasing a house site for building a house thereon for his residence or repaying any outstanding amount on account of a loan expressly taken for this purpose;

(d) reconstructing of/or making additions or alterations to a house or a flat already owned or acquired by a subscriber;

(e) renovating, making additions or alterations to or upkeep of an ancestral house at a place other than the place of duty or to a house built with a loan from Government at a place other than the place of duty,

(f) constructing a house on a site purchased under clause (c).

**2**(g) meeting the cost of consumer durables such as televisions video cassette recorder, video cassette player, washing machines, cooking range, geysers, computers;

(1-A) Subject to the conditions specified in Rule 14 and Rule 14A, the Government may at any time after the completion of **3**["fifteen years"]of services (including broken periods of service, if any) of a subscriber or within ten years before the date of his retirement on superannuation, whichever is earlier, sanction withdrawal by him from the amount standing to his credit in the Fund for one or more of the following purposes namely:-

(a) meeting the cost of higher education, including where necessary the travelling expenses of the subscriber or any child of the subscriber in the following cases, namely:-

(i) for education outside India for academic, technical, professional or vocational course beyond the High School Stage;

(ii) for any medical, engineering or other technical or specialised course in India beyond the high School Stage;

(b) meeting the expenditure in connection with the betrothal or marriage of the subscriber or his sons or daughters, and any other female relation actually dependent on him;

(c) meeting the expenses in connection with the illness, including where necessary, the travelling expenses, of the subscriber and

members of his family or any person actually dependent on him.

(1B) Subject to the conditions specified in Rule 13 and Rule 15, Government may at any time within six months before the date of the subscriber's retirement on superannuation, sanction withdrawal from the amount standing to his credit in the Fund for the purpose of acquiring farm land or business premises or both.]

<sup>4</sup>[(1C) The Government may, once during the course of a financial year, sanction withdrawal from the amount standing to his credit in the Fund a sum equivalent to one years' subscription paid for by the subscriber towards the Group Insurance Scheme under the All India Services (Group Insurance) Rules, 1981.]

NOTE 1: A subscriber who has availed himself of an advance under the Scheme of the Ministry of Works and Housing for the grant of advance for house-building purpose; or has been allowed any assistance in this regard from any other Government source shall be eligible for the grant of final Rule 13. If a subscriber has an ancestral house or built a house at a place other than the place of his duty <sup>5</sup>[\* \* \*] with the assistance of loan taken from the Government he shall be eligible for the grant of final withdrawal under Cls. (a), (c), and (f) of sub-rule (1) for purchase of a house site or for construction of another house or for acquiring a ready-built flat at the place of his duty.

NOTE 2: Withdrawal under a. (a), (d), (e), or (f) of sub-rule (1) shall be sanctioned only after a subscriber has submitted a plan of the house to be constructed or of the additions or alterations to be made duly approved by the local municipal body of the area where the site of house is situated and only in cases where the plan is actually got to be approved.

NOTE 3: The amount of withdrawal sanctioned under sub-clause (b) of sub-rule (1) shall not exceed 3/4th of the balance on date of application together with the amount of previous withdrawal under sub-clause (a) reduced by the amount of previous withdrawal. The formula to be followed is 3/4th (balance as on date plus amount of previous withdrawals) for the house in question minus the amount of the previous withdrawals).

NOTE 4: Withdrawal under CIs. (a) and (d) of sub-rule (1) shall also be allowed where the house site or house is in the name of wife/husband provided she/he is the first nominee to receive

Provident Fund money in the nomination made by the subscriber.

NOTE 5: Only one withdrawal shall be allowed for the same purpose under Rule 12. But marriage/education of different children or illness on different occasions shall not be treated as the same purpose. Second or subsequent withdrawal under Cl. (a) or (f) of sub-rule (1) for completion of the same house shall be allowed upto the limit laid down under Note 3.

NOTE 6: A withdrawal under Rule 12 shall not be sanctioned if an advance under Rule 10 is being sanctioned for the same purpose and at the same time.

**6**[(2) Subject to the conditions specified in Rule 14C, Government may, at any time after the completion of **7**[twenty-five years] of service (including broken periods of service if any) of a subscriber or within **7**[five years] before the date of his retirement on superannuation, whichever is earlier, sanction withdrawal by him from the amount standing to his credit in the Fund for purchasing a motor car or for repaying a Government loan already taken by him for the purpose.

**9**[(2A) Subject to the conditions laid down in sub-rule (IA) of Rule 14C, the Government may, at any time after the completion of twenty-eight years of service by a subscriber or within three years before the date of his retirement on superannuation, sanction withdrawal by him from the amount standing to his credit in the Fund for extensive repairs or overhauling of his motor car.]

**10**[(3) Whenever a subscriber is in a position to satisfy the competent authority about the amount standing to his credit in his account with reference to the latest available statement of his account together with the evidence of subsequent contributions the competent authority may itself sanction withdrawal within the prescribed limits, as in the case of a refundable advance. In doing so, the competent authority shall take into account any withdrawal or refundable advance already sanctioned by it in favour of the subscriber. For this purpose, the competent authority, while sanctioning withdrawal, shall record a certificate in Form IV-A or Form IV-B, as the case may be. Where, however, the subscriber is not in a position to satisfy the

(4) Where, a withdrawal has been sanctioned under sub-rule (3), the amount shall be drawn on an authorisation from the Accounts

Officer in cases where the application for final payment had been forwarded to the Accounts Officer under CI.(ii) of sub-rule (3) of Rule 31.

**GOVERNMENT OF INDIA'S DECISION:**<sup>11</sup> (1) A question arose whether withdrawal could be permitted purely for the purchase of a site. The Government of India have decided that it could be provided that the conditions in the other rules, especially the one in Rule 15, that construction of the house should commence within six months of the withdrawal of money and should be completed within a year from the date of commencement of construction, are satisfied.<sup>12</sup> (2) A member of the Service wanted to withdraw money from the fund for meeting expenses in connection with his pilgrimage to Haj. As pilgrimage to Haj is not obligatory, the withdrawal was not sanctioned.<sup>13</sup> (3.2) Marriage is a foreseeable event and ordinarily it should not be difficult for the member concerned to make up his mind beforehand whether he would be able to meet the entire expenditure thereon from his private resources or whether he would have to resort to a final withdrawal from his provident fund account for this purpose, and, if the latter, to apply for the final withdrawal sufficiently in advance of the date of marriage. Where, however, an officer applies for the withdrawal well before the date of marriage, but the application is sanctioned after the aforesaid date or, if sanctioned before that date, the case is received in audit office for the issue of authority for payment after that date, there will be no objection to the payment of the amount being made after the date of marriage. The certificate in terms of sub-rule (4) should be furnished in such case to the sanctioning authority within a month of the actual drawal of the amount from the fund. Cases in which withdrawal is applied for after the marriage is over should not ordinarily be entertained.<sup>14</sup> 4. A question has been raised whether the previous service rendered under the State or Central Government by a subscriber to the All India Services Provident Fund, prior to his becoming a member of an All India Service, shall count for the purpose of computing the minimum service prescribed under sub- rules (1), (1A) and (2) and Rule 12. It is clarified, having regard to the provisions of Rule 3, according to which credit in and liabilities to any Provident Fund (only the subscriber's contribution and interest there respect of a Contributory Provident Fund) to which a member of the All India Service was subscribing prior to his joining the All India Service, shall be transferred to the All India Service Provident Fund, that

the previous service rendered under the State or Central Government by a member of the Service during which such member was subscribing to any Contributory or Non-Contributory Provident Fund, shall be counted in computing the minimum service prescribed under sub-rules (1), (1A) and (2) of Rule 12.

