

June 28, 2005
Aashadha 07 , 1927 (Saka)

The Chairman & Managing Director
Government Accounts Department
Head Office
(23 Agency Banks)

Dear Sir,

Introduction of System of 'At Source' commission payments to PPF Agents with effect from June 1, 2004

A reference is invited to our circular dated June 22, 2004 forwarding therewith a copy of office Memorandum No.18-5/99-NS-II dated May 20, 2004 on the above subject.

2. We have been continuously receiving complaints from the PPF Agents about **non-payment of commission by designated Agency bank branches as stipulated in GOI Office Memorandum dated 10.2.2004**. It is reported that the Agents are made to wait for more than 6 months to receive PPF commission. Further Ministry of Finance (Budget Division) in para No. (v) in Office Memorandum dated 20.5.2004 have, inter-alia reiterated that the commission is payable to the agents at the time of deposit itself, under clear receipt, without submission of any claim and/ or undertaking by the agent. As the commission paid to the Agents are immediately reimbursed by Reserve Bank of India/State Bank of India on reporting of the transaction, we advise that the payment of commission to the Agents should not be delayed by the designated branches.

3. We ,therefore, advise you to review the implementation of the system by the designated branches and put in place a suitable mechanism for payment of commission to Agents in letter and spirit of the instructions contained in the Office Memoranda under reference. Please advise us the action taken at your end immediately and complaints if any received from the PPF Agents will be viewed seriously by us.

4. Please acknowledge the receipt.

Yours faithfully,

(B.B. Sangma)
General Manager