

Revenue (1897) Department.

MISCELLANEOUS SERIES.

G.O., No. 4707

DATED 7 Sept^r

[Despatch Abstract.]

Stating that the L&R Guarantee Fund shd be
considered to be a Provident Fund for purposes
of the Income Tax Act and that Subject to the usual
minimum ^{limits} contributions made to it are exempt from assessment

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

O 4,000-19-7-97.
18

Revenue (189) Department.

CURRENT No.



From The Jt. Secy. to Govt. P.D.D.
Railway Branch

Order Misc. 2061707 d/17 Sept 97

The Govt. understands
that the objects of the guarantee
fund remain the same as
they were in 1886. This being
the case, subscription to
that fund ~~will~~ ^{shall}
continue to be ^{under the Govt. of India}
~~the~~ ^{an} exempt from liability
to income-tax, subject to the
general proviso that the
total amount of the contribution
(annual salary) ^{is} claimed
to be no reason for ^{the}
exemption ^{shall} not ^{be} ^{regard} ^{the} ^{guarantee} ^{fund}
exceed one-sixth

No. 2541 c

Dated 17 August 1897

Received

Registered

Enclosures

Spare copies

SUBJECT.

stating that there appears
to be no reason for ^{the}
exemption ^{shall} not ^{be} ^{regard} ^{the} ^{guarantee} ^{fund}
exceed one-sixth
as a Provident fund since a
properly constituted Provident
fund has been opened on the
"V. I. Ry."

11/9/97

To the P.D.D. with 5 enclosures.
11-9-97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Levy
Levy
Levy

To the Board of Rev:
Levy Rev (A20)
with all papers

Levy
passed with with diff
current
and

Reat cas. 7173 of 97

Order - wise

Referred to the Board
of Revenue for early remarks

Note

The question raised in
these papers is whether a
"Guarantee Fund" which has
been started in connexion
with the South Indian Rail-

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Form No. 23.

MEMORANDUM.

From
THE ASSISTANT TO THE CONSG. ENGINEER
AND JOINT SECY TO GOVT., P. W. DEPT.,
RAILWAY BRANCH,
Madras.

To
THE
First Assistant
Revenue Secretariat.

I am having the correction in G.O. No. 4407 Rev. of 7.9.97 carried out as per your telephone message of today. I am also having our G.O. No. 642 R of 16.9.97 reprinted with an Endorsement No. 3541.C, of 17.8.97, modified to suit you a copy so that the necessary corrections may be made in your G.O. above quoted.

Submitted for the underscriber's information Jas. J. Calder

Asst. to Consulting Engineer
and Joint Secy. to Govt., P. W. D., Railway Branch.

CHEPAR,

23. Oct 1897

26.9.97

26.9.97

Levy
To the Board of Rev.
Rep Rev (1880)
with all papers

Levy
Korset with diff
G.O. on current
in approval
M. J. M. A

Reat cas. 7173 of 97

Order - wise
Referred to the Board
of Revenue for early remarks

Note

The question raised in these papers is whether a "Guarantee Fund" which had been started in connection with the South Indian Railway prior to 1886 and the contributions to which were declared in that year to be not liable to Income Tax should now have the privilege withdrawn from it on the ground that another and a properly constituted "Provident Fund" has since been opened in connection with the same Railway.

The Examiner of accounts
Guaranteed Railways considers that the first institution must

OFF

must be held to have lost the purpose it served on the opening of the second and that it should therefore no longer be treated as a Provident Fund. In this view the R.W.D. (Joint Secy?) agrees. The Agent to the S.I.R. on the other hand contends that ^{as} the only alteration made ^{since 1886} in the scope of the first institution being the reduction of the limit of the contributions payable to it in certain cases and as its objects are the same now as in 1886, it must still be treated as a Provident Fund and the contributions to it exempted from Income Tax. It is submitted that there is very little doubt that the Agent is right. The Govt of India has not fixed the number of Provident institutions to which a person may make contributions. All that it says is that the total amount in respect of which exemption is asked for ^{should} ^{does}

* It is stated that this reduction represents the difference between amount paid to the 1st institution

It all depends upon the question whether the nature of the old guarantee fund has not changed since the institution of the new Provident Fund. The Examiner of Ry Accts seems to hold so though he gives no reasons for his view.
llh
2/9/97

should not exceed one-sixth of the Contributor's salary the year. (Civ. Act 34 of Civil Act Code vol I and no 232 Rev: d/ 24th March 1886)

~~Before however the papers are circulated to the H.M. it is thought advisable to ascertain what the Board has to say on the point. The Joint Secy's opinion should it is submitted have been expressed in an Office note instead of in an Encl. As it is, the Encl. cannot be communicated to the Board~~