GOVERNMENT OF INDIA'S INSTRUCTIONS: 1.1 It has been decided in consultation with the Ministry of Finance that the following procedure may be followed for granting advances/final withdrawals to officers of the All India Services, including members of a former Secretary of States Service, under the various Provident Fund Rules, during the period of their service in connection with the affairs of the Central Government. 1.2 All cases of advances/final withdrawals which are fully covered by the existing rules may be sanctioned by the administrative Ministries themselves. The Ministries of the Government of India shall exercise all the powers of the "sanctioning authority" in all such cases. 1.3 All cases of advances/final withdrawals, which are to be sanctioned for special reasons in accordance with the provisions of the relevant rule should be sanctioned by the administrative Ministry in consultation with the Ministry of Finance (Establishment Division). 1.4 All cases of advances/final withdrawals which involve relaxation of the rules should be sanctioned by the Administrative Ministries after obtaining the concurrence of both the Department of Personnel and A.R. and the Ministry of Finance (Establishment Division). <sup>15</sup>1.5 Before an officer's request for advance/final withdrawal is referred to the Ministry of Finance or both to the Department of Personnel and A.R. and Ministry of Finance, the Administrative Ministries are requested to examine the cases carefully and specify the special reasons or grounds why the rule(s) should be relaxed in favour of the officer. Rule 10. 3. It has been decided that pending amendments to Rule 12, the orders contained in the Department of Personnel and A.R. O.M. No. F. 10(7)-Pen. Unit/83, dated 28th April, 1973, may be applied to the members of the All India Services. Accordingly, the members of the All India Services who have completed 15 years of service (including broken periods of service if any), may be permitted to make a part final withdrawal from the Provident Funds (G.P. Fund or C.P. Fund) for booking a Motor Car/Motor Cycle/Scooter/Moped etc. subject to the following conditions: (a) The Officer's basic pay is Rs. 1500 p.m. or above for registration of Motor Car and a basic pay of Rs. 500 p.m. or above in the case of Motor Cycle/Scooter etc. (Basic pay as defined in F.R.

9(21)(a)(i) without Special Pay, Dearness Pay and such other additions to pay but including NPA. (b) The amount of withdrawal is limited to Rs. 10,000 in the case of Car and Rs. 500 in the case of Motor Cycle/Scooter etc. or 50% of the amount standing to the credit of the subscriber in the G.P. Fund or 50% of the amount of subscription with interest thereon standing to the credit of the subscriber in the C.P. Fund, as the case may be, or the actual amount of registration of the Car or Motor Cycle/Scooter etc., whichever is less; (c) The amount of withdrawal shall not exceed the amount required for booking a Car or Motor Cycle or Scooter etc.; (d) The Deposit Receipt must be produced for verification by the concerned administrative authority within a period of one month from the date of drawal. Failure to do so would involve refund of the total amount withdrawn; (e) If the officer does not purchase a Car/Motor Cycle/Scooter etc. or opts out of the scheme he should immediately deposit the amount of final withdrawal together with interest received thereon from the manufacturer/dealer into the Provident Fund account; (f) The Secretary of the administrative Ministry/Department may allow, in special cases, an advance refundable in not more than 36 instalments in the case of officers who may fall short of the minimum service of 15 years by a period of not more than 6 months. All other conditions shall not be relaxable; (g) The officers who have been allowed advance according to (f) above may be permitted to convert the outstanding amount of advance into final withdrawal after completion of 15 years of service; (h) Such withdrawal shall be allowed only on one occasion; and <sup>16</sup>(i) The amount of Rs. 10,000 or Rs. 500, as the case may be, referred to above, shall be taken into account for determining the overall ceiling at present fixed for withdrawal from GPF/CPF (Rs. 16,000 for purchase of Motor Car and Rs. 3500 for Motor Cycle/Scooter etc.). The authority competent to sanction an advance for special reasons under the relevant Provident Fund Rules may sanction final withdrawal in terms of these orders subject to fulfilment of the conditions mentioned above. The procedural details will be as in the case of other withdrawal. <sup>17</sup> 4. Betrothal ceremony and marriage ceremony of the same child shall also be treated as different purposes.

1. Substituted by G.S.R. 1491, dated 16th December, 1978.

2. Inserted vide " ALL INDIA SERVICES (PROVIDENT FUND) RULES, 1955" Dt. 22nd March, 1997 Published in Ministry of Personnel, Public Grievances and Pensions (Deptt. of Personnel and

- Training), Noti. No. G. S. R. 157, dated December 23, 1996, published in the Gazette of India, Part II, Section 3(i), dated 22nd March, 1997, p. 1428, No. 12 [No. 11026/2/95-AIS-III]
3. Substituted for "twenty years ", vide " ALLINDIA SERVICES, (PROVIDENT FUND) RULES, 1955" Dt.22nd March, 1997. Published in Ministry of Personnel, Public Grievances and Pensions (Deptt. of Personnel and Training), Noti. No. G. S. R. 157, dated December 23, 1996, published in the Gazette of India, Part II, Section 3(i), dated 22nd March, 1997, p. 1428, No. 12 [No. 11026/2/95-AIS-III]
4. Inserted by G.S.R. 741, dated 14th July, 1984.
5. Certain words "omitted by G.S.R. 1081, dated 25th August, 1979.
6. Renumbered by G.S.R. 1657, dated 10th December, 1977.
7. Substituted by G.S.R. 282, dated 23rd March, 1974.
9. Inserted by G.S.R. 531, dated 23rd July, 1983.
10. Inserted by G.S.R. 1657, dated 10th December, 1977.
11. [G.I., M.H.A. U.O. No. 263/57-AIS (III), dated 29th January, 1957.]
12. [G.I., M.H.A., letter No. 8/5/57-AIS (II), dated 7th March, 1957.]
13. [G.I., M.H.A., letter No. 8/41/57-AIS(II), dated 20th November, 1957.]
14. [G.I., DP and AR letter No.11026/32/82-AIS (III), dated 23rd April, 1983.)
15. [G.I., M.H.A. O.M. No F. 5/13/64-AIS (II), dated 20th May, 1964.]
16. [G.I., DP and AR letter No.11026/11/83-AIS (III), dated 20th May, 1983.]
17. [F.No. 11026/7/84-AIS (III).].

**13. Maximum amount of withdrawal [under sub-rules (1) and (1B)] of rule 12 :-**

**123**[(1) Any sum withdrawn by a subscriber under Cls. (a) to (f) of sub-rule (1) of Rule 12 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: <sup>4</sup>

["Provided that the sanctioning authority may sanction withdrawal of an amount in excess of the limit set out in clause (a) up to ninety per cent of the balance at the credit of the subscriber in the

Fund :

Provided further that in no case maximum amount of withdrawal shall exceed the maximum limit prescribed from time to time under clause (a) of Paragraph 2 and clause (b) of Paragraph 3 of the scheme of the then Ministry of Works and Housing for the grant of advances for house building purposes :

Provided also that in the case of a subscriber who has availed himself of an advance under the Scheme of the then Ministry of Works and Housing for the grant of advances for house building purposes, or has been allowed any assistance in this regard from any other Government 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 Government source shall not exceed the maximum limit prescribed from time to time under clause (a) of Paragraph 2 and clause (b) of Paragraph 3 of the aforesaid Scheme." ]

Explanation.- For the purposes of this sub-rule, the actual expenditure incurred in connection with the execution of any document relating to transaction may be included in the cost of the house or the amount required for the repayment of the loan.

Note.- In cases where a subscriber has to pay in instalments for a site or a house or flat purchased, or a house or flat constructed through any Urban Development Authority or a State Housing Board or a House Building Cooperative Society, he shall be permitted to make a withdrawal as and when he is called upon to make a payment of any instalment. Every such payment shall be treated as a payment for a separate purpose for the purpose of sub-rule ((1) of Rule 13.

(2) If a subscriber desires to withdraw any sum under <sup>5</sup>[sub-rules (1) and (1B)] of Rule 12 for constructing, reconstructing or making additions or alterations to a house he shall be permitted to do so only in equal instalments of not less than two and not more than four in numbers; but the withdrawal of any instalment after the first shall be permitted by the Government only if it is satisfied that there has been sufficient progress in the construction of the house.

