

Circular No RBI /2004/ 224

DGBA. GAD. No. 867-899 /45.02.001/2004-05

October 18, 2004

The Chief Executive Officer
All Agency Banks
(As per list attached)

Dear Sir,

Scheme for Payment of Pension to Defence Pensioners by Public Sector Banks- Delay in Submission of Pension Payment Scrolls and Steps to avoid Fake & Fraudulent Payments

It has been reported by the Office of the Principal Controller of Defence Accounts (Pension), Allahabad that there is a lag of two to three months in submitting the pension payment scrolls to them by the Pension Paying Banks. Often these scrolls are bunched. In this connection, a reference is invited to paragraphs 9(6), 10 and 11 of the booklet "Scheme for Payment of Pension to Defence Pensioners" wherein the procedure for transmission of pension payment scrolls by Paying branches, Link branches and Reimbursing branches is clearly stipulated. The entire procedure needs to be completed as per the timeframe fixed so that the the payment scrolls are finally received at the Office of the PCDA (Pension), Allahabad latest by 15th of the following month (except for the month of March scrolls, which should invariably reach latest by 3rd week of April every year).

2. It has been observed that despite the clear instructions, the stipulated time schedule is not adhered to by the banks. Office of the PCDA (Pension) has also noticed that in some cases of payment of gratuity and commutation amount were made to imposters on fake and fraudulent PPOs by the Pension Paying branches without observing prescribed checks. It has also been observed that in the cases of First Payment of Pension, either PPO numbers were not mentioned on the scrolls or incorrect PPO numbers were mentioned making it difficult to verify the correctness of the payment. Further, these payments were being shown in the main pension payment scrolls along with the regular monthly payments of Defence Pensioners.

3. Ministry of Defence (Finance) has stipulated certain budgetary commitments regarding booking of budgetary allocation from the Finance Year 2004-2005. With a view to meeting such budgetary commitments by PCDA (Pension), the Pension Paying Branches/ Link Branches / Reimbursing branches are advised to put in place a more efficient system to ensure the following :

(i) Pension Paying branches to submit pension payment scrolls to Link Branches within the stipulated time (by 10th of the following month). No bunching of scrolls be done.

(ii) Link branches to forward the original copy of the scroll along with summary sheet and summary documents to Disbursing Banks (RBI / SBI etc. as the case may be) by 11th of each month.

(iii) Reimbursing banks should forward the original copy of the scrolls directly to CDA (Pension), Allahabad after reimbursing Pension Paying Bank, by debit to Government Account so as to reach PCDA (Pension) by 15th of the following month except for the March scrolls.

(iv) In the cases of First Payments of Pension, pension paying branches should prepare scrolls carefully indicating correct PPO number, amount of gratuity and commutation against the name of each pensioner and submit the same **separately** on a monthly basis in addition to the regular monthly payment cases which will continue to be prepared **separately** along with **separate** summary sheet.

(iv) Pension paying branches should prepare separate summary sheets for regular monthly pension payment cases as well as first pension payment case.

4. Please advise your Defence pension paying branches suitably in the matter.

Yours faithfully,

Sd/-
(M. T. Varghese)
General Manager