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PART VI.

BILLS OF THE GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Bill was introduced in the Council of the Governor General of India for the purpose of making Laws and Regulations on the 1st October, 1896 :

No. XXV of 1896.

A Bill to amend the law relating to Government and other Provident Funds.

WHEREAS it is expedient to amend the law relating to Government and other Provident Funds ; It is hereby enacted as follows :

1. (1) This Act may be called the Provident Funds Act, 1896.

(2) It extends to the whole of British India ; and

(3) It shall come into force at once.

Definitions. 2. In this Act—

(1) " Provident Fund " means a fund in which the subscriptions or deposits of any class or classes of employes are received and held on their individual accounts, and includes any contributions credited in respect of, and any interest accruing on, such subscriptions or deposits under the rules of the Fund :

(2) " Government Provident Fund " means a Provident Fund constituted by the authority of the Government of India for the benefit of any class or classes of its employes :

(3) " Railway Provident Fund " means a Provident Fund constituted by the authority of the Government of India or of any company which administers a railway in British India, either under a special Act of Parliament or under contract with

the Government of India, for the benefit of any class or classes of the employes on, or in connection with, such railway : and

(4) " compulsory deposit " means a subscription or deposit which is not repayable on the demand, or at the option of the subscriber or depositor, and includes any contribution which may have been credited in respect of, and any interest which may have accrued on, such subscription or deposit under the rules of the Fund.

3. (1) When a subscriber to, or depositor in, any Government or Railway Provident Fund dies and the sum standing to his credit in the books of the Fund does not exceed two thousand rupees, the officer whose duty it is to pay such sum to the person entitled may pay it, as follows :

(a) he may pay it to any executor of the deceased subscriber or depositor who has proved the will ;

(b) if he is satisfied that there is no will, or if no will is produced to him within three months after the death of the subscriber or depositor, he may pay it to any person entitled to receive it according to the rules of the Fund or, in the absence of a rule of the Fund to the contrary, to any person nominated in writing by the deceased subscriber or depositor to receive it ;

(c) in any case not hereinbefore provided for he may pay it to any person appearing to him to be entitled to receive it.

(2) The provisions of sub-section (1) may be applied to any sum which, at the commencement of this Act, stands to the credit of any subscriber or depositor already deceased.

4. After the commencement of this Act, the compulsory deposits in any Government or Railway Provident Fund shall not be liable to attachment under any decree or order of a Court of Justice against a subscriber to, or depositor in, such Fund.

5. No suit or other legal proceeding shall lie against any person in respect of anything in good faith done or intended to be done in pursuance of the provisions of this Act.

Government and Railway Provident Funds not to be attached.

Protection for anything done in good faith under this Act.

6. The Governor General in Council may, in his discretion, by notification in the official Gazette, extend the provisions of this Act to any other Provident Fund established for the benefit of its employés by any local authority within the meaning of the Local Authorities Loans Act, 1879.

7. Nothing in section 3 shall apply to money belonging to the estate of any European officer, non-commissioned officer or soldier dying in Her Majesty's service in India, or of any European who at the time of his death was a deserter from such service.

XI of 1879.

STATEMENT OF OBJECTS AND REASONS.

The law as it stands does not provide for the disbursement of the assets, however small, standing to the credit of a member of a Provident Institution at the time of his death without the production of probate or letters of administration or a succession certificate. In a very large number of cases such assets are small, and, owing partly to ignorance and partly to the trouble and expense involved in obtaining such authority, it is probable that a large proportion of them may remain unclaimed, much hardship to the representatives of the poorer class of subscribers for whose benefit these Provident Institutions are maintained, being caused thereby. The proposal is to remove the difficulty in the case of assets not exceeding a certain amount, as is done as regards deposits in Government Savings Banks.

2. Again, the Government of India have been advised that, as the money standing to the credit of a member of a Provident Institution is a debt which is due by the Institution to him or his estate, as the case may be, on the happening of any of the following events, *viz.*, his retirement, death, dismissal or default, it cannot be attached by a Court, under section 266 of the Code of Civil Procedure, until the debt becomes due, *i.e.*, till the happening of anyone of the above events. Consequently, if a member dies, the sum at his credit may be attached, and thus the object of the Institution may be frustrated and those in whose interests he subscribed, may reap no benefit whatever. It is intended, therefore, to protect such moneys from attachment.

3. The Bill applies in the first instance to Government and Railway Provident Funds only, but clause 6 provides for the extension of its provisions to any other Provident Fund established for the benefit of its employés by any local authority within the meaning of the Local Authorities Loans Act (XI of 1879).

The 26th September 1896.

(Signed) M. D. CHALMERS.

S. HARVEY JAMES,

Secretary to the Government of India.