(3) If any sum withdrawn by a subscriber under this rule is found to be in excess of that actually spent for the purpose for which such sum was withdrawn or is not applied for such purpose, the excess

or the whole of such sum or so much thereof as has not been so applied, shall forthwith be repaid <sup>6</sup>[x x x] by the subscriber to the Fund; and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments as may be determined by the Government : <sup>7</sup>[x x x] <sup>6</sup>[Provided that, before repayment of a withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing, and within fifteen days of receipt of the communication, as to why the repayment should not be enforced, and if the Government is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, it shall be ordered by the Government to enforce the repayment in the manner prescribed in this sub-rule.]

GOVERNMENT OF INDIA'S DECISIONS <sup>9</sup>(1) The Government of India have decided that the withdrawal of the second and subsequent instalments shall be permitted only when the Government issues a certificate to the effect that the required formalities regarding the construction of the house, in pursuance of which the instalments, have become due, have been complied with. <sup>10</sup>(3) A question was raised as to how the house-building loans to All India Services Officers for constructing houses outside the State of their allotment should be regulated. (3.2) It has been decided that where an All India Services Officer who has been granted loan for house building purposes by the State under whom he is serving at the time of such grant, decides to construct the house outside that State the State within whose jurisdiction the house is constructed should act as an Agent for the former State, on a reciprocal basis and (i) examine the correctness of title deeds, (ii) watch the progress of construction and (iii) enforce mortgage proceeding in case of default in the observance of the conditions on which the loan has been granted. The cost of verification of title deeds is to be borne by the member of the All India Services seeking loans for house building purposes.

GOVERNMENT OF INDIA'S INSTRUCTIONS : (1) ~~It~~ Was noticed that a large number of cases where final withdrawals were sanctioned for house building purposes under Rule 13(1) etc., the information as regards the officer's pay or the amount of advance drawn by him from the Ministry of Works, Housing and Urban Development or any other assistance from any Government source were not specifically

mentioned in the sanction letter. The result was that the Accounts Officer concerned was unable to satisfy whether the relevant provisions of the Provident Fund Rules were satisfied in a particular case or not. <sup>11</sup> (1.2) The Government of India have decided that in future, in all cases, where a final withdrawal is sanctioned from the Provident Fund for purposes of building, acquiring, reconstructing or making additions or alterations to a house, the sanctioning authority must indicate in the sanction letter: (i) the pay of the subscriber at the time of sanctioning the final withdrawal : (ii) particulars and amount of advance drawn by him for house-building purposes under the scheme of the Ministry of Works, Housing and Urban Development, and (iii) the amount of any other assistance in this regard received by him from any other Government source.

1. Substituted by G.S.R. 31, dated 22nd February, 1958.
2. Substituted by G.S.R. 1491, dated 16th December, 1978.
3. Substituted by G.S.R. 1209, dated 22nd November, 1980.
4. In Rule 13, sub-rule (1), in clause (b), provisos shall be substituted by All India Services (Provident Fund) Amendment Rules, 2002. Published in the Gazette of India, Part II, Section 3(i), dated 1st June, 2002, p. 984, No. 22
5. Substituted by G.S.R., 2135, dated 28th November, 1969, and G.S.R., 631, dated 8th May, 1976.
6. Inserted by G.S.R. 710, dated 22nd July 1985.
7. Omitted by G.S.R 515, dated 26th April, 1975.
9. [G.I., M.H.A letter No. 5/26/59-AIS (II), dated 4th November, 1959.]
10. [M.H.A letter No. 8/12/58-AIS (II) dated the 18th March, 1969.]
11. [G.I., M.H.A, letter No. 5/1/65-AIS(II), dated 21st March, 1966.]

#### **14. Maximum amount of withdrawal for meeting the cost of higher education :-**

**1**

(1) A subscriber may under <sup>2</sup>[CL (a) of sub-rule (1-A)] of Rule 12, withdraw from the amount standing to his credit in the Fund-

(i) a sum not exceeding one-half of such amount or six months' pay, whichever, is less, when education is imparted outside India; and

(ii) a sum not exceeding one-half of such amount or six months' pay, whichever is less, when education is imparted in India:

<sup>3</sup>[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.]

**4**[(2) A withdrawal sanctioned to a subscriber under Cl. (a) of sub-rule (1-A) of Rule 12, from the amount standing to his credit in the Fund, may be drawn in instalments the number of which shall not exceed four in a period of twelve calendar months counted from the date of sanction.]

(3)

(a) A subscriber who has been permitted to withdraw money under **5**[Cl. (a) of sub-rule (1A) of Rule 12] from the amount standing to his credit in the Fund, shall satisfy the Government within a period of six months from the date of withdrawal that the money has been utilised for the purpose for which it was withdrawn, and if he fails to do so, the whole of the sum so withdrawn or so much thereof as has not been applied for the purpose for which it was withdrawn, shall forthwith be repaid, **6**[\* \* \*] by the subscriber to the Fund **7**[and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments, as may be determined by the Government]: **8**[Provided that, before repayment of withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing, and within fifteen days of the receipt of the communication, as to why the repayment should not be enforced and if the Government is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, it shall be ordered by the Government to enforce the repayment in the manner prescribed in this sub-rule:] Provided **9**[further] that where a portion of the money withdrawn is not likely to be spent within the said period and the subscriber desires to withdraw any further sum of money from the Fund during the period of six months immediately following the said period, he shall so fix the amount proposed to be withdrawn during the period of six months immediately following the said period as to take into account this excess amount and submit an application in writing to the Government in that behalf within one month of the expiry at the said period : Provided **9**[also] that such excess amount shall not exceed ten per cent of the amount utilised.

**11** [(b)x x x]

GOVERNMENT OF INDIA'S DECISIONS : A doubt was raised whether, under sub-rule (2), the withdrawals may be made at any time during the first and second halves of the financial year (April-September and October-March), even though the time lag between the dates of the first withdrawal and the second is less than six months. The intention of the sub-rule is that a withdrawal will not ordinarily be allowed before the expiry of six months from the

1. Substituted by G.S.R. 1268, dated 1st September, 1970
2. Substituted by G.S.R. 1491, dated 16th December, 1978.
3. Inserted by G.S.R. 234, dated 19th February, 1972 and amended by G.S.R. 295, dated 24th December, 1979.
4. Substituted by G.S.R. 890, dated 30th October, 1982.
5. Substituted by G.S.R. 1491, dated 16th December, 1978.
6. Omitted by G.S.R. 515, dated 26th April, 1975.
7. Inserted by O.S.R. 1429, dated 11th May, 1957.
8. Inserted by G.S.R. 710, dated 22nd May, 1987.
9. Inserted by G.S.R. 710, dated 22nd May, 1987.
11. Omitted by G.S.R. 515, dated 26th April, 1975.

**14A. Maximum amount of withdrawal for meeting expenditure on betrothal/marriage of the subscriber on his sons or daughters :-**

**1**

(1) Any sum withdrawn by a subscriber under <sup>2</sup>[Cl. (b) of sub-rule (1A) of Rule 12] from the amount standing to his credit in the Fund shall be normally limited to one-half of such amount or six months' pay whichever is less : <sup>3</sup>[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.]

NOTE 1. - If two or more marriages are to be celebrated simultaneously, the amount admissible in respect of each such marriage will be determined as if the advances are sanctioned separately, one after the other.

**4**[x x x]

(2) In respect of the same marriage, the subscriber may either withdraw the money under clause (b) of sub-rule (1A) of Rule 12 or draw an advance under Rule 10.

**5**[(2A) x x x]

(3) Withdrawal by a subscriber from the amount standing to his credit in the Fund shall be permitted not earlier than three months preceding the months in which the marriage actually takes place.

