



**CIVIL ACCOUNT CODE.**

**VOLUME I.**

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VOLUME I.



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# Civil Account Code, Seventh Edition.

(Reprint.)

## VOLUME I.

1. This edition is merely a reprint of the seventh edition of the Civil Account Code, Volume I, with such alterations as have since been introduced through the lists of corrections up to and inclusive of the 17th list dated the 30th April 1912.

2. No attempt has been made to revise the rules so as to provide for any alteration of procedure consequent on the amalgamation of the Public Works and Civil Account offices.

3. The following additions and alterations have been made:—

Article 7 (l)	. . . . .	A new clause (k) has been added.
41 (f) Clause (e)	. . . . .	The words "of the Government of India" inserted after "Political Department."
" 98 . . . . .	. . . . .	Transferred to Appendix BBBB.
" 98 (k) . . . . .	. . . . .	A note has been inserted under Rule 4.
" 98 (k), Note 1 . . . . .	. . . . .	"Officer in charge of the experimental sewage installation at Poona" has been added.
" 98 (v) . . . . .	. . . . .	The last portion of para. 1 has been revised.
" 277, Clause III (7)	. . . . .	The words "or half-year's pension, whichever may be less," have been omitted.
Chap. 28, Annexure A	. . . . .	Rules regulating the General Provident Fund revised and corrected up to the end of April 1912.
Article 576 (a) . . . . .	. . . . .	A note authorising certain officers to cut or break counterfeit silver coins has been added.
" 584 . . . . .	. . . . .	A new note regarding maintenance of a penalty register in Form 73-A has been inserted.
Appendix BB, Rule V (d)	. . . . .	The words "of the Government of India" inserted after "Political Department."
" BBB . . . . .	. . . . .	The list of appointments against Home Department has been recast and a new Imperial Department—"Education Department"—has been added with names of appointments deemed as "Heads of Departments."
" D . . . . .	. . . . .	Under "Assam," "Sibsagar" has been omitted and "Jorhat" added to the list of Treasuries.
" D . . . . .	. . . . .	Under Burma "Insein" has been added to the list of Treasuries.
" K . . . . .	. . . . .	A note has been added to Rule 22 regarding sale of service postage stamps to the public.

4. The rest of the corrections relate mostly to changes occasioned by the abolition of the posts of Inspector General, Civil Veterinary Department, Inspector General of Agriculture, Director General of Education, the recent territorial redistribution and the amalgamation of the Postal and Telegraph Account Offices.

M. F. GAUNTLETT,

*Comptroller General.*

September 10th, 1912.

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# CIVIL ACCOUNT CODE.

VOLUME 1.

PART I.

## INSTRUCTIONS TO OFFICERS GENERALLY IN DEALING WITH TREASURES.

Acc. No. 1715  
Dt. 1.12.1967



### Chapter I.—General Principles and Rules.

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#### Receipt of Money.

1. All transactions, to which any officer of Government in his official capacity is a party, must, without any reservation, be brought to account, and all the money received be lodged in full in the Government treasury, to be credited to the appropriate account and made part of the general treasury balance. The appropriation of departmental receipts to departmental expenditure, except when specially authorised, is strictly prohibited.

This rule is relaxed in the Civil Department—

- (a) in the case of the Postal Department to afford facilities for the money order and savings bank business;
- (b) in regard to moneys received on account of the service of summonses, diet-money of witnesses, etc., in Civil, Revenue and Criminal cases;
- (c) in the case of Government servants appointed Notaries Public under Act 26 of 1881, who are allowed to defray all legal expenses, incurred by them in the discharge of their duties as such Notaries Public, out of the fees received by them, the balance only being credited to Government; they will note in the credit slip the full amount of the fees received and, *per contra*, the expenses disbursed therefrom.

2. No department may require that funds pertaining to it be kept apart from the general treasury balance, or be received for safe custody and kept out of account, or be received at all except under ordinary rules.

1. If, for special reasons, Government or Collectors of Districts when so empowered direct the cash chest of another department to be lodged in the treasury for safe custody, the fact should be reported for the information of the Accountant General, and a register kept in the treasury, in which the receipt and return of the chests should be duly acknowledged; the key or keys of the chest must not be kept by the treasury. In case also of money arriving from a distance too late in the day for examination, it may be kept in sealed bags under double locks, but only until the next working day, the fact being recorded in the register mentioned above.

NOTE.—Local Governments and Administrations may delegate to the Collectors of Districts the power to authorise the deposit of cash chests of other Government Departments in the treasury for safe custody subject to the condition that the Accountant General will bring to notice of the Local Governments or Administrations any case in which the permission appears to have been improperly granted.

2. Bullion, jewellery and other valuables coming into the hands of a Government officer in his official capacity may be received for safe custody at the discretion of the District Officer.

3. Any person paying money into a Government treasury will present with it a memorandum (chalán), which will show distinctly the nature of the payment and the person or officer on whose account it is made, and will thus contain all the information necessary for the preparation of the receipt to be given in exchange. Receipts for sums less than ₹500 do not require the signature of the Treasury Officer, but only of the Accountant and the Treasurer, except receipts for money paid for service stamps, which should always be signed by the Treasury Officer.

1. Printed forms should be supplied by the treasury, which may, with advantage, be bi-lingual. They should be presented in duplicate; one copy will be returned to the tenderer duly signed as a receipt, and the other retained in the treasury for record.

2. Duplicate chaláns are not required when remittances are made to a treasury for obtaining Remittance Transfer Receipts and Sub-Treasury Cash Orders; or when such remittances are accompanied by Remittance and Pass Books in which the Treasury Officer is required to acknowledge receipt of the remittance.

### Check of Receipts.

4. It is ordinarily the duty of the Revenue Department concerned, and not of the Account Department, to see that the dues of Government are regularly paid into the treasury. Detailed rules are given in Chapter 2.

### Payment of Money at a Treasury.

5. (a) A Treasury Officer has no general authority to deal with demands presented at the treasury, his authority to make payments being strictly limited to the rules in the Account Code. If a demand of any kind is presented at a treasury which is not provided for by the rules in the Code, or is not covered by a special order received from the Account Office, the duty of the Treasury Officer is to decline payment for want of authority. A Treasury Officer has no authority to act under an order of Government sanctioning a payment, unless it is an express order to *him* to make the payment; and even such special orders should, in the absence of urgency, be sent through the Accountant General.

(b) No claim against Government not preferred within six months of its becoming due can be paid without the sanction of the Accountant General; but this rule does not apply to payments made by Forest disbursing officers, payments made to tribes on the North-West Frontier, and disbursements from the distant treasuries in the North-West Frontier

Province, nor does it apply to payment of claims on account of pensions, which are governed by special rules in the Civil Service Regulations.

NOTE.—Claims of Government against Railways for overcharges and claims of Railways against Government Departments for undercharges will be recognised and admitted if the claims are preferred within six months :—

- (a) in the case of cash payments—from the date of payment.
- (b) in the case of warrants and credit notes—from the date of presentation of bill by the Railway Administration.

The Railways named in Annexure A to this chapter have agreed to the adoption of the above rules.

(c) Claims of officers, whether gazetted or not, to arrears of pay or allowances or to increments which have been allowed to remain in abeyance for a period exceeding one year, cannot be investigated by an Accountant General except under the special orders of the Local Government.

NOTE 1.—This power is also exercised by the several Departments of the Government of India in respect of any Imperial Department directly administered by them.

NOTE 2.—Local Governments and the Departments of the Government of India may delegate this power at their discretion to the authority which appoints the officer by whom the claim is made.

NOTE 3.—Delays in payment are opposed to all rules and are highly inconvenient and objectionable, and when not satisfactorily explained should be brought to the notice of the head of the department concerned.

(d) No payments may be made on account of increases to pay until the additional expenditure thereby caused has been provided for in the estimates and duly sanctioned.

NOTE.—Periodical increments of pay are not provided for in the estimates, and are not increases to pay within the meaning of the above clause.

6. Any person having a claim against Government will present his voucher duly receipted and, if necessary, bearing a stamp.

7. (1) Receipts for all sums exceeding Rs20 must be stamped; but the following are exempt :—

- (a) Receipts given by, or on behalf of, Government.
- (b) Receipts on cheques sufficiently stamped or exempt from stamp duty.
- (c) Receipts for interest on Government securities.
- (d) Receipts for withdrawals from Government Savings Banks.
- (e) Receipts on postal Money Orders.
- (f) Receipts granted by a Railway Company for freight and fares.
- (g) Receipts for pay and allowances of non-commissioned officers and soldiers of His Majesty's or the Indian Army when serving in such capacity, or for their pensions.
- (h) Receipts for any payment of money without consideration, such as receipts for Grant-in-Aid bills, and for fees paid to Barristers-at-Law.
- (i) Receipt given by an opium cultivator or his representative or by a *lambardar* or *khattadar* for money paid to him by Government as an advance for the cultivation of opium.
- (j) Receipt for advances made by Government under the Agriculturists' Loans Act, 1884 (Act XII of 1884).
- (k) Receipts for payments made by or on behalf of Government in Native States.

(2) All cheques, irrespective of their amount, are liable to stamp duty; but cheques drawn by Government officers on Government account, Remittance Transfer Receipts and Supply Bills, are exempt from stamp duty.

(3) (See also the list of exemptions in Schedule 1 of the Stamp Act.)

8. The following documents do not come under any of the exemptions mentioned above, but are chargeable with stamp duty under the general rules:—

(a) Cheques or receipts drawn by a Railway Company, including a Company to which a State Railway has been leased, or by a Municipality.

