

RBI/2004/250

CO.DT.No.15.02.001/H.7376 /2003-04

June 16, 2004
Jyestha 26, 1926 (S)

The General Manager
Government Accounts Department
(14 Nationalised Banks, State Bank of India & its 7 Associate Banks)

Dear Sir,

Public Provident Fund 1968 - Payment of Turnover Commission on interest liability as on 31st March each year

Please refer to our circular letter No.GA.31.12.002/1710/1992-93 dated 2nd April 1993 (copy enclosed) in terms of which agency banks were advised to desist from the practice of claiming Turnover Commission on the amounts included in interest credit and interest debit scrolls dated 31st March each year.

2. During the course of inspection by the officials of the Chief Controller of Accounts, Ministry of Finance, Government of India, New Delhi, it was observed that some agency banks had claimed turnover commission on interest amounts on the **receipt side** as well as on **payment side** i.e. while crediting the interest to the individual account on the one hand and claiming its reimbursement from Reserve Bank of India, CAS, Nagpur on the other hand. We reiterate that no turnover commission is payable to the agency banks on the above transactions, as these are only the **notional entries**.

3. You are, therefore, requested to issue necessary instructions to the branches concerned to ensure that **claims** for turnover commission under **PPF 1968** on the amounts of the interest credit and interest debit scrolls dated 31st March each year are not submitted to Reserve Bank of India offices / CAS, Nagpur in future.

4. Please acknowledge receipt.

Yours faithfully,

(B.B. Sangma)
General Manager