(4) A subscriber shall satisfy the Government within a period of one month from the date of marriage or if he is on leave, within one month of his return from leave, that the money has actually been utilised for the purpose for which it was withdrawn and if he fails to do so, the whole of the sum so withdrawn or so much thereof as has not been applied for the purpose for which it was withdrawn <sup>6</sup>[x x x] from the month of withdrawal shall be redeposited into the Fund forthwith by the subscriber; and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum of such number of monthly instalments as may be determined by the Government : <sup>7</sup> [Provided that, before repayment of a withdrawal is enforced under this sub- rule, the subscriber shall be given an opportunity to explain in writing, and within

1. Inserted by G.S.R 2543, dated 10th August, 1957, (w.e.f. 3rd January, 1956).

2. Substituted by G.S.R. 1491, dated 16th December, 1978.

3. Added by G.S.R 234, dated 19th February, 1972, and amended by G.S.R 1657, dated 10th December, 1977.

4. Omitted by G.S.R 317, dated 14th December, 1974.

5. Omitted by G.S.R. 1133, dated 1st November, 1980.

6. Certain words omitted by G.S.R. 575, dated 26th April, 1975.

7. Inserted by G.S.R 710, dated 22nd May, 1987.

**14B. Maximum amount of withdrawal for meeting the expenses on illness etc :-**

]. <sup>12</sup>

[(1)]Any sum withdrawn by a subscriber under Cls. (c) of sub-rule (1A) 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.

<sup>3</sup> [(2) A subscriber who has been permitted to withdraw money from the fund under Cl. (c) of sub-rule (1-A) of Rule 12 shall satisfy the Government within a period of six months from the date of

withdrawal that the money has been utilised for the purpose for which it was withdrawn, and if he fails to do so the whole of the sum so withdrawn or so much thereof as has not been applied 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 ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments, as may be determined by the Government : Provided that, before repayment of withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing, and within fifteen days of the receipt of the communication, as to why the payment should not be enforced, and if the Government is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, it shall be ordered by the Government to enforce the repayment in the manner prescribed in this sub-rule.]

1. Inserted by G.S.R 1209, dated 22nd November, 1980.
2. Renumbered by G.S.R 710, dated 22nd May 1987.
3. Inserted by Renumbered by G.S.R 710, dated 22nd May 1987.

**14C. Maximum amount of withdrawal for purchase/extensive repair/overhauling of motor car :-**  
**1**

(1) Any sum withdrawn by a subscriber under sub-rule <sup>2</sup>[(2) of Rule 12] from the amount standing to his credit in the Fund shall be limited to <sup>3</sup>[sixteen thousand rupees or one-third of the amount] standing to his credit in the Fund or the actual price of the car, whichever is the least: Provided that the sanctioning authority may, if considered necessary and as a special case, sanction the withdrawal of an amount in excess of this limit upto one- half of the balance at subscriber's credit in the fund account or the price of the motor car, whichever is less.

<sup>4</sup>[(1A) Any sum withdrawn by a subscriber under sub-rule (2-A) of Rule 12 from the amount standing to his credit in the Fund shall not exceed five thousand rupees or one-third of the amount standing to his credit in the Fund or the actual amount of extensive repairing/overhauling whichever is the least:

(2) Withdrawal by a subscriber under sub-rule <sup>5</sup> [(2) or sub-rule (2-A) of Rule 12] from the amount standing to his credit in the Fund shall be permitted only on one occasion.]

1. Subs by G.S.R 531, dated 23rd July, 1983.
2. Substituted by G.S.R 1491, dated 16th December, 1978.
3. Substituted by G.S.R. 282, dated 23rd March, 1974.
4. Inserted by G.S.R 531, dated 23rd July, 1983.
5. Substituted by G.S.R 1491, dated 6th December, 1978.

**15. Condition for withdrawal 3 [under sub-rules] (1) and (1B) of rule 12 :-**

<sup>1</sup>(1) No withdrawal shall be permitted for any purpose specified in <sup>2</sup>[Cl. (a) to (f) of sub- rule (1) of Rule 12] unless the Government is satisfied-

<sup>3</sup>[(a) that, except in the case of withdrawal for reconstructing, or making additions or alterations to, a house under <sup>4</sup>[Cl (a) to (f) of sub-rule (1) of Rule 12,] the subscriber does not already own a house at the place of his duty <sup>5</sup>[x x x] and that only one house will be built, acquired or redeemed by the subscriber at such place;]

(b) that the sum which it is proposed to withdraw is actually required for that purpose;

(c) that such sum, together with the private savings, if any, of the subscriber would be sufficient for that purpose;

(d) that in the case of withdrawal for the construction of a house-

(i) the subscriber possesses or intends to acquire forthwith the right to build it on the site therefor;

(ii) the subscriber has an approved plan;

(iii) the construction shall commence within six months from the date of withdrawal of money and shall be completed within a period of one year from the date of commencement of construction;

(e) that in the case of withdrawal for the acquisition of a house-

<sup>6</sup>(i) the subscriber has produced an agreement of sale together with the title deeds of the vendor, whether original or certified copies thereof, showing that the vendor has an indefeasible and clear title to the land and house which he agrees to sell to the subscriber: Provided that this condition shall not preclude withdrawal for the purpose of building a house on any plot of land taken on lease from the Government or from any local authority as defined in General Clauses Act, 1897 , including an improvement trust;

(ii) the house shall be purchased or redeemed within three months from the date of withdrawal;]

(f) that in the case of withdrawal for the purpose of repayment of loan, the subscriber .has produced necessary de.eds and papers before the Government proving his undisputed title to the land and the house thereon and the loan shall be repaid within three months from the date of withdrawal;

[x x x]

[(h) that in the case of withdrawal for reconstruction of, or making additions or alterations to, a house under [Cls. (a) to (f) of sub-rule (1) of Rule 12] the work shall commence within six months from the date of such withdrawal and shall be completed within a period of one year from such commencement.

**7** GOVERNMENT OF INDIA'S DECISION: A question arose whether title to a flat in Bombay should be construed as sufficient satisfaction of the conditions laid down in this rule. 2. The intention of the conditions that the officer should have a clear title to the property purchased/ constructed, for which the withdrawal has been asked for, is that the claim of the officer purchasing/constructing the house should not be defeated subsequently on account of any irregularity/defect. The only thing that the State Government have to do is to satisfy themselves that the money has actually been expended for the purpose for which it is withdrawn and that the officer is not likely to be deprived of his ownership to the property subsequently. In the circumstances, title to a flat in Bombay should be construed as satisfying the conditions laid down in this rule. The Government of India is however, not in favour of granting final withdrawals from the Provident Fund for this purpose, where there is a considerable time-lag between the date of withdrawal of money and the date on which the officer is in a position to produce documents indicating that he has obtained undisputed title to his flat.

1. Substituted by G.S.R 2405, dated 27th July, 1957.
2. Substituted by G.S.R 1491, dated 6th December, 1978.
3. Substituted by G.S.R 2405, dated 27th July, 1957.
4. Substituted by G.S.R 1491, dated 6th December, 1978.
5. Certain words omitted by G.S.R 1081, dated 25th August, 1979.
6. Substituted by G.S.R 855, dated 23rd March, 1957.
7. [G.I., M.H.A letter no. 8/25/58-AIS (II),dated 15th October, 1958.]

**15A. Conversion of an advance into a withdrawal :-**

A subscriber who has already drawn or may draw in future an advance under Rule 10 for any of the purposes specified in sub-rules (1) and (1A) of Rule 12 may convert at his discretion by a written request addressed to the Accounts Officer through the Government the balance outstanding against it into a final withdrawal on his satisfying the conditions laid down in Rule 12, Rule 13, Rule 14, Rule 14A and Rule 15.]