NOTE.—This rule applies also to receipts drawn for claims, the adjustment of which may be made through account current.

(b) Cheques or receipts signed by a Government officer as Chairman of a Municipality.

(c) Cheques or receipts drawn on account of Cantonment and other Local Funds.

(d) Receipts for advances taken by Government officers.

(e) Receipts for amounts of emigrants' money orders.

(f) Receipts for refund or repayment of deposits.

(g) Receipts on Acquittance Rolls of Establishments.

(h) Receipts drawn by the Accountant General or the Treasurer of Charitable Endowments on account of interest on Municipal or Port Trust debentures kept in his custody as ordinary Trust Funds or Charitable Endowments.

9. The following general instructions regarding the preparation and form of vouchers should also be observed:—

(a) Printed forms of vouchers in English should be adopted as much as possible; but when, from any circumstance, a vernacular voucher is unavoidably necessary, a bi-lingual form should be used. A specimen which will serve as a general guide is given as Form 31 for deposit vouchers, and may be obtained from the local Accountant General.

(b) When the use of a purely vernacular voucher is unavoidable, a brief abstract should be endorsed in English under the signature of the preferring officer stating the amount, the name of the payee, and the nature of the payment.

(c) All vouchers must be filled in and signed in ink. The amount of each voucher should, as far as whole rupees are concerned, be written in words as well as in figures. The amount of annas and pies may always, however, be written in figures after the words stating the number of rupees, but in case of there being no annas or pies the word "only" should be inserted after the number of whole rupees and care should be taken to have no space for interpolation as in the following examples—"Rupees twenty-six only," "Rupees twenty-five, 4/11."

- (d) All corrections and alterations in a voucher should be attested by the initials of the person signing the receipt; any in the orders of payment must be attested in the same way by the Treasury Officer. No document bearing an erasure can be accepted, and payment of such vouchers should be refused by the Treasury Officer and a fresh voucher called for.
- (e) Charges against two major heads should not be included in one voucher, but the Treasury Officer will not take exception to a voucher on this ground unless the items require different action from him, such as entry in different registers. This order does not apply to the allowances of an officer, or of an establishment, as in such cases the whole of his allowances, even if belonging to two or more major heads of account, should be drawn on a single bill if they are chargeable wholly to Imperial or Provincial Revenues.
- (f) Unless the Local Government has expressly authorised it in the case of any specified office, no payment may be made on a voucher or order signed by a clerk instead of by the head of an office, although in the absence of the latter the clerk be in the habit of signing letters *for* him. Nor may any moneys be paid on a voucher or order signed with a stamp. When the signature on a voucher is given by a mark or seal or thumb impression, it should be attested by some known person. Vernacular signatures must always be transliterated.
- (g) Bills requiring *previous* countersignature should be returned unpaid if presented without such countersignature.
- (h) When bills are presented on account of charges incurred under any special orders, the orders sanctioning the charge should be quoted. Copies of sanctions accompanying a bill must be duly certified by a responsible officer, not by a clerk.
- (i) The authority under which deductions are made in a bill should be quoted.

10. A Treasury Officer must not honour a claim which on the face of it is disputable; he will request the claimant to refer the question to the Accountant General.

Nor may he undertake correspondence for an officer making a claim to any special allowance, but will request him to address the Accountant General either direct or through his own official superior.

11. It must be remembered that the Treasury Officer has to satisfy not only himself, but also the Account Department, that the claim is valid; and has further to prove that the payee has actually received the sum charged (see Article 390). Careful attention must therefore be given to the rules regarding the completion of vouchers referred to in Article 9. The Treasury Officer must have sufficient information as to

the nature of every payment he is making, and is without excuse if he accepts a voucher which does not formally record that information.

1. The Treasury Officer, before paying any bill of a Covenanted Civilian, must see that the deductions prescribed by Article 556 (a) of the Civil Service Regulations have been made.

2. Treasury Officers, when cashing bills for Survey Officers and others at a distance from the treasury, should furnish a note explaining the amount of cash and transfer receipts (if any) issued, and any deductions or alterations that may be made in the bill presented. The note should be in bi-lingual form, as it is important that the guard or messenger who receives the money should ascertain that the amount stated agrees with the actual cash or drafts delivered to him; and, when that person is unable to read, the Treasury Officer should himself explain to him the amount entered on the note.

The following form is recommended :—

Bill presented for salary, etc. . . . .	000	
"    "    "    contingencies . . . . .	000	
"    "    "    sundries . . . . .	000	
		TOTAL . 000
Paid in cash . . . . .	000	
"    "    drafts . . . . .	000	
		000
		* Deductions (if any) . . . . .

\*[Explanation.]

Signature of Messenger \_\_\_\_\_

\_\_\_\_\_  
*Treasury Officer.*

3. Any deductions made by the Treasury Officer reducing the net amount claimed on a bill should be explained in a memorandum signed by the Treasury Officer to be given to the presenter.

### Issue of Duplicates or Copies of Documents.

12. No Government officer may issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents for the payment of money which has already been paid, on the allegation that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day, a certain sum, on a certain account, was received from or paid to a certain person. This prohibition extends only to the issue of duplicates on the allegation that the originals have been lost, and does not apply to cases in which, by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill passed for payment at a treasury but lost before being cashed, or in the case of a deposit repayment voucher lost before payment, the officer who drew the original bill or voucher should ascertain from the treasury that payment has not been made on the original before he issues a duplicate, which should bear distinctly on its face the word "duplicate" written in red ink.

### Responsibility for Overcharges.

13. The responsibility of drawers and payers of bills is thus stated in the Resolution introducing the present system of account (F. D. No. 2189, dated 20th April 1865, paragraph 34)—

The privilege of drawing pay abstracts or bills for salary, allowances, or contingent expenses will be restricted to responsible officers, and the drawer of the bill will be held answerable for any overcharge. The responsibility of the countersigning officer

will be that which attaches to all controlling officers, and which brings them under liability to make good any loss arising from their culpable negligence. The Treasury Officer who makes payments without pre-audit will be responsible for checking any payable errors, and (in the case of change of office, or of rate of salary of gazetted officers) for passing the new rate with reference to the orders directing the change. In short, the responsibility for an overcharge will rest primarily with the drawer of the bill, and (failing recovery from him) the overcharge will be recovered from the Treasury Officer or the countersigning officer, only in the event of culpable negligence in either of them.

NOTE.—The Treasury Officer is required under the above ruling to examine the accuracy of the arithmetical computations in a bill.

### Check of Charges.

14. Every charge comes up for audit or disposal by the Accountant General, who, if the charge is irregular or is in excess, proceeds to remove the irregularity or recover the excess through the Treasury Officer, usually, however, issuing a warning slip to the officer concerned; and, if anything more is due (unless the amount be insignificant), informs the officer accordingly, leaving him to prefer the additional claim or not as he thinks proper.

### Audit Objections and Recoveries.

15. Objections and orders which arise out of the examination by the Accountant General of the treasury accounts are communicated to the Treasury Officer by letters, audit memoranda, or periodical objection statements. To these the earliest attention should be given, and under standing orders, the Treasury Officer should return the objection statement or audit memorandum within a fortnight, or send a letter explaining the cause of delay.

NOTE.—The fact that some of the objections are still under reference is no reason for keeping back the statement. Such cases can be extracted for subsequent explanation.

16. When the Accountant General disallows a payment of an allowance as unauthorised, the Treasury Officer is bound not only to recover the amount disallowed without listening to any objection or protest, but to refuse to pay it in future till the Accountant General authorises the payment to be resumed; that no warning slip has been received by the officer retrenched, or that, being received, it has been answered, are facts with which the Treasury Officer has no concern. And the Accountant General must remember that he is responsible for seeing that Treasury Officers carry out his instructions: the Financial Department has ruled that his "objection must prevail absolutely and immediately over every authority under that of the Local Government; and, if the Local Government overrules an objection by the Accountant General, even temporarily, reference should be made to the Government of India."

1. If an officer, from whom a recovery is ordered, has meantime been transferred to another district, the Treasury Officer should, without delay, pass on the order of recovery to the other treasury.

2. A Treasury Officer must not, when a retrenchment is ordered, enter into any correspondence with either the Accountant General or the Officer placed under retrenchment; it is his duty simply and promptly to carry out the orders he has received, and to leave the person aggrieved to his remedy in ordinary course.

3. Recoveries are not ordinarily made at a rate exceeding one-third of salary, unless the officer affected has, in receiving or taking the excess, acted contrary to orders or without due justification.

4. A register should be maintained at the treasury for recording all retrenchments ordered by the Account Office. It should contain columns specifying the name and office of the person from whom the recovery is to be effected, the nature and amount of the over-payment, and the method by which the over-payment has been adjusted.

### Cheques drawn on Treasuries.

17. Cheque forms intended for the use of officers who are authorised to draw on treasuries by cheques, should be bound in books with counter-foils. Each book should bear a number which should be repeated upon each cheque contained in it, together with a consecutive number of the cheque form, and the drawing officer should notify to the treasury upon which he draws, the number of the cheque-book which he from time to time brings into use and the number of cheques it contains. Outside the book there should be an order to keep it under lock and key in the personal custody of the drawing officer, who, when relieved, should take a receipt for the correct number of cheques made over to the relieving officer. For cheque forms printed and issued under the supervision and orders of the Accounts Department the use of a special kind of paper protected by a water-mark has been prescribed, and this kind of paper only should be used both in the case of cheques drawn on treasuries, as well as those drawn on the Presidency Banks and their Branches.

