

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

OFFICE MEMORANDUM

No. FIN-CS3-MISC-0002-2024/ 23084 /F, Date: 14.08.2024

Sub: - Clarification regarding admissibility of interest on the GPF subscriptions exceeding threshold limit of Rupees Five Lakhs during Financial Year 2023-24

In accordance with Rule 11(1) of the GPF (Odisha) Rules, 1938, amended vide Finance Department Notification No. 8493/F dated 17.03.2023, amount of subscription to GPF account in respect of a subscriber shall not be less than 6% of emoluments and not be more than total emoluments admissible to the subscriber. Rule 13(3) of the GPF (Odisha) Rules, 1938, amended vide the aforesaid Notification, envisaged that sum of monthly subscriptions during a financial year together with amount of arrear subscription and interest thereon recovered in that financial year shall, in no case, exceed the threshold limit (Rupees Five Lakh) referred to in sub-clause (i) of clause (c) of the Explanation below sub-rule (2) of the Rule 9D of the Income Tax Rules, 1962 [inserted vide GOI, Ministry of Finance, Department of Revenue (Central Board of Direct Taxes) Notification dated 31.08.2021].

2. In the said Notification, the provision has been relaxed in respect of those subscribers whose GPF subscription during financial year 2022-23 had already exceeded the threshold limit of Rupees Five lakh with the condition that no further deduction shall be effected during that year.

3. The amendment Notification limiting maximum GPF annual subscription was issued on 17.03.2023 and Odisha Gazette Notification was issued on 24.03.2023, i.e. during the financial year 2022-23. A situation of annual total subscriptions exceeding threshold limit of Rupees Five lakh in financial year 2023-24 would not have arisen if appropriate steps would have been taken by authorities after issuance of the Finance Department Notification.

4. References have been received from Office of the Principal Accountant General (A&E), Odisha citing a good number of over-subscription instances during financial year 2023-24 seeking clarification on this matter.

5. Therefore, it is hereby clarified that where GPF subscription amount for financial year 2023-24 exceeds Rupees Five lakh, interest on the excess subscription amount shall be taxable under the Income Tax Rules, 1962.

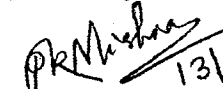
6. All Departments/ Heads of Departments/ District Collectors are requested to bring this instruction to the notice of DDOs of the district dealing with GPF matters and all sub-ordinate offices for strict implementation.

By Order of the Governor


13.08.2024
Principal Secretary to Government

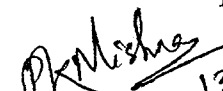
Memo No. 23085/F., Date: 14.08.2024

Copy forwarded to All Departments of Government/ All Heads of Departments/ All Collectors/ All District and Sessions Judges/ The Principal Accountant General (A&E), Odisha, Bhubaneswar/ The Controller of Accounts, Odisha, Bhubaneswar/ Deputy Accountant General, Odisha, Puri / Secretary to Governor/ Principal Secretary to Chief Minister/ Secretary to Odisha Legislative Assembly/ Principal, Odisha Secretariat Training Institute, Bhubaneswar/ Director General, Gopabandhu Academy of Administration, Bhubaneswar/ Director, Madhusudan Das Regional Academy of Financial Management, Bhubaneswar for information.


13/8/24
Joint Secretary to Government

Memo No. 23086 /F., Date: 14.08.2024

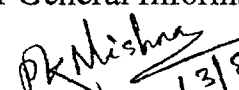
Copy forwarded to all Officers and all Branches of Finance Department for information.


13/8/24
Joint Secretary to Government

Memo No. 23087/F., Date: 14.08.2024

Copy forwarded to Sri Tapan Kumar Pattanaik, Sub-Nodal Officer (E-Gazette), FID, Finance Department for information and necessary action.

He is requested to hoist this Office Memorandum regarding admissibility of interest on the GPF subscriptions exceeding the threshold limit of Rupees Five Lakhs during Financial Year 2023-24 in the Official Website (<https://finance.odisha.gov.in>) of Finance Department for General Information.


13/8/24
Joint Secretary to Government

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(17) FID.