**16. Annual declaration and production of documents :-**

(1) A subscriber who has been permitted under <sup>1</sup>[Cl. (a) to (f) of sub-rule (1) of Rule 12] to withdraw money from the amount standing to his credit in the Fund shall submit an annual declaration

(2) If at any time before retirement a subscriber parts with the possession of the house contrary to the provision of sub-rule (1), the sum withdrawn by him shall forthwith be repayable <sup>2</sup>[x x x] by the subscriber to the Fund in one instalment <sup>3</sup>[and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments, -as may be determined by the Government:]

<sup>4</sup> [x x x]

1. Substituted by G.S.R 1491, dated 16th December, 1978.

2. Certain words omitted by G.S.R. 515, dated 26th April, 1975.

3. Inserted by G.S.R. 1429, dated 11th May 1957.

4. Omitted by G.S.R 575, dated 26th April, 1975.

**17. Payment towards Insurance policies :-**

(1) Subject to the conditions hereinafter contained in this rule and in Rule 18 to Rule 26 :-

(a) payments towards a policy of life insurance may, at the option of a subscriber, be substituted in whole or in part for subscription due to the Fund: <sup>1</sup>[Provided that no insurance policies shall be allowed to be financed from the Fund after the normal date of retirement; and any policies which before retirement were being financed from the Fund shall be re-assigned or handed over to the subscriber in accordance with the provisions contained in these Rules;]

(b) the amount of subscription with interest thereon standing to the credit of a subscriber in the Fund may be withdrawn to meet-

(i) a payment toward a policy of life insurance; and

(ii) the purchase of a single payment insurance policy: Provided that no amount shall be withdrawn-

(i) before the details of the proposed policy have been submitted to the Accounts Officer and accepted by him as suitable, or

(ii) to meet any payment or purchase made or effected more than six months before the withdrawal, or

(iii) in excess of the amount required to meet a premium actually due for payment within six months of the date of withdrawal :

Rule 9.

(2) The number of policies in respect of which substitution for subscriptions due to the Fund or withdrawal of subscriptions from the Fund may be permitted under this rule shall not exceed four : Provided that where immediately before joining the Fund a member of the Service was a subscriber to any other non-contributory provident fund maintained by the Government, and substitution for subscription due to or withdrawal of subscriptions from that fund was permitted in respect of more than four policies, such substitution or withdrawal shall continue to be permitted in respect of these policies under this rule.

(3) The premium for a policy in respect of which withdrawal of subscriptions may be permitted under this rule shall be payable annually and not otherwise.

Explanation.-In computing the maximum number of policies specified in sub- rule (2), policies which have matured shall be excluded.

**2** GOVERNMENT OF INDIA'S DECISION : The term "matured" occurring in the Explanation under sub-rule (3) should be deemed to include "paid up" policies also.

1. Inserted by G.S.R. 652, dated 6th June, 1959.

2. [G.I., M.H.A letter No. 8/45/57-AIS (II),dated 23rd April, 1958.]

**18. Payment of difference between substituted payments and minimum subscription :-**

(1) If the total amount of any payments substituted under Cl. (a) of sub-rule (1) of Rule 17 is less than the amount of the minimum subscription payable to the Fund under sub-rule (3) of Rule 6, the difference shall be rounded to the nearest rupee in the manner provided in Cl. (iv) of sub-rule (2) of Rule 9 and paid by the subscriber as a subscription to the Fund.

(2) If the subscriber withdraws any amount standing to his credit in the Fund for any of the purposes specified in clause (b) of sub-rule (1) of Rule 17, he shall subject to his option under Cl. (a) of sub-rule (1) of the said rule continue to pay to the Fund the subscription payable under Rule 6.

**19. Reduction of subscription in certain cases :-**

(1) A subscriber who desires to substitute a payment under Cl. (a) of sub-rule (1) of Rule 17, may reduce his subscription to the Fund accordingly : Provided that the subscriber shall-

(a) intimate to the Accounts Officer on his pay bill or in writing the fact of, and reason for, the reduction;

(b) send to the Accounts Officer, within such period as the Accounts Officer may require receipts or certified copies of receipts in order to satisfy the Accounts Officer that the amount by which the subscription has been reduced was duly applied for the purpose specified in Cl. (a) of sub-rule (1) of Rule 17.

(2) A subscriber who desires to withdraw any amount under clause (b) of sub- rule (1) of Rule 17 shall-

(a) intimate in writing the reason for the withdrawal to the Accounts Officer;

(b) make arrangements with the Accounts Officer for the withdrawal; and

(c) send to the Accounts Officer within such period as the Accounts Officer may require, receipts or certified copies of receipts in order to satisfy, the Accounts Officer that the amount withdrawn was duly applied for the purposes specified in Cl. (b) of sub-rule (1) of Rule 17.

(3) The Accounts Officer shall cause the recovery of any amount by which subscriptions have been reduced, or of any amount withdrawn, in respect of which he has not been satisfied in the

manner required by Cl. (b) of sub-rule (1) and Cl. (c) of sub-rule (2), <sup>1</sup>[x x x] from the emoluments of the subscriber and place it to the credit of the subscriber in the Fund :

**2** [x x x]

1. Omitted by G.S.R 515, dated 26th April, 1975.
2. Omitted by G.S.R 515, dated 26th April, 1975.

**20. Government not to make payments to insurer on behalf of subscribers :-**

(1) The Government shall not, make any payments on behalf of subscribers to the insurer nor take steps to keep policy alive.

(2) A policy to be acceptable under these rules shall- be one effected by the subscriber himself on his own life, and shall (unless it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of his wife and children or any of them) be such as may be legally assigned by the subscriber to the Government.

Explanation 1.-A policy on the joint lives of the subscriber and the subscriber's wife or husband shall be deemed to be a policy on the life of the subscriber for the purpose of this sub-rule.

Explanation 2.-A policy which has been assigned to the subscriber's wife shall not be accepted unless either the policy is first reassigned to the subscriber or the subscriber and his wife both join in an appropriate assignment.

Explanation 3.-The policy may not be effected for the benefit of any beneficiary other than the wife or husband of the subscriber or the wife or husband and children of the subscriber or any of them.

**21. Assignment of policies :-**

(1) The policy within six months after the first withholding of a subscription or withdrawal from the Fund in respect of the policy, <sup>1</sup>[or within six months of joining the Fund in the case of a member of the Service , who was previously subscribing to some other Provident Fund] or in the case of an insurer whose headquarter are outside India, within such further period as the Accounts Officer, if he is satisfied by the production of the completion certificate (interim receipt) may fix, shall-

(a) unless it is a policy effected by a male subscriber which is

expressed on the face of it to be for the benefit of the wife of the subscriber, and children, or any of them, be assigned <sup>2</sup>[further assigned] to the Government as security for the payment of any sum which may become payable to the Fund under Rule 25, and delivered to the Account Officer, the assignment <sup>3</sup>[further assignment] being made endorsement on the policy in Form VI or Form VII or Form VIII or Form IX or Form X according as the policy is on the life of the subscriber or on the joint lives of the subscriber and the subscriber's wife or husband or the policy has previously been assigned [further assigned] to the subscriber's wife; <sup>4</sup>[or the policy is on the life of

(b) if it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife of the subscriber or of his wife and children or any of them, be delivered to the Account Officer.

(2) The Account Officer shall satisfy himself by reference to the insurer when possible, that no prior assignment of the policy exists [except in the case of a subscriber who prior to joining the Fund was subscribing to some other Provident Fund.]

(3) Once a policy has been accepted by an Account Officer for the purpose of being financed from the Fund, the terms of the policy shall not be altered nor shall the policy be exchanged for another policy without the prior consent of the Account Officer to whom details of the alteration or of the new policy shall be furnished.