### Cheques on Presidency Banks and their Branches.

18. Cheques drawn on Government account on the Presidency Banks of Bengal, Madras and Bombay, or on any of their Branches conducting Government business, should be addressed to the Bank itself and not to any officer thereof. For instance, in the case of Presidency Banks, the address should be "Bank of Bengal, Calcutta," "Bank of Madras, Madras," etc., and in the case of Branch Banks, the address should be "Bank of Bengal, Patna," "Bank of Madras, Bellary," and so on.

### Transfer of Office.

19. When an officer, whether gazetted or non-gazetted, who usually draws or countersigns cheques or bills payable at a treasury or sub-treasury, makes over charge of his office to another, he should send a *fac-simile* of the relieving officer's signature to the Treasury Officer or Sub-treasury Officer, in order that the latter may satisfy himself as to the validity of the bills presented by him.

### Defalcations.

20. Any defalcation or loss of public money, stamps, opium or other property of Government deposited in a Government treasury or sub-treasury must be at once reported to the Accountant General even when such loss has been made good by the person responsible for it; and, when the matter has been fully inquired into, a further and complete report should be submitted of the nature and extent of the loss, showing the errors or neglect of rules, by which such loss was rendered possible, and the prospects of effecting a recovery. A similar course should be followed in cases of defalcations and fraudulent loss of stores in departments which maintain store accounts such as Police, Jail Manufactures, Print-

ing and Stationery, etc. The submission of such report does not debar the local authorities from taking any further action which may be deemed necessary. Defalcations, or losses of departmental revenue or receipts which have not been paid into a Government treasury or sub-treasury, petty defalcations or misappropriations committed by village officers, or losses due to accidents or thefts in village officers' houses, or while money is in transit to the treasury, need not be reported to the Accountant General; but his opinion or advice may be obtained, if it is likely to be of use in preventing their occurrence in future.

### Erasures.

21. Erasures and over-writings in any account, register, schedule, or cash book are absolutely forbidden; if any correction be necessary, the incorrect entry should be cancelled neatly in red ink, and the correct entry interlined: the head of the office should set his initials to each of such corrections in authentication. Special care should be taken by the Treasury Officer as regards all vouchers and accounts showing signs of alteration; and if such documents be frequently received from any office, the attention of the head of the office should be formally drawn to the irregularity. [See Article 9 (d).]

### ANNEXURE A.

[Referred to in Article 5, Note to clause (b).]

1. Assam-Bengal Railway.
2. Madras and Southern Mahratta Railway.
3. East Indian Railway.
4. Morvi Railway.
5. Burma Railways.
6. Bombay, Baroda and Central India Railway.
7. Jodhpur-Bikaner Railway.
8. Udaipur-Chitore Railway.
9. Dholpur-Bari Railway.
10. Rohilkund and Kumaon Railway.
11. South Indian Railway.
12. Howrah-Amta Light Railway.
13. Cutch State Railway.
14. Jorhat State Railway.
15. Dibru-Sadiya Railway.
16. Tezpur-Balipara Railway.
17. Bengal Provincial Railway.
18. Bengal and North-Western Railway.
19. Deoghur Railway.
20. Darjeeling Himalayan Railway.
21. Barsi Light Railway.
22. Bengal Dooars Railway.
23. Bhavnagar-Gondal-Junagad-Porbandar Railway.
24. North Western Railway.
25. Oudh and Rohilkhand Railway.
26. Eastern Bengal State Railway.
27. Bengal Nagpur Railway.
28. Great Indian Peninsula Railway.
29. Nizam's Guaranteed State Railway.
30. Baraset-Basirhat Light Railway.
31. Bhuktiarpur-Bihar Light Railway.
32. Shahdara (Delhi)-Saharanpur Light Railway.
33. Howrah-Sheakhala Light Railway.

## Chapter 2.—Check on Receipts.

Departmental Revenue . . . . .	22	Miscellaneous Demands . . . . .	24
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### Departmental Revenue.

22. (a) In the case of departmental revenue (*e.g.*, Land Revenue, Excise, Stamps, Jail Receipts, Registration Receipts, etc.), the duty of seeing that the dues of Government are regularly paid into the treasury rests with the departmental controlling officers, who receive from their subordinates accounts and returns claiming credit for so much paid into the treasury, and to whom the Accountant General sends, for comparison with these, extracts from his accounts showing the amounts brought to credit in them.

(b) If any wrong credits are thus brought to the notice of the controlling officer, he should at once inform the Accountant General with a view to the correction of the accounts. If any credits are claimed but not found in the accounts, it is usually more convenient to make enquiries first of the departmental officer.

NOTE.—It is essential that the departmental controlling officer's account should not be compiled from returns prepared by the treasury. But the Treasury Officer is in some cases required to verify returns prepared for submission to departmental controlling officers.

### Fines.

23. (a) In the case of fines, the duty of checking the receipts is laid upon the Accountant General, to whom a monthly return of all fines realised, and of all remittances of fines to the treasury, should be transmitted by every Court having the power to fine.

(b) Compensation fines due to an injured party which are creditable to deposits and fines, which, under competent authority, are credited to a municipal or other local fund, will be excluded from this return.

(c) In order to secure that returns are received from every Court having such power, it will be convenient to arrange for their collection by the head of every department in the district (the Collector, the Judge, and the Magistrate), and their transmission by that officer. If it be more convenient for him to embody all in his own return, there is no objection to his doing so, but the collective return must be based on the records or accounts of the Courts and not on those of the treasury, though it should be compared with the treasury figures before being despatched. The best means of ensuring this comparison will probably be for the Court to despatch its return through the Treasury Officer, who will certify to the agreement with his books, or will have the return corrected by the Court before he transmits it.

1. If precautions are taken against double refunds of fines or refunds of fines not actually paid into the treasury, a simple memorandum of the collections of each Court, and of its remittance to the treasury for check with the treasury credit, would suffice; in

the absence of such precautions, a detailed list of the fines collected and paid into the treasury must be transmitted in order to facilitate check in case refunds are claimed. The form of the return will be settled by the Accountant General.

2. If the several Courts submit to any controlling officer returns of the fines imposed, the returns of the realizations may with advantage be despatched to the Accountant General under flying seal through the said controlling officer; but if this course be found to cause delay, the Accountant General should instead send to the controlling officer a memorandum of the monthly credits which appear in the treasury account.

3. When fines are received in another district or province, an intimation should be given by the recovering officer to the officer concerned, who should note the fact in his Fine Statement.

### Miscellaneous Demands.

24. Miscellaneous demands of Government not falling within the ordinary revenue administration are entered by the Accountant General in a register of special recoveries and their realization watched by him. Such are tributes and contributions from Native States, contributions from municipalities, contractors and others towards the cost of State establishment, etc.

### Convict Charges recoverable from Native States.

25. Native States are in some cases responsible for the cost of maintenance of convicts imprisoned in British jails for offences committed in such States. The Jail officials should in each case communicate to the Accountant General any amount recoverable on this account, and the Accountant General will then see to its due recovery.

NOTE.—The rules fixing the responsibility of Native States in the case of convicts sentenced by a British Court or Officer for offences committed in such States are contained in Foreign Department Resolution No. 3384—1, dated 10th October 1890.

## Chapter 3.—Salaries and Allowances : General Rules.

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## Due Date.

26. Salary bills may be signed at any time on the last working day of the month by the labour of which the salary is earned, and are due for payment on the next working day. In the following cases only may the salary due to date be paid before the end of the month, *viz.* :—

- (a) when an officer proceeds out of India on deputation or on leave (other than privilege leave) and is paid up to the date of embarkation;

NOTE.—The salary of an officer proceeding on combined leave out of India with a last-pay certificate entitling him to draw his privilege leave allowances from the Home Treasury, may be paid up to the date of his making over charge.

- (b) when an officer is transferred from the Civil Department to the Military, Public Works, Marine, or Postal Department, or is transferred in the Civil Department to another Audit Circle;

- (c) when an officer finally quits the service of Government or is transferred to foreign service.

1. If the first six days of a month are public holidays on which salaries are not disbursed at the treasury, the Local Government may, if it thinks fit, direct the payment of salary bills except those of gazetted officers on the last open day before the said holidays.

2. The last payment of salary should not be made to a gazetted officer or to an officer referred to in Article 43, whose pay is drawn on salary bill forms, finally quitting the service of Government or placed under suspension, until the Treasury Officer has satisfied himself, by reference both to the Accountant General and to his own records, that there are no demands outstanding against him. In other cases payment may be made without reference to the Accountant General on the responsibility of the head of the office concerned.

3. In the case of officers and establishments accompanying Governments to hill stations, salary bills drawn at the hill station for payment at the provincial capital, or *vice versa*, may be signed one, two or three days before the end of the month, though they will not be due for payment before the first working day of the next month.

4. When combined leave is granted, privilege leave allowances for the broken period at the end of the leave may be drawn at any time after the expiration of the privilege leave.

5. In case of transfers to and from service in Persia, salary will be paid up to the date when the transfer takes place, whether the officer changes his circle of audit or not.

### Death of Payee.

27. (a) Salary, allowances or pension can be drawn for the day of a man's death; the hour at which death takes place has no effect on the claim.