Submitted that under the recent orders the Secy may dispose of the case, which is ~~not~~ ⁱⁿ ~~the~~ ^{the} ~~Chief Auditor's~~ ^{Chief Auditor's} letter. From the ~~Chief Auditor's~~ ^{Chief Auditor's} letter it would appear that the Guarantee Fund has since the same objects as it had in 1886 and therefore contributions to it are exempt from income tax (subject to the limit of one sixth salary). But the ^{Examiner of Ry Accts} ~~R.W.D.~~ ^{apparently} ~~that~~ ^{that} the holds that object of

Revised from 31/8/97

Office copy before being taken + H.C.

guarantee fund have
must since the institution
purpose

the Provident Fund:
submitted that rules
in which the two funds
be at present governed
may be called for or, if
such rules are not available
then a clear statement of
the object & reasons of each
fund. The following draft
is submitted for approval

Draft.

From Rev Sec To Joint Sec
By Branch

With reference to the draft to
the Joint Sec is requested
to obtain for the information of
this department copies of the
rules under which the two
funds in question are at present
governed, or, if no such rules are
available, a clear statement
of the object & reasons for each
fund & the rules of contribution
thereof.

W. H. B.
2/9/87

To Mr. Secy P.W.D. (Ry)

with papers

returned

Submitted that a G.O. may
be issued stating that, provided
the object of the Guaranteed
Fund remain the same
as in 1886, the contributions
to the fund ~~will~~ are exempt
from tax subject to the
general limit of one-
sixth salary. A draft is
submitted for approval in the draft
4.9.87

N 7449.

Accountant General
Public Works Department
General.

Simla 16th August 1886.

The Examiners of P.W. Apts. Madras & Coorg Bombay Bengal.
North-Western Provinces & Oudh Punjab Central
Provinces Burmah Assam Hyderabad Central
India and Rajputana.
The Examiners of Apts. Military Works.
The Examiners of Telegraph Accounts.
The Examiners of Apts. North Western Eastern Bengal
North-Western Bengal Tirhoot Madras Central
Provinces Burmah Sind-Pishin and Bolan
and Sagar State Railway.
The Examiners of Provincial Ry Apts. NW Provinces & Oudh.
The Examiners of Accounts Bhavnagar Gondal State Ry.
The Examiners of Accounts State Ry Stores.
The Joint Auditor and Examiner of Apts. P.W. Railways

For information only.

The Examiners of Apts. Ry. Apts. Madras Bombay & Calcutta
The Auditor of Apts. Oudh & Rohilkhand Railway.
The Government Examiners of Apts. Southern Malabar
and Indian Midland Railway Companies

The following
is forwarded to
the Examiners
noted in the
margin for
information
and guidance

184 R. G. Macdonald

Offy Dy. Account General

N 1249 dated 4th August 1886.

Endorsed by the Under Secretary to the Govt. of I. P. & D.

The following is forwarded to the Accountant Genl.

P.W.D. for information and guidance.
N 1249 dated 4th August 1886.

From The Secretary to the Govt. of India P.W.D.
To The Director General of Railways

I am directed to acknowledge receipt of your endorsement
N 6335 dated 14th July 1886, forwarding for disposal, letter from the
Govt. of Bengal, enquiring whether in case of resignation or
dismissal the Provident Fund money refunded to an employee
is subject to taxation.

2. In reply I am to state that, refunds from a Provident
Fund are not so liable. (True Copy) J. H. H.

Under Secretary, P.W.D. By Mr. Secy

No. 3541C

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

MEMORANDUM.

Dated Madras, 17th August 1897.

G.O. N^o 811 Revenue, dated 21st September 1886.
Letter from the Agent, South Indian Railway, N^o 389,
dated 10th April 1897. —

Note by the Government Examiner Railway
Accounts, Madras, dated 22nd April 1897.

Letter from the Agent, South Indian Railway,
N^o 724, dated 14th July 1897.

Transferred to the Revenue Department
with remarks that the opinion of this Department
is that since a properly constituted Provident
Fund has been opened on the South Indian Railway
there appears to be no reason for continuing to regard
the Guarantee Fund as a Provident Fund.

F. H. M. W.
Under Secretary.

To.
The Revenue Department.

When given for copying _____
When copied _____
When examined _____
When signed _____

189

READ AGAIN G.O., No.
189

DATED



CURRENT No.

ENCLOSURES TO O. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT.



STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
IN ORIGINAL.

U.E.—

A = Copy in full.
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