(4) If the policy is not assigned and delivered, or delivered, within the said period of six months or such further period as the Account Officer may under sub- rule (1), have fixed, any amount withheld or withdrawn from the Fund in respect of the policy shall [x x x] forthwith be paid or repaid, as the case may be, by the subscriber to the Fund, or, in default, be ordered by the Account Officer to be recovered by deduction from the emoluments of the subscriber, by instalments or otherwise, as may be directed by the Government

[x x x]

(5) Notice of assignment [further assignment] of the policy shall be given by the subscriber to the insurer and the acknowledgement of the notice by the insurer shall be sent to the Account Officer within six months of the date of assignment [further assignment].

GOVERNMENT OF INDIA'S DECISION<sup>5</sup>(1) A question was raised

whether recoveries ordered under sub-rule (4) and Rule 25 should be stopped and the amount already recovered be refunded, as soon as the policy was assigned, delivered, converted into paid up one or revived as the case might be. It has been decided that further recoveries should be stopped in such cases but no refund of the amount already recovered should be allowed. <sup>6</sup>(2) The policies once assigned to the President or the Governor, under whom a member of the Service is serving for the time being, will hold good throughout the service. The same are not to be reassigned every time the member is transferred from his parent State to the Central or from the Centre to the parent State. <sup>7</sup> (3) Insurance policies already assigned under the Central or other General Provident Fund Rules need not be reassigned in favour of the subscribers, before they are further assigned to the President or Governor, as the case may be, under the All India Services (Provident Fund) Rules, 1955.

1. Subs by G.S.R. 549, dated 5th July, 1958.
2. Omitted by G.S.R 515, dated 26th April, 1975.
3. Subs by G.S.R. 549, dated 5th July, 1958.
4. Subs by G.S.R. 549, dated 5th July, 1958.
5. [G.I. M.H.A. letter No. 13/36/56-AIS (II),dated 26th September, 1956.]
6. [G.I., M.H.A. letter No. 13/42/56-AIS (II),dated 2nd November, 1957.]
7. [G.I., M.H.A. letter No. 8/46/58-AIS(II),dated 17th December, 1958.]

## **22. Bonus on policies :-**

'- The subscriber shall not during the currency of the policy draw any bonus, the drawal of which during such currency is optional under the terms of the policy, and the amount of any bonus which under the terms of the policy the subscriber has no option to refrain from drawing during its currency shall be paid forthwith into the Fund by the subscriber or in default recovered by deduction from his emoluments, by instalments or otherwise, as may be directed by the Government.

## **23. Reassignment of policies :-**

(1) Save as provided by Rule 26 when the subscriber-

(a) quits the Service; or

(b) has proceeded on leave preparatory to retirement and applies to the Account Officer for reassignment or return of the policy, or

(c) while on leave has been permitted to retire or is required to retire on grounds of ill-health and applies to the Account Officer for reassignment or return of the policy; or

(d) pays or repays to the Fund the whole of any amount withheld or withdrawn from the Fund for any of the purposes mentioned in Cls. (a) and (b) of sub-rule (1) of Rule 17<sup>1</sup>[x x x]; or

<sup>2</sup>[(e) has completed twenty years of service (including broken periods of service, if any), the Account Officer shall-

(i) if the policy has been assigned <sup>3</sup>[further assigned] to the Government reassign the policy in Form <sup>3</sup>[XI] to the subscriber, or to the subscriber and the joint assured, as the case may be, and make it over to the subscriber together with a signed notice of the reassignment addressed to the insurer;

(ii) if the policy has been delivered to him, make over the policy to the subscriber;

Rule 21, and thereupon the provisions of these rules shall, so far as may be again apply in respect of the policy, Rule 21 applicable to a failure to assign and deliver a policy shall apply:

<sup>5</sup>[x x x]

(2) Save as provided by Rule 26, when the subscriber dies before quitting the Service, the Account Officer shall-

(i) if the policy has been assigned [further assigned] to the Government reassign it in Form XII to such person as may be legally entitled to receive it, and make it over to him together with a signed notice of the reassignment addressed to the insurer;

(ii) if the policy has been delivered to him make it over to the beneficiary, if any, or if there is no beneficiary, to such person as may be legally entitled to receive it.

GOVERNMENT OF INDIA'S DECISION<sup>6</sup>: (1) It has been decided that the amount may be repaid in convenient instalments the number of which should be settled between the subscriber and the Accounts Officer, the policy will, however, be assigned by the Accounts Officer only after repayment of the amount with interest is completed. <sup>7</sup> (2) The Life Insurance Corporation shall register the second assignment in their books on receipt of such assignment along with a notice thereof. When the dues of the Central

Government have been settled the office of the Accountant General, Central Revenue, will nullify the first assignment either by a reassignment in favour of the policy-holder or by cancelling or striking out the original assignment on the policy and will give due notice to the corporation of such reassignment and, it is only after the original assignment is so nullified and notice thereof served on the Corporation that they shall be able to recognise the second assignment under the policy.

1. Omitted by G.S.R. 515, dated 26th April, 1975.
2. Inserted by G.S.R. 733, dated 8th October, 1983.
3. Substituted by G.S.R. 549, dated 5th July, 1958.
5. Omitted by G.S.R. 515 dated 26th April, 1975
6. [G.I., M.H.A. letter No. 5/23/59-AIS (II),dated 3rd October, 1959.]
7. [G.I., M.H.A. letter No. 6/26-62-AIS (II),dated 1st January, 1963.]

#### **24. Procedure on maturity of policies :-**

<sup>1</sup>[(1) If a policy assigned (further assigned) to the Government under Rule 21 or under the corresponding rule heretofore in force, matures before the subscriber quits service, or if a policy on the joint lives of a subscriber and the subscriber's wife or husband assigned under the said rule, or under the corresponding rule heretofore in force, falls due for payment by reasons of the death of the subscriber's wife or husband, the Accounts Officer shall, save as provided by Rule 26, realise the amount assured together with any accrued bonuses and shall place the amount so realised to the credit of the subscriber in the Fund:] <sup>2</sup>[Provided that if the amount assured together with the amount of any accrued bonus is more than the whole of the amount withheld or withdrawn, it shall be the duty of the subscriber to inform the Accounts Officer in writing, within a month from the date of maturity of the policy, whether the difference or a part of the difference as specified by the subscriber be paid to him; and it shall be the duty of the Accounts Officer to act in accordance with the option of the subscriber.]

Note- If no option is exercised by the subscriber in writing to the Accounts Officer within the period prescribed, he shall be deemed to have opted to deposit the differences in his account in the Fund. Such deposit will be merged in the amount standing to the subscriber's credit in the Fund."

(2) Save as provided by Rule 26, if a policy delivered to the

Accounts Officer under Rule 21 matures before the subscriber quits the Service, the Accounts Officer shall make over the policy to the subscriber : Provided that if the interest in the policy of the wife of the subscriber, or of his wife and children, or any of them as expressed on the face of the policy, expires when the policy matures, the subscriber, if the policy moneys are paid to him by the insurer, shall immediately on receipt thereof, pay or repay to the Fund either-

(i) the whole of any amount withheld or withdrawn from the Fund in respect of the policy <sup>3</sup>[x x x], or

(ii) an amount equal to the amount assured together with any accrued bonuses thereon whichever is less, and in default, the provisions of sub-rule (4) of Rule 21 applicable to a failure to assign and deliver a policy shall apply. <sup>3</sup> [x x x]

1. Substituted by G.S.R. 1491, dated 16th December, 1978.
2. Substituted by G.S.R. 1235, dated 6th December, 1980.
3. Omitted by G.S.R. 515, dated 26th April, 1975.

**25. Lapse or wrongful assignment of policies :-**

If the policy lapses, or is assigned otherwise than to the Government under Rule 21, charged or encumbered, the provisions of sub-rule (4) of Rule 21 applicable to a failure to assign and deliver a policy shall apply.