(b) Salary and other allowances claimed on behalf of a deceased officer may be paid without the production of the usual legal authority (1) to the extent of Rs. 500 under orders of the Collector or other officer responsible for the payment after such enquiry into the rights and title of the claimants as may be deemed sufficient; (2) for the excess over Rs. 500 under the orders of the Local Government on execution of an indemnity bond, with such sureties as it may require, if it is satisfied of the right and title of the claimant and considers that undue delay and hardship would be caused by insisting on the production of letters of administration.

In any case of doubt payment should be made only to the person producing legal authority.

Any person claiming as the heir of a deceased pensioner should be required to produce the pensioner's half of the Pension Payment Order, or if no Pension Payment Order has been issued the copy of the order in which sanction to the pension was communicated to the pensioner or his heir.

(c) The rules regarding payment of pensions of deceased pensioners are contained in the Civil Service Regulations, Articles 959—961.

NOTE.—Note 2 under Article 26, regarding last payments of salary, applies here also.

28. (a) The death of every European Officer of Government, other than an Officer of the Indian Civil Service or the Army or Navy, must be immediately reported by the head of his office to the Government under which he was serving, which will announce the circumstance to the Secretary of State. The death of such pensioners should similarly be reported, but by the Account Office.

(b) The following particulars should be given: name and probable age of the deceased; date and place of death; occupation at the time of death; native village and country of the deceased, if known; particulars of family, as far as known; if any relative in the country; if any property left, in whose custody; remarks. The particulars in the case of European pensioners should be communicated to the Account Office by the Officer who has been disbursing the pension.

### Last-pay Certificates.

29. Forms of last-pay certificates, to be granted in certain circumstances by the Treasury Officer, are set forth in the Civil Service Regulations, Appendix No. 3. A Treasury Officer must be careful not to pay salary to an officer to whom he has granted a last-pay certificate, unless the certificate is first surrendered.

1. The form of last-pay certificate prescribed provides for detail of the fund deductions although the officer preparing the bills is responsible for their correctness; but the Treasury Officer is responsible not only for entering in the certificate all demands against the departing officer, including any made under an order of attachment of his salary by a Court of law, of which he may have received notice before granting the certificate.

but for passing on any, of which he may afterwards receive notice, to the treasury from which the officer will in future draw pay.

2. In all cases of transfer from one district to another within the same Audit Circle, the last-pay certificate should specify the last regular or monthly payment; and the entire salary for the month in which transfer has been made should be paid in the new district except as provided in Article 26 (b).

### Bond of Indemnity for drawing Leave Allowances, etc.

30. (a) Officers often make arrangements with their agents to draw their leave or vacation allowances, pensions, etc., either granting them powers-of-attorney to enable them to do so, or leaving their bills ready signed in the agent's custody for presentation, the agents in their turn giving Government a bond of indemnity as security against any loss in case of over-payment (Civil Service Regulations, Article 864).

NOTE.—A Register of Powers-of-Attorney will be kept by the Treasury Officer in the form prescribed in Article 215.

(b) The bond of indemnity, which must be stamped, may be of the following form in the case of a <sup>firm</sup>/<sub>bank</sub> :—

In consideration of <sup>our</sup>/<sub>their</sub> being permitted to draw the salary of..... during his absence from the Presidency, <sup>we</sup>/<sub>the (here insert the name of bank)</sub> do hereby engage to refund to Government, on demand, any over-payment that may be made to <sup>us</sup>/<sub>them</sub> as his <sup>agents</sup>/<sub>agent</sub>.

(c) It must of course be seen that the person signing the bond of indemnity has authority to bind the firm or bank.

(d) It is not necessary, however, for a separate bond to be entered into in the case of each individual officer. Agents of standing and respectability may, for this purpose, be allowed to enter into a general agreement in the form given in Appendix A.

NOTE.—The form of the bond requires advice to be sent to the Account Officer of any change in the constitution of a firm to which the bond refers. When such advice is received, a recognition of the existing agreements that have been entered into previous to the change in the partnership should be obtained either by calling for fresh agreements to be executed by the new partnership, or by obtaining an acknowledgment from the new partnership that they are bound by the existing agreements of the old partnership or otherwise.

(e) Agents of standing and respectability are also allowed to execute a single bond to cover the leave allowances, pensions, etc., of their constituents, payable not by any one Account Officer only, but by all Account Officers, whether Civil or Military. Arrangements for the execution of such a bond must be made through the Comptroller General.

### Fund Deductions.

31. The duty of noting the proper deductions to be made from pay bills on account of funds devolves on the drawers of the bills, but no discretion is allowed in carrying out an order received from the Accountant General or a Fund Examiner to make any particular deduction.

NOTE.—The Treasury Officer must, however, check the deductions in the case of the Annuity Fund and the Indian Civil and Indian Military Service Family Pension Regulations.

### Income Tax Deductions.

**32. (a)** All salaries, annuities, pensions, bonuses, and gratuities falling due on and after the 1st April 1886 are liable to Income Tax.

1. The salaries of officers serving outside of British India whose services have been lent to, and whose salaries are paid by, Native States even though they may be paid in the first place by the Government of India, are not liable to Income Tax.

2. A capital sum paid in commutation of the whole or a portion of a pension and compassionate gratuities granted to the families of deserving Government servants left in indigent circumstances are exempt from Income Tax.

(b) The tax is also leviable upon interest on Government securities, excluding Stock Notes and the non-transferable form of Promissory Notes held by Chiefs, falling due on or after the 1st April 1886.

1. Interest on securities is exempt if the securities are held by or are the property of—

- (1) a Service Fund or a Friendly Society, as defined in clause (8) of Financial Department Notification No. 2180-S.R., dated 23rd April 1901, as amended by Notification No. 2503-Ex., dated 25th April 1907.
- (2) a University or other Association or body existing solely for educational purposes;
- (3) a local authority, such as a Municipal Committee, District Board or Port Trust, provided that the exemption shall not extend to interest payable in respect of any period (the period running to date of payment of interest from last date of payment thereof) during which a transfer of the security has been effected.

**33.** For Income Tax purposes, salary includes allowances, fees, commission, and perquisites or profits received, in lieu of or in addition to a fixed salary, in respect of an office or employment of profit. It does not include the following:—

1. Travelling allowance.
2. Tentage                    "\*
3. Horse                     "\*
4. Sumptuary               "
5. Any allowance granted to meet specific expenditure, such as house-rent, compensation for dearness of provisions.
6. Scholarships, if granted to meet the cost of education\*
7. School prizes.

NOTE 1.—Local and Exchange Compensation Allowances are subject to the tax, and no part of a consolidated pay is exempt.

NOTE 2.—Rewards for passing examinations are taxable under Part IV of Schedule II of Act II of 1886 as income, and not as salary under Part I of the Schedule. An Account Officer auditing the payment of any such reward should inform the Collector of the fact of payment in order that Income Tax may be levied on it.

NOTE 3.—Fees or honoraria paid by Government to Examiners for conducting examinations are not taxable as salary or gratuity under Part I of Schedule II of Act II of 1886, unless it is actually part of the officer's recognized duty to conduct such examinations. If it is not part of his duty, and if he is simply invited to do certain work which might equally well be done by a non-official on similar invitation, the fee which he receives is "income", not "salary", and the disbursing officer is not concerned with the recovery of Income Tax on the amount. An Account Officer auditing the payment of any such fees or honoraria should, however, inform the Collector of the fact of payment in order that Income Tax may be levied on it.

**34. (a)** The tax is leviable upon the gross salary, subject, however, to deduction of such portion of the salary as—

- (1) is deducted under the authority or with the permission of Government for the purpose of securing a deferred annuity for the officer himself, or a provision for his wife or children after his death;

\* See Article 41L (d).

- (2) is paid by the officer to an Insurance Company, Service Fund, Mutual Benefit Fund, Friendly Society, or other legally established Association in respect of an insurance or deferred annuity on his own life or on the life of his wife, but not on the life of his child;
- (3) is paid into any Provident Fund established under the authority or with the permission of Government, and is not repayable to the officer at his option so long as he remains in the service;

NOTE.—Refunds under rule VII of the Civil Engineers' Provident Fund of amounts temporarily withdrawn under rule VI are not exempt from Income Tax. The same principle applies to other Provident Funds.

- (4) is compulsorily stopped from salary by the orders or with the approval of Government for payments to Regimental Mess or Band Funds or the like;
- (5) is deducted as fine inflicted by the head of an office or department or by Government.

NOTE.—A portion of salary withheld under an order of a Court is not a sum compulsorily stopped from salary within the meaning of this clause.

Provided that—

- (i) the total amounts deducted under (1), (2), and (3) do not exceed one-sixth of the salary for the financial year;

NOTE.—The amount of premium paid to an Insurance Company in any year, for which a refund of Income Tax is claimed in a subsequent year, should not be included in the limit of one-sixth salary for the next year.

- (ii) the claim to exemption on account of premium paid to an Insurance Company, etc., is made within six months from the last day of the financial year during which the premium was paid.

(b) The above deductions, with the exception of those under (5), are not taken into account in determining whether the income is liable to the tax or in determining the rate at which the tax shall be levied.

1. Interest paid under rule 11 of the I. M. S. F. P. Regulations and rule 9 of the I. C. S. F. P. Regulations is exempt from Income Tax : but interest paid under rules 13 and 16 of the former and under rules 12 and 15 of the latter is not exempt from the tax.

2. If a life insurance premium is payable in sterling, the amount to be deducted from the gross salary, etc., is the actual cost of remittance as stated by the assessee, or if the assessee is unable to state such actual cost the equivalent in rupees of the sterling payment calculated at the official rate of exchange for the year in which the deduction is made.

3. Premium paid by an officer while on leave or deputation out of India, whose allowances are disbursed from the Home or a Colonial Treasury, cannot be taken into account for the purpose of allowing an abatement of Income Tax.

*Exception.*—Insurance premia and subscriptions to recognised Provident and Service Funds so far as paid in India by an officer on leave or deputation out of India, whose allowances are disbursed from the Home or Colonial Treasury, are exempted from Income Tax to the extent of one-sixth of the salary actually drawn by the officer in-India during the financial year, in which the premia, etc., are paid.

4. The amount of premium paid to a Life Insurance Company should be deducted in one sum from the salary bill to which the receipt for the premium is attached, before the calculation for the Income Tax is made.

5. Income Tax is not to be deducted from advances of pay made under Article 137, clauses (a) and (b), of this Code, and under Article 64 of the Civil Service Regulations, the

deductions being made from the gross amount of the salary bills from which the advances are recovered by instalments.

6. Advances made to officers proceeding on leave or duty out of British India are liable to Income Tax, which should be deducted in each case when the advance is made.

7. When advances of pay or leave allowance for a period extending beyond the date of the officer's return to India are made in England, Income Tax should be charged on the full amount of salary from the date of return to India without abatement for advance.

35. (a) A deduction made from the amount of salary, pension, or annuity liable to assessment, on account of payment made to a Life Insurance Company or to a Family Pension Fund (if the payment is made otherwise than by deduction from salary) must be supported either—

- (1) by the original receipt of the Insurance Company; or
- (2) (in the case of a deduction claimed by servant of the Government or of a local authority) by a copy of the same, presented along with the original to the officer who pays the salary, and attested by that officer, who should, after such attestation, return the original with a note endorsed upon it that it has been produced and allowed for, the copy being attached to the bill sent with the list of payments;  
or
- (3) by a duplicate receipt or certificates of payment given by the Insurance Company, provided a certificate is given that the original receipt is lost or is not forthcoming.

(b) In cases (1) and (3) the receipt or certificate should be forwarded with the bill to the Account Office, whence it will be returned, if desired, as soon as the fact of payment is admitted in due course of audit.

(c) Where the Collector is satisfied that none of the above prescribed documents can be produced without an amount of delay, expense or inconvenience which, under the circumstances of the case, would be unreasonable, he may accept such other proof of payment of the premium as he may deem sufficient. He must, however, in all cases receive and adjudicate the claims to the remissions in sufficient time to prevent the payment of bills being postponed pending the adjudication.

36. If the salary, annuity, or pension amounts to R166-10-8 per mensem, the amount recoverable is five pies in the rupee, or, if less than the above, but not less than R83-5-4 per mensem, the rate is four pies in the rupee. The amount due on a fraction of a rupee should be neglected. Thus the tax to be realized on a monthly salary of R166-10-8 is R4-5-2 only. The tax is calculated in accordance with the Table printed as Appendix B.

36A. The tax is not leviable on the salary of any officer, warrant officer, non-commissioned officer or private of His Majesty's Forces or of His Majesty's Indian Forces, who is not in an employment which, according to the ordinary practice, may be held indifferently by military persons and civilians and whose salary does not exceed five hundred rupees per mensem.

NOTE 1.—The salary of officers of the class mentioned in this article who may be deputed on Famine or Plague duty under the Civil Department is also exempt from Income Tax if the salary drawn during the deputation does not exceed R500 a month.

NOTE 2.—In the case of Military Hospital Assistants lent for Civil duty, no Income Tax should be levied if the emoluments drawn in the Civil Department are no higher than those the Hospital Assistants were drawing when in Military employ. In cases in which higher allowances are drawn in Civil employ, Income Tax should be recovered.

NOTE 3.—Civil Surgeons are not exempted under this article.

37. (a) If the salary drawn in any month is less than R83-5-4, deduction need not be made on account of the tax on the ground that the salary of other months has been or will be such as to bring the salary of the year up to R1,000. The tax on salary should be deducted with reference to the salary of each month separately.

(b) Income Tax deducted from the salary of an officer whose total income during the year is found to be less than R1,000 may be refunded after the close of the year, but the refund should be made by the officer through whom the tax was originally collected on the certificate of the Collector to the effect that the total income of the officer for the year did not amount to R1,000.

(c) An officer whose monthly salary was R166-10-8 or more, but whose total salary during the year amounted to less than R2,000, may be allowed a refund of the extra one pie per rupee which was deducted from his salary during the period when it amounted to R166-10-8 or more.

38. The tax should be levied on a gratuity with reference to the total of the gratuity and salary drawn by the gratuitant in the year of payment,—*i.e.*, the gratuity should be exempt, taxable at four pies, or taxable at five pies in the rupee, according as the above total is less than R1,000, R1,000 or more, but less than R2,000, or R2,000 or more, respectively. This rule, however, will not modify the previous application of Article 36 above to any salary already drawn during the year.

39. The head of an office should not question the recipient as to his other income. He should deduct the tax solely with reference to the month's salary or the total of salary and gratuity paid during the year, as the case may be, unless the Collector brings to his notice that the recipient has other income.

40. (a) In the case of interest on Government securities the rate is five pies in the rupee, unless the holder produces a certificate from the Collector that his annual income from all sources is less than R1,000, or that the interest is employed solely for religious or public charitable purposes, when no deduction should be made, or unless he produces a certificate that his income from all sources is less than R2,000, in which case the rate is four pies.

(b) When any exemption is allowed, or a lower rate is levied, the Treasury Officer should record on the payee's receipt that the prescribed certificate has been produced, and note the fact in the column "Deduction of Income Tax," in the Register of Payments (Form No. 24).

40A. All claims for the refund of Income Tax paid under Parts I and III of the Second Schedule of Act II of 1886 may be received and examined, if preferred within six years from the date of realization of the tax.

### Exchange Compensation Allowance.

41. This allowance is granted in accordance with the rules contained in Appendix BB. It is a provisional addition to salary, calculated on the difference between the gold value of half-salary at the market rate of exchange, and its value at a privileged rate, which for the present is fixed at 1s. 6d. per rupee, subject to the condition that it shall in no case exceed in any quarter the amount of rupees by which £250 converted at the privileged rate shall fall short of the equivalent of £250 converted at the market rate.

*Officers to whom Exchange Compensation Allowance is payable.*

41A. The allowance is payable only to Europeans. Eurasians who are not statutory natives of India are to be reckoned as Europeans, and, for the purposes of the rules, Europe includes the English-speaking colonies. As regards officers appointed in England no person appointed after the 6th June 1907 under a written contract shall be entitled to Exchange Compensation Allowance unless he is explicitly admitted thereto under the terms of the contract or unless the appointment which he holds gives him a claim to the allowance under any general rule or decision of the Government of India, a list of which appointments is given in Appendix BB.<sup>1</sup> As regards appointments in India, the claim depends on two factors which may be described as *Personal* and *Official* eligibility. The former is secured by being outside the class "Native of India" as defined in Statute 33 Vict., Cap. 3, Section 6, to which an important privilege of appointment in India to offices carrying a salary of ₹200 and over, save in certain excepted departments, is secured by Standing Orders of the Government of India. Full instructions are contained in Government of India, Financial Department, Nos. 2418-Ex., dated 26th May 1899, and 3457, dated 31st July 1899. As regards official eligibility, the concession is limited to those offices in which European qualifications are held to be indispensable or to services and departments in which a proportion of Europeans is held to be indispensable and is also subject to the further condition that the rates of pay in such appointments, services or departments have not been fixed or revised on the understanding that Exchange Compensation Allowance will not be drawn. The allowance is admissible only to officers who are appointed as Europeans, and in the case of the services and departments alluded to, only to those officers who are appointed for the purpose of maintaining the requisite proportion of Europeans. The Government of India alone can determine which are the offices, services and departments in which European qualifications or a proportion of Europeans are deemed to be indispensable. The question whether any officer is appointed because he is a European, and for the purpose of maintaining the proportion of Europeans is one for the decision of the Government by or under which the appointment is made.

NOTE.—A son of a Native of India by an English mother is ineligible for the allowance.

41B. Further orders of the Government of India have been issued in Financial Department Resolution No. 4847-Ex., dated 5th November

NOTE 2.—In the case of Military Hospital Assistants lent for Civil duty, no Income Tax should be levied if the emoluments drawn in the Civil Department are no higher than those the Hospital Assistants were drawing when in Military employ. In cases in which higher allowances are drawn in Civil employ, Income Tax should be recovered.

NOTE 3.—Civil Surgeons are not exempted under this article.

**37.** (a) If the salary drawn in any month is less than R83-5-4, deduction need not be made on account of the tax on the ground that the salary of other months has been or will be such as to bring the salary of the year up to R1,000. The tax on salary should be deducted with reference to the salary of each month separately.

(b) Income Tax deducted from the salary of an officer whose total income during the year is found to be less than R1,000 may be refunded after the close of the year, but the refund should be made by the officer through whom the tax was originally collected on the certificate of the Collector to the effect that the total income of the officer for the year did not amount to R1,000.

(c) An officer whose monthly salary was R166-10-8 or more, but whose total salary during the year amounted to less than R2,000, may be allowed a refund of the extra one pie per rupee which was deducted from his salary during the period when it amounted to R166-10-8 or more.