**26. Duty of Accounts Officer when he receives notice of assignment, charge or encumbrance of policies :-**

If the Accounts Officer receives notice of-

(a) an assignment (otherwise than an assignment to the Government under Rule 21), or

(b) a charge or encumbrance on, or

(c) an order of a court restraining dealings with the policy or any amounts realised thereon, the Account Officer shall not-

(i) reassign or make over the policy as provided in Rule 23; or

(ii) realise the amount assured by the policy or reassign, or make over the policy, as provided in Rule 24;

**26A. Restriction of the provisions relating to financing policies to existing subscriber in respect of existing policies :-**

:-

<sup>1</sup> The provisions of Rule 17 to 26 shall apply only to the subscribers who, before 1st October, 1967 have been substituting in whole or in part payment towards policies of life insurance for subscription to the Fund or making withdrawals from the Fund for such payment : Provided that the subscribers aforesaid shall not be permitted to substitute such payments for subscriptions due to the Fund or to withdraw from the Fund for making payments in respect of any new policy.]

1. Added by G.S.R. 1549, dated 21st October, 1967.

**27. Wrongful use of advance :-**

Notwithstanding anything contained in these rules, if the Government is satisfied that the money drawn as an advance from the Fund under Rule 10 or withheld or withdrawn from the Fund under Rule 17 or any portion thereof has been utilised for a purpose other than that for which sanction was given to the drawal, withholding, or withdrawal of the money, the amount in question or any portion thereof shall <sup>1</sup>[x x x] forthwith be repaid or paid as the case may be, by the subscriber to the Fund or in default be caused by the Government to be recovered from the subscriber's emoluments even if he be on leave in one or more instalments as it thinks fit: Provided that the subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

Explanation.- The expression "emoluments" in this rule does not include a subsistence allowance: <sup>2</sup> [Provided further that if the sanctioning authority has reason to doubt that money drawn as an advance from the Fund under Rule 10 has been utilised for a purpose other than that for which sanction was given to the drawal of the money, the said authority shall communicate to the subscriber the reasons for his doubt and require him to explain in writing, and within fifteen days of the receipt of such communication, whether the advance has been utilised for the purpose for which sanction was given to the drawal of the money. If the sanctioning authority is not satisfied with the explanation or no explanation is furnished by the subscriber within the said period of fifteen days, the sanctioning authority shall enforce the repayment in the manner prescribed in this rule.]

1. Omitted by G.S.R. 515, dated 26th April, 1975.

2. Ins.by G.S.R. 710, dated 22nd May, 1987.

**28. Final Withdrawal of accumulations in the Fund :-**

When a subscriber quits the service, the amount standing to his credit in the Fund shall become payable to him: <sup>1</sup>[Provided as follows:- a subscriber <sup>2</sup> [x x x] who has been dismissed or removed or compulsorily retired from the service and is subsequently reinstated in the service under the relevant provisions of the All India Services (Discipline and Appeal) Rules 4[1969] shall if required to do so by the Government, repay any amount paid to him from the Fund in pursuance of this rule, interest thereon at the rate provided in Rule 9, and in the manner provided in the proviso to Rule 29. The amount so repaid shall be credited to his account in the Fund]: Provided further that the subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

1. Substituted by G.S.R. 652, dated 6th June, 1959.

2. Omitted by G.S.R. 1598, dated 28th October, 1967, (w.e.f. 1st January, 1968).

**28A. 28A :-**

<sup>1</sup> [ x x x ]

1. Omitted by G.S.R. 1598, dated 28th October, 1967.

**29. Retirement of subscriber :-**

<sup>1</sup>[(1)] When a subscriber-

(a) has proceeded on leave preparatory to retirement, or

(b) while on leave has been permitted to retire or is required to retire on grounds of ill-health,

Rule 9, in cash or securities or partly in cash and partly in securities, by instalments or otherwise, by recovery from his emoluments or otherwise, as may be directed by the Government.

[(2) The account of each Indian Civil Service member of the Indian Administrative Service shall be credited on his retirement or previous death, with a sum of Rs. 6,000.]

<sup>2</sup> GOVERNMENT OF INDIA'S DECISION: On a reference from the State of Punjab, it was decided that in accordance with the provisions contained in Rg.9 of the Punjab State Public Service Commission (Conditions of Service) Regulations, a Member of the Commission can, if he so elects, subscribe to the General Provident Fund in accordance with the General Provident Fund Rules in force from time to time in the Punjab, whereas in Union Public Service Commission (Conditions of Service) Regulations, there is a specific

provision that the provident fund accumulations of an officer who is appointed to the Commission as a Member While in service under any Government in India, shall become payable to him on the date on which he would have superannuated from service had he not been appointed to the Commission. Unless the Regulation in force governing the conditions of service of Members and Chairman of the Public Service Commission of Punjab specifically provide to the contrary, and unless the officer chooses to retain his accumulations in the fund for a further period under proviso (i) to Rule 28, the accumulations in the AIS Provident Fund of the member of the State Public Service Commission, who was formerly a member of IAS shall become payable to him on the date of his normal superannuation from IAS in accordance with the AIS(Provident Fund) Rules.

1. Renumbered by Department of Personnel Notification No. 31/7/72-AIS (II), dated 1st October, 1972.
2. [G.I., M.H.A. letter No. 6/16/62-AIS (II), dated 10th September, 1962.]

### **30. Procedure on death of subscriber :-**

On the death of a subscriber before the amount standing to his credit has become payable, or where the amount has become payable, before payment has been made-

(i) when the subscriber leaves a family-

(a) if a nomination made by the subscriber in accordance with the provisions of Rule 4 in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination;

(b) if no such nomination in favour of a member or members of the family of the subscriber subsists, or if such nomination relates only to a part of the amount standing to his credit in the Fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family, become payable to the membership of his family in equal shares: Provided that no share shall be payable to-

(i) sons who have attained legal majority,

(ii) sons of a deceased son who have attained legal majority,

(iii) married daughters whose husbands are alive;

(iv) married daughters of a deceased son where husbands are alive;

(ii) when the subscriber leaves no family, if a nomination made by him in accordance with the provisions, of Rule 4 in favour of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.

(iii) nominee(s) or any other claimant(s) may claim final payment of balances in the Provident Fund Account in the prescribed Form XIV.

**31. Manner of payment of amount to credit in the Fund :-**

(1) When the amount standing to the credit of a subscriber in the Fund becomes payable, it shall be the duty of the Accounts Officer to make payment as provided in S.4 of the Provident Fund Act, 1925<sup>1</sup>[on receipt of an application from the subscriber in the prescribed Form XV.]

(2) If the person to whom, under these rules, any amount of policy is to be paid, assigned, reassigned or delivered, is a lunatic for whose estate a manager has been appointed in this behalf under Lunacy Act, 1912 , the payment, or reassignment or delivery shall be made to such manager and not the lunatic: <sup>2</sup>[Provided that where no manager has been appointed and the person to whom the sum is payable is certified by a Magistrate to be a lunatic, the payment shall, under the orders of the Collector be made in terms of sub-section (1) of S.95 of the Indian Lunacy Act, 1912, to the person having charge of such lunatic and the Accounts Officer shall pay only the amount which he thinks fit to the person having charge of the lunatic and the surplus if any shall be paid for the maintenance of such members of the lunatic's family as are dependent on him for maintenance.]

<sup>3</sup>[(3) Payments of the amount withdrawn shall be made in India only. The persons to whom the amounts are payable shall make their own arrangements to receive payment in India. The following procedure shall be adopted for claiming payments by a subscriber

namely:-

(i) To enable a subscriber to submit an application for withdrawal of the amount in the Fund, the Head of Office shall send to every subscriber necessary forms either one year in advance of the date on which the subscriber attains the age of superannuation, or before the date of his anticipated retirement, if earlier, with instructions that they should be returned to him duly completed within a period of one month from the date of receipt of the forms by the subscriber. The subscriber shall submit the application to the Accounts Officer through the Head of Office or Department for payment of the amount in the Fund. The application shall be made:-

(a) for the amount standing to his credit in the Fund as indicated in the Accounts Statement for the year ending one year prior to the date of his superannuation, or his anticipated date of retirement, or

(b) for the amount indicated in his ledger account in case the Accounts Statements has not been received by the subscriber.