**38.** The tax should be levied on a gratuity with reference to the total of the gratuity and salary drawn by the gratuitant in the year of payment,—*i.e.*, the gratuity should be exempt, taxable at four pies, or taxable at five pies in the rupee, according as the above total is less than R1,000, R1,000 or more, but less than R2,000, or R2,000 or more, respectively. This rule, however, will not modify the previous application of Article 36 above to any salary already drawn during the year.

**39.** The head of an office should not question the recipient as to his other income. He should deduct the tax solely with reference to the month's salary or the total of salary and gratuity paid during the year, as the case may be, unless the Collector brings to his notice that the recipient has other income.

**40.** (a) In the case of interest on Government securities the rate is five pies in the rupee, unless the holder produces a certificate from the Collector that his annual income from all sources is less than R1,000, or that the interest is employed solely for religious or public charitable purposes, when no deduction should be made, or unless he produces a certificate that his income from all sources is less than R2,000, in which case the rate is four pies.

(b) When any exemption is allowed, or a lower rate is levied, the Treasury Officer should record on the payee's receipt that the prescribed certificate has been produced, and note the fact in the column "Deduction of Income Tax," in the Register of Payments (Form No. 24).

**40A.** All claims for the refund of Income Tax paid under Parts I and III of the Second Schedule of Act II of 1886 may be received and examined, if preferred within six years from the date of realization of the tax.

### Exchange Compensation Allowance.

41. This allowance is granted in accordance with the rules contained in Appendix BB. It is a provisional addition to salary, calculated on the difference between the gold value of half-salary at the market rate of exchange, and its value at a privileged rate, which for the present is fixed at 1s. 6d. per rupee, subject to the condition that it shall in no case exceed in any quarter the amount of rupees by which £250 converted at the privileged rate shall fall short of the equivalent of £250 converted at the market rate.

*Officers to whom Exchange Compensation Allowance is payable.*

41A. The allowance is payable only to Europeans. Eurasians who are not statutory natives of India are to be reckoned as Europeans, and, for the purposes of the rules, Europe includes the English-speaking colonies. As regards officers appointed in England no person appointed after the 6th June 1907 under a written contract shall be entitled to Exchange Compensation Allowance unless he is explicitly admitted thereto under the terms of the contract or unless the appointment which he holds gives him a claim to the allowance under any general rule or decision of the Government of India, a list of which appointments is given in Appendix BB.<sup>1</sup> As regards appointments in India, the claim depends on two factors which may be described as *Personal* and *Official* eligibility. The former is secured by being outside the class "Native of India" as defined in Statute 33 Vict., Cap. 3, Section 6, to which an important privilege of appointment in India to offices carrying a salary of R200 and over, save in certain excepted departments, is secured by Standing Orders of the Government of India. Full instructions are contained in Government of India, Financial Department, Nos. 2418-Ex., dated 26th May 1899, and 3457, dated 31st July 1899. As regards official eligibility, the concession is limited to those offices in which European qualifications are held to be indispensable or to services and departments in which a proportion of Europeans is held to be indispensable and is also subject to the further condition that the rates of pay in such appointments, services or departments have not been fixed or revised on the understanding that Exchange Compensation Allowance will not be drawn. The allowance is admissible only to officers who are appointed as Europeans, and in the case of the services and departments alluded to, only to those officers who are appointed for the purpose of maintaining the requisite proportion of Europeans. The Government of India alone can determine which are the offices, services and departments in which European qualifications or a proportion of Europeans are deemed to be indispensable. The question whether any officer is appointed because he is a European, and for the purpose of maintaining the proportion of Europeans is one for the decision of the Government by or under which the appointment is made.

NOTE.—A son of a Native of India by an English mother is ineligible for the allowance.

41B. Further orders of the Government of India have been issued in Financial Department Resolution No. 4847-Ex., dated 5th November

1898, as amended by Government of India, Finance Department, letter No. 6944-F.E., dated 18th November 1911, and in resolution No. 2556-Ex., dated 5th June 1899, describing the appointments by virtue of which an officer *appointed in India* becomes entitled to Exchange Compensation Allowance if not otherwise disentitled to it. These orders do not therefore render a person appointed in India eligible for the allowance, if he is a native of India, within the definition of that term in Statute 33 Vict., Cap. 3, Section 6.

**41C.** Cancelled.

**41D.** The orders issued by the Government of India on the subject of Exchange Compensation Allowance apply *proprio vigore* only to officers paid from general revenues. Their application to officers serving under Local Boards and Municipalities is a matter to be settled by Local Governments so far as these have legal and financial power to enhance the salaries of such officers. To this extent Local Governments may sanction any increase in the salaries of Local Board or Municipal servants by way of Exchange Compensation, provided that the concession so made in no case exceeds what such officer would have been eligible for by way of Exchange Compensation Allowance had he been serving under Government.

**41E.** As regards officers appointed in India on or after the 1st April 1897, a certificate of eligibility for Exchange Compensation Allowance will be granted on appointment by the Government by or under which the appointment is made. The certificate will set forth the grounds upon which the officer to whom it is granted is deemed to belong to the class of public servants who supply the indispensable European element in the administrative body of Indian officials. In the case of officers appointed in India before the 1st of April 1897, such a certificate on appointment is not required, but the orders of the Government under which they are now serving should be obtained as to their eligibility to receive the allowance. Only such officers as have obtained such certificates or orders can be given the full benefit of Exchange Compensation Allowance.

**NOTE 1.**—Officers to whom Exchange Compensation would not be admissible under these rules, but who have been admitted to it under the rules previously in force, will continue to draw it to the extent of the salaries they were drawing on the 1st of April 1897; but any increase in their salary after that date will be taken in reduction and ultimately in extinction of their claim to the allowance.

**NOTE 2.**—An officer without a substantive appointment acting in Government service is not debarred from Exchange Compensation Allowance merely by reason of his holding only an officiating appointment.

**NOTE 3.**—Except to the extent allowed in Note 1 above no officer can draw Exchange Compensation Allowance when holding an appointment which does not carry the allowance, whether he holds it substantively or as an officiating incumbent.

*Explanation.*—An officer, otherwise eligible, is not debarred from drawing Exchange Compensation Allowance while acting in an appointment which carries the allowance.

*Officers to whom Exchange Compensation Allowance is not admissible.*

**41F.** Exchange Compensation Allowance is not admissible to—

- (a) persons temporarily appointed to the service of Government for a specified duty only, upon allowances definitely fixed for the particular case;

- (b) persons serving under a contract in which their allowances are definitely fixed, which is not preliminary to employment in one of the regular services of the Government, and five years of service under which have not elapsed;

NOTE.—This clause relates only to persons appointed under a written contract in India. A European so appointed in England will be entitled to Exchange Compensation Allowance, if he is explicitly admitted to the allowance in the agreement.

- (c) persons who are not members of any regular service, and who are employed in a professional capacity (such as lawyers, teachers, lecturers, clergymen, medical men), without being debarred from the private exercise of their professions;
- (d) officers permitted to make family remittances through Government for any month in which the privilege is availed of;
- (e) members of the Political Department of the Government of India except those substantive or officiating in the grades of Resident.

*Exchange Compensation Allowance to Officers on Foreign Service.*

41G. Exchange Compensation Allowance is not admissible under the rules in Appendix BB to Government officers in foreign service. The Government of India, however, so far as they are concerned, agree to the grant of the allowance under the restrictions and rules contained in the Appendix cited above. But as the allowance will not be payable by the Government of India, but by the foreign employer, the claim in each case must, subject to any conditions imposed by Statute or by trust provisions, be decided, in the case of foreign service of the first kind, by the orders of the employer to whom the officer's services have been lent, and in the case of service of the second and third kinds, with the consent of the controlling authority of the funds to which the allowance will be chargeable. If the foreign employer signifies his desire to give the allowance, the sanction of the Local Government by whom the officer's services were lent should be applied for, with a full statement of the grounds on which the officer considers himself to be eligible for the allowance. If the Local Government entertains any doubt whether the officer is eligible under the rules, the case should be submitted for the decision of the Government of India in the Finance Department.

NOTE.—Exchange Compensation Allowance payable by the foreign employer to an officer on foreign service while on privilege leave should be distributed according to the rule of proportions between the foreign employer and Government.

*Allowances on which Exchange Compensation is admissible.*

41H. Exchange Compensation Allowance is admissible as explained below:—

- (a) *In the case of officers whose emoluments are governed by the Civil Service Regulations:—*On salary, as defined in Article 38 of those Regulations.
- (b) *In the case of officers whose emoluments are governed by the Indian Army Regulations:—*On pay, Indian allowances and staff salary.

- (c) *In the case of officers on leave*:—On leave allowances fixed in rupees and drawn in India or Ceylon.
- (d) *In the case of an officer part of whose salary is fixed in sterling and converted into rupees at the rate of exchange fixed annually for the adjustment of transactions between England and India*:—The allowance is payable only in respect of the excess, if any, of the portion of his salary not fixed in sterling, over the portion fixed in sterling.
- (e) *In the case of an officer serving in India who receives in sterling in England a wound or good service pension*:—An abatement should be made from the Exchange Compensation Allowance drawn in India, the amount of the abatement being equal to the amount by which the equivalent of the sterling pension at the official rate of exchange is exceeded by that at the rate fixed for the payment of Exchange Compensation.
- (f) *In the case of employés of the Indo-European Telegraph Department, and other officers in Persia, who are entitled to Exchange Compensation Allowance*:—Such officers will be paid one-half of their salaries (subject to a limit of £1,000 a year) at the rate of exchange fixed between krans and pounds sterling, one rupee of salary being taken for this purpose as equivalent to 1s. 6d. and the other half at the rate of exchange fixed between krans and rupees. The rates of exchange, for the purposes of this article, between krans and rupees and between krans and pounds sterling will be fixed quarterly by the local authorities.