<sup>4</sup>[(ii) The subscriber shall make another application immediately after the last fund deduction has been made and the exemption from subscription to the fund has begun to operate, for the payment of subscriptions made by him and the recoveries effected against advances, if any, during the periods not covered by the first application referred to at (i) above.]

<sup>5</sup>[(iii) The Head of Office/Department shall forward the <sup>6</sup>[application] to the Accounts Officer indicating the advances taken and the recoveries effected against the advance which are still current and the number of instalments yet to be recovered in respect of each advance and also indicate the withdrawals, if any, taken by the subscriber;

<sup>6</sup>[(iv) The Accounts Officer shall after verification with the ledger account issue an authority for the <sup>8</sup>[Consolidated amount indicated in the two applications referred at (i) and (ii) above] at least a month before the date of superannuation but payable on the date of superannuation;

<sup>7</sup>[(v) The authority mentioned in Cl. (iii) will constitute the first instalment of payment. A second authority for payment will be issued as soon as possible after superannuation. This will be related

to the contribution made by the subscriber subsequent to the amount mentioned in the application submitted under Cl. (i) plus the refund of instalments against advances which were current at the time of the first application.

**5** [(vi) After forwarding the application for final payment to the Accounts Officer, advance/withdrawal may be sanctioned but the amount of advance/withdrawal shall be drawn on an authorisation from the Accounts Officer concerned who shall arrange this as soon as the formal sanction of sanctioning authority is received by him.]

(4) When the amount standing to the credit of a subscriber has become payable under Rule 28, Rule 29 or Rule 30 the Accounts Officer shall authorise prompt payment of the amount in the manner indicated in sub-rule (3).

1. Inserted by G.S.R. 55, dated 10th January, 1970.
2. Inserted by G.S.R. 536, dated 17th April, 1971.
3. Substituted by G.S.R. 1657, dated 10th December, 1977.
4. Inserted by G.S.R. 932, dated 22nd October, 1986.
5. Renumbered by Inserted by G.S.R. 932, dated 22nd October, 1986.
6. Substituted by Renumbered by Inserted by G.S.R. 932, dated 22nd October, 1986.
8. Substituted by Renumbered by Inserted by G.S.R. 932, dated 22nd October, 1986.

**32. Method of maintaining accounts :-**

All sums paid into the Fund under these rules shall be credited in the books of the Government to an account named "The all India Services Provident Fund". Sums of which payment has not been taken within six months after they become payable under these rules shall be transferred to "Deposits" at the end of the year and treated under the ordinary rules relating to deposits.

**33. Number of account to be quoted at the time of payment of subscription :-**

When paying a subscription, either by deduction from emoluments or in cash, a subscriber shall quote the number of his account in the Fund, which shall be communicated to him by the Accounts Officer. Any change in the number shall similarly be communicated to the subscriber by the Accounts Officer.

**34. Annual statement of account to be supplied to subscriber :-**

(1) As soon as possible after the close -of each year, the Accounts Officer shall send to each subscriber a statement of his account in the Fund showing the opening balance as on the 1st April of the year, the total amount credited or debited during the year, the total amount of interest credited as on the 31st March of the year and the closing balance on that date. The Accounts Officer shall attach to the statement of account an enquiry whether the subscriber-

(a) desires to make any alteration in any nomination made;

(b) has acquired a family in a case where the subscriber has made no nomination in favour of a member of his family.

(2) Subscribers should satisfy themselves as to the correctness of the annual statement, and errors should be brought to the notice of the Accounts Officer within three months from the date of receipt of the statement.

(3) The Accounts Officer shall, if required by a subscriber, once, but not more than once, in a year inform the subscriber of the total amount standing to his credit in the Fund at the end of the last month for which his account has been written up.

### **35. Relaxation of the provisions of the rules in individual cases :-**

When the Government is satisfied that the operation of any of these rules causes or is likely to cause undue hardship to a member of the Service, it may, after recording the reasons for so doing and notwithstanding anything contained in these rules, deal with the case of such member in such manner as may appear to it to be just and equitable : Provided that the case shall not be dealt with in any manner less favourable to such member than that prescribed in these rules.

[Explanation.- For the purpose of this rule Government, in relation to a member of the Service borne on a Joint Cadre serving in connection with the affairs of a Constituent State, means the Joint Cadre Authority.]

**1** GOVERNMENT OF INDIA'S DECISIONS : A question was raised whether under, Rule 35, the State Government were .competent to relax the provisions contained in Rule 12 thereof, and order conversion of a Temporary Advance to a non-refundable one for a purpose which was not provided for under the rules. The

Government of India have held that Rule 35 empowers the Government to decide the case of a subscriber, in a manner otherwise than that provided for in the rules, provided that it is convinced that the operation of the rules is likely to cause undue hardship to a subscriber. Rule 35 has a wider scope than merely to provide for relaxation of the existing rules. Accordingly the State Governments were competent to order conversion of the Temporary Advance to a non-refundable one, in relaxation of the provisions of Rule 12, under the powers vested in them under Rule 35.

**2** [EXECUTIVE INSTRUCTIONS : All India Services (Provident Fund) Rules, 1955, provided for the grant of refundable advances and part-final withdrawal from the Fund for the purpose specified in the Rules, to subscribers who have completed the prescribed period of service. Rule 35 of the Rules *ibid* vests power in the State Rule 35. 2. Although it is not intended to restrict the powers of the State Governments available to them under the above rule, it is considered necessary to draw their attention to the fact that the special powers under this rule are to be invoked only in cases where the operation of any of these rules is likely to cause undue hardship to a member of the Service. Thus, it may not be appropriate to invoke the powers conferred by Rule 35 with a view to- (a) allowing part-final withdrawal to a subscriber who has not completed the prescribed period of service after the expiry of which one becomes eligible for part-final withdrawal; (b) postponing the recovery of an advance for a period after the expiry of which the subscriber became entitled to convert that advance into a part-final withdrawal; and (c) allowing part-final withdrawal for purposes entirely unrelated to those prescribed in the rules (e.g. construction of brother's or son's house, niece's marriage, meeting a bank overdraft etc.) 3. For the information of the State Governments, it may be mentioned here that on its part, the Central Government has not invoked its powers under Rule 35 in cases such as those mentioned at (a) and (b) in para 2 above. As for permission for part-final withdrawals, for purposes not prescribed in the rules, it is being granted only for purposes directly concerned with a prescribed purpose (i.e. part-final) withdrawal for payment of fees for registration of name for allotment of a DDA Flat is directly connected with payment of the price of the flat). The Central Government has also been agreeing, on merits, to relax the monetary limit upto which a part-final withdrawal is permitted under the rules, and also the maximum number of instalments in

which an advance is recoverable under the rules. The maximum period upto which interest on P.F. balance can be allowed after the subscriber quits service is also relaxed by the Central Government in cases where the subscriber is not responsible for the delay in final payment. In such cases the Central Government allow interest upto the end of the month preceding the month of the final payment. 4, The above enumeration, which is illustrative and not exhaustive, is not intended to impose any fetters on the exercise of the independent powers of the State Governments under Rule 35 but to impress upon them the desirability of invoking the special powers referred to above only in hard cases.]

1. [G.I., M.H.A. letter No. 5/22/64-AIS (II), dated the 22nd October, 1964.]
2. Vide DP and AR letter No 11026/8/77-AIS(III), dated 8th June, 1978.

**36. Interpretation :-**

**1** If any question arises as to the interpretation of these rules, the Central Government shall decide the same.

1. Substituted by G.S.R. 41, dated 18th January, 1975.

**37. 37 :-**

**1** [ x x x ]

1. Omitted by Deptt. of Personnel Notification No. 31/7/72-AIS (III), dated 22nd May, 1973.