*Amount admissible.*

41J. The allowance is granted in the form of a percentage (at present  $6\frac{1}{4}$  per cent.) on the officer's salary, subject to a maximum of R138-14-3 *per mensem*. A table for calculating the allowance is printed below for easy reference.

Salary.	Amount admissible.	Salary.	Amount admissible.	Salary.	Amount admissible.
R	R a. p.	R	R a. p.	R	R a. p.
1	0 1 0	20	1 4 0	300	18 12 0
2	0 2 0	30	1 14 0	400	25 0 0
3	0 3 0	40	2 8 0	500	31 4 0
4	0 4 0	50	3 2 0	600	37 8 0
5	0 5 0	60	3 12 0	700	43 12 0
6	0 6 0	70	4 6 0	800	50 0 0
7	0 7 0	80	5 0 0	900	56 4 0
8	0 8 0	90	5 10 0	1,000	62 8 0
9	0 9 0	100	6 4 0	2,000	125 0 0
10	0 10 0	200	12 8 0	Maximum admissible.	138 14 3

*How Calculated, Drawn and Charged.*

**41K.** The allowance should be calculated on the whole gross salary for the month before deduction of Income Tax, Annuity, and Fund deductions. The percentage is not calculated on fractions of a rupee in the salary, fraction of 8 annas or more being taken as one rupee, and fractions of less than 8 annas being neglected. It should be drawn with pay on the same bill on which pay is drawn, being shown by a separate entry as follows:—

“Add for Exchange Compensation Allowance at  $6\frac{1}{4}$  p.c.”

It should be charged to the same head as pay, but in all entries in accounts it should be shown separately from pay.

*Miscellaneous Points.*

**41L.** The following rules should be noted:—

- (a) Deputation allowance does not come within the definition of “salary” in Article 38 of the Civil Service Regulations, and consequently Exchange Compensation Allowance is not admissible in respect to it. But if in any case deputation allowance has been specially permitted to count as salary for calculating leave allowance, it may also count for Exchange Compensation Allowance.

NOTE.—The term “Deputation allowance” used above means an allowance payable in addition to salary under Article 81 of the Civil Service Regulations to an officer placed on special duty in India, and does not include the allowance under Article 85 of an officer deputed to Europe, which, when payable in India, carries Exchange Compensation Allowance, provided the officer concerned is otherwise entitled to it.

- (b) The allowance is admissible on the extra staff pay and allowances enumerated in the statement which accompanied Government of India, Foreign Department, No. 903-Ex., dated the 8th February 1898.
- (c) The allowance is not admissible on subsistence allowance drawn under Article 193 of the Civil Service Regulations, for the period of suspension pending the enquiry into alleged misconduct.
- (d) When an officer claims exemption from Income Tax with reference to horse allowance or tentage included in his salary, he cannot draw Exchange Compensation Allowance on such allowances.
- (e) The maximum limit of salary on which Exchange Compensation Allowance can be drawn is a monthly one; that is, if during any month the allowances on which Exchange Compensation Allowance is admissible exceed the maximum limit, Exchange Compensation Allowance for that month should be restricted to the maximum.
- (f) When salary is drawn for a portion of a month, Exchange Compensation Allowance is admissible only for that portion of the month, and the maximum monthly limit, if applicable, must be proportionately reduced.

- (g) The allowance should not be treated as salary for the purpose of calculating table money recoverable under Article 1022 of the Civil Service Regulations from an officer travelling by sea.
- (h) The allowance is chargeable with Income Tax and also with Civil Fund deductions, and, except in the case of Madras and Bombay Civil Servants who entered the service or passed the final examination before 1876, with annuity deductions, but the allowance admissible on the minimum furlough allowance is exempt from annuity deductions.

## Chapter 4.—Gazetted Officers' Bills.

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## Form of Salary Bill.

42. For the fixed allowances of a gazetted officer the adoption of bills in a form similar to Form 1 is recommended, in which the whole of the fixed allowances claimable by an officer in respect of the same appointment are set forth. An officer who draws an additional allowance for a separate office need not present a separate bill for it, unless it is chargeable to a Local Fund or to sources other than general revenues.

43. In some provinces it is found more convenient that the pay of munsifs, tahsildars, and other similar officers belonging to establishments limited and fixed with reference to the requirements of a whole province, who are not ranked as gazetted officers, but whose pay varies according to grade, should be drawn separately, in the form provided for gazetted officers, instead of being included in the pay bill of their office establishment.

44. Salaries may be paid only upon the personal claim of the officer concerned, and to his personal receipt, and not otherwise, except under the special authority in each case of the Government of India or the Comptroller General. At the written request or order of the officer, the salary bill may be made payable to some *well-known* banker or agent.

1. A Government Officer or any other single person cannot be constituted an "Agent" under Article 30 for the purposes of the above rule.

2. The ruling in this article applies to all payments, whether on account of salary, travelling or other allowances, which under the rules are made to officers on their personal account.

45. An officer drawing pay for the first time from any treasury should present, with his salary bill, a last-pay certificate in accordance with the rules contained in Appendix 3 to the Civil Service Regulations, unless he is a newly-appointed officer drawing his pay for the first time, when a health certificate—except in the case of an officer appointed by the Secretary of State—and an order from the Accountant General should be attached to the bill; but if the appointment is temporary, the certificate need not be furnished until he is confirmed.

## Alterations of Pay.

46. No officer may draw an increased or a changed rate of salary or fixed allowance unless the bill on which he draws it is either pre-audited by the provincial Accountant General, or is accompanied by a letter of the Accountant General authorising the amount to be drawn. These letters will be issued from the Account Office as soon as possible; but

as delay may occur if the change is made near the end of a month, or if it takes effect from a date which cannot immediately be ascertained, and cannot be fixed by a certificate of transfer of charge appended to the bill, officers should either draw their bills for no more than old rates, or send their bills for pre-audit to the Accountant General, if they do not first receive his letter of authority.

#### Transfer of Office.

47. Every transfer of charge of a gazetted officer should be reported by post of the same day to the Accountant General: and in the case of an officer having *independent* charge of a public treasury, statements of the cash balance, of the stamp and opium stores, and also of the bill forms in stock, should be prepared, signed by the officer taking charge, and forwarded to the Accountant General at the same time.

NOTE.—This rule only applies to changes of District Officers, not to transfers of executive charge of the treasury between their subordinates: in the latter case, the fact of transfer should simply be advised to the Accountant General.

#### Pay to Officers in England.

48. If pay be due in India to an officer absent in England, he must make his own arrangements to receive it in India.

#### Travelling Allowance Bill.

49. The form of bill for travelling allowance of a gazetted officer depends upon the rules under which it is due. For the case of mileage, halting allowance, or daily rate, Form 2 is recommended as setting forth in a convenient form the necessary details of information. When a circuitous route is taken, the reason for doing so should be stated on the bill. When an officer is entitled to draw actual expenses, they should, in the absence of orders to the contrary, be set forth in detail.

#### Rewards for Proficiency in Oriental Languages.

50. (a) Bills for rewards under civil rules to civil officers, including chaplains and military officers in civil employ, should be pre-audited by the Accountant General, who will be guided either by the scales laid down by the Government of India for those rewards which apply generally, or by such special rules as may obtain in the several provinces.

(b) Bills for rewards under military rules to military officers in civil employ should be submitted to the Accountant General, who will pass them for payment after having them pre-audited by the Military Department. The amounts of these bills will be debited to the Military Department through the Exchange Accounts.

#### Inspecting Officers.

51. In most cases, and in the absence of special provision, payments can be taken only at the treasury of the district in which the claim arises; but an officer whose duty requires him to travel about on inspection should ordinarily take with him a last-pay certificate, which will

enable him to draw from the nearest treasury within his circle of jurisdiction such portion of his pay as may be entered in it at his request, the balance, if any, being drawn at his head-quarters. Should he pass from one Accountant General's jurisdiction to another's, the last-pay certificate should be countersigned by both. In such a case, of course, no *advance* is made, and no recovery or adjustment becomes necessary. Similarly, he may draw his travelling allowance on the prescribed bill form with necessary certificates, countersigned by the controlling authority if any, but he cannot take advances on account of travelling allowances.

52. As an exception to the above rule, such advances as may be required on account of pay may be drawn by the officers named below, the pay bill being presented at the head-quarters treasury:—

- (a) The Metropolitan Bishop of Calcutta, from any treasury in India.
- (b) Other Bishops, from any treasury within their diocese.
- (c) Archdeacon, from any treasury within diocese.
- (d) Inspector General of Forests, from any treasury in India.
- (e) Director General of Archæology, from any treasury in India.
- (f) Government Epigraphist for India, from any treasury in India and Burma.
- (g) Surveyor General of India, from any treasury in India.
- (h) Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa, from any treasury in India.
- (i) Director General of Observatories, from any treasury in India.
- (j) Assistant Superintendent, Archæological Survey, attached to the office of the Director General of Archæology, from any treasury in India (including Burma).

Receipts should be taken in duplicate, the original being forwarded immediately to the Accountant General who usually audits the officer's allowances, and the duplicate retained to support the debit in the list of payments.

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## Chapter 5.—Establishment.

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### Sections of Establishment.

53. For the purposes of this chapter, parts of an establishment under the same officer, which are charged under different major heads, are to be regarded as distinct establishments—*e.g.*, a District Officer's Excise establishment is to be treated as distinct and separate from his Land Revenue establishment.

54. For the purposes of pay and audit, establishments are distributed into "sections." No fixed rules can be laid down as to what constitutes a section; but the sections should be fixed by the Accountant General in communication with the heads of officers or departments on the following principles:—

(a) The distribution should be uniform throughout the province for the same kinds of establishments.

(b) Ordinarily, an office or establishment containing not more than ten or twelve clerks will form a single section; larger offices will comprise two or more.

(c) The distribution in the latter case should follow the actual working arrangements of the office, *e.g.*, a District Officer's establishment might be distributed in the following sections: English Office, Vernacular Office, Treasury, Nazir Record.

(d) In large offices, where the clerks are arranged by classes and grades, each grade may form a separate section.

(e) Petty and numerous establishments are often best distributed according to the taluqs or sub-divisions of a district, *e.g.*, village schoolmasters should be so distributed, while of the higher classes of schools, each school would form a separate section.

(f) Clerks (or schoolmasters, native doctors, etc.) should not, except in small establishments, be lumped up with chuprassees or servants; but servants should, when their number is not very small, form a separate section or sections.

(g) The pay abstracts of the district police are regulated by departmental rules, and are stated, so far as regards the lower grades, in detail of grades.

(h) In preparing pay bills, absentee statements, annual returns of establishment, proposition statements and other similar documents, the entries should be made in accordance with the sections arranged under the provisions of this article.

### Annual Returns.

55. (1) Early in April in each year, a detailed statement of the permanent establishment existing on 1st April, will be prepared in Form 3 and transmitted to the Accountant General direct as soon as possible, and, in any case, not later than the 15th May. A similar statement is also required for local funds establishments, the claims to pension for which are submitted to him for verification of services and report, but

only one copy of it should be sent to the Account Office. The return will show accurately the establishment as it exists on 1st April, and in preparing it the following instructions should be carefully observed:—

(a) The name, designation, and pay of every gazetted officer, and other members of the establishment holding a permanent appointment, whether on duty or absent on foreign service, leave or deputation, or in a temporary appointment elsewhere, or under suspension, should be distinctly shown, with the exception of those exempted from keeping service books by Article 816 of the Civil Service Regulations, and any officials on non-pensionable establishments, who should be shown in detail of grades only.

[NOTE.—The names of menial servants attached to Survey Parties, whose service is not longer than two years, may be omitted from the annual statement; but when the name of any such servant is for the first time introduced, the original date from which his service has been continuous should be mentioned.]

(b) The date of birth, of appointment to present post, and of promotion to present pay of each person, as well as the number and date of the Government orders creating the post as it now stands, should be clearly entered in the appropriate columns of the statement; the date of birth by Christian era should be given, and if the exact date is not known, the approximate date or year should be stated. This date can be altered, except in the case of a clerical error, only under the orders of the Local Government.

NOTE.—A Local Government or Administration may delegate this power, in the case of non-gazetted officers, to Heads of Departments and Commissioners of Divisions.

(c) The return should show accurately the sanctioned scale of permanent establishment and so will include every post, whether filled up or not; and if a post be vacant, the word *vacant* should be set against it in the column of *Name of Incumbent*.

(d) The names of gazetted officers should be entered first, and beneath them those of the clerks and servants in order of sections of the establishment; there should be a separate total for each section, the grand total being taken at the foot.

(e) The columns of *minimum* and *maximum* pay of post should be filled up only when the pay is progressive, i.e., rises from a minimum to a maximum by annual increments; and if any annual increment is given with effect from 1st April, it should be included in the return, and compared with the certificate (in Form 8) required by Article 62, which would accompany the April bill.

(f) The name of any person acting in an appointment, as well as the acting allowance paid to him, should be shown in the column "*Name of Incumbent*" beneath the name of the absentee for whom he is officiating.

NOTE.—In the case of clerks in account offices who draw fixed rates of pay, details of acting promotions to higher grades need not be shown.

(g) If the acting incumbent holds a permanent appointment upon another establishment the fact should be stated, and the entry should be supported by a certificate from the head of that other establishment.

(h) If any superior servant on the establishment has attained the age of 55 years, the number and date of the orders of Government or other competent authority permitting his retention in the service should be quoted in a note at foot of the statement, and the period for which his retention has been authorised should also be mentioned. If no orders have been received, the number and date of the application for sanction to his retention should be noted.

(i) A detailed statement in Form 4 should be given at foot of the original return Form 3, showing new names of non-gazetted officers which are not found in the return of the previous year; and when these new names include those of persons who have entered Government service for the first time, a reference should be given to the bill with which their age and health certificates were furnished; and if they include the names of persons transferred from other Government appointments, those appointments should be specified, as well as the dates from which the transfers have effect. Columns are also provided in Form 4 for information required in regard to the names of non-gazetted officers which appeared in Form 3 of the previous year, but are now omitted; as also regarding non-gazetted officers who have been on leave, other than privilege or casual, or under suspension during the previous year. In the case of any who have been under suspension, a note is required stating whether it has been expressly declared that the period of suspension shall count as service qualifying for pension (Article 417 of the Civil Service Regulations). The name of an officer who is in transit to another office on the 1st April should be shown in the return of the office from which he has been transferred, with a note that he is in transit.

(j) A separate detailed statement should be prepared for each permanent establishment existing on 1st April, whether paid from general revenues or from local funds, and not more than one establishment should be exhibited on a single page. When the pay of any establishment or of any individual officer is met partly from general revenues and partly from local or other funds, the whole pay should be shown in one statement, and the portion payable from each source specified in a footnote.

(2) When completed in accordance with the above instructions, the detailed statement should be carefully checked with the service books save in the cases excepted in clause (a), as it will be the chief authority by which pension claims will be tested hereafter. A certificate of this comparison should be endorsed on the return thus: "Compared with Service Books and found to agree."

56. The return should be accompanied by an abstract in Form 4-A, which will link together the gross numbers shown in the budget estimate of each establishment and the nominal rolls in the book of establishment. Forms for the detailed statement and the abstract will be supplied by the Accountant General.

### Alteration of Establishment.

57. When the entertainment of a new establishment, or a change, temporary or permanent, is proposed in an office, a letter fully explaining the grounds of the proposition should be submitted departmentally to the Local Government, together with a tabular statement in duplicate in Form 5, showing clearly its financial effect. If the change would affect only a section of the establishment, the numbers and cost of the other sections may be shown in totals without detail, but full particulars must be given for all in which any alteration is recommended. The statement prescribed in Article 158 should also be submitted when necessary.

1. In calculations for the purposes of this rule, Exchange Compensation Allowance should be taken into account in all cases in which it is practically certain to be an element of the proposed expenditure.

2. Where the pay of any post, existing or proposed, rises from a minimum to a maximum by periodical increments, the *average monthly* cost, not the actual or the commencing cost, must be given. This average cost, no doubt, varies under various circumstances, but under all it depends largely on the period of rise. If the pay rise by five equal increments from a minimum to a maximum, the average monthly cost will be taken at the minimum, *plus* two-thirds, or if the appointment is ministerial, at the minimum *plus* three-fourths of the difference between the minimum and maximum; if the period of rise be twenty years, the average monthly cost may be taken at the exact mean; in other cases, an intelligent estimate should be made.

3. The Government of India has directed that, before passing orders on such proposition, the Local Government should obtain from the Accountant General a verification of the figures in the column headed "Present scale."

4. In the case of schemes which have to be submitted to the Secretary of State for sanction, it will not always be necessary to prepare for that purpose proposition statements in full detail in Form 5. When such a scheme involves the revision of a large establishment, comprising subordinate and menial posts, the simplified Form 5-A, prepared in consultation with the Accountant General, may be forwarded to the Government of India, who will decide whether it furnishes sufficient information or whether Form 5 should be used. Where the simplified form has been submitted to the Secretary of State, it will still be necessary to prepare statements in the ordinary form before effect can be given to the Secretary of State's general sanction. Where the scheme is composed of separate schemes independent of one another in the Revenue Administration, final sanction may be separately given upon separate detailed statements for each section. The Government of India will decide in each case whether final sanction should be given by the Local Government or by the Government of India, further sanction of the Secretary of State not being necessary unless the deviations from the simplified proposition statements are such as

would require the sanction of the Secretary of State under the rules of the Civil Service Regulations, or unless the Government of India consider such reference to the Secretary of State necessary for special reasons.

### Monthly Bill.

58. Pay bills will be prepared in Form 6 with full detail of names, both of substantive and acting officers, and will show separately in the first money column the salary or leave allowance claimed for each person for the month, whether drawn or not, and in the second any amount not drawn, but held over for subsequent payment. The fourth money column will be used to show the amount actually drawn for each section; and when salary is drawn for a portion of a month only, the rate at which it is drawn, and the number of days for which it is claimed, should be stated either against the name of the employé in the body of the bill, or in a note at foot of the page; the salaries of the persons included in each section will be marked off in it, and the total of each section will be entered in red ink.

1. The pay of all temporary establishments (other than hot-weather establishments and temporary field establishments) which are entertained under sanction should be billed for separately, and sanction quoted.

2. The names of policemen and postmen and village postmen whose pay does not exceed R20 per month, and of other officers whose pay does not exceed R15 per month in Burma and R10 elsewhere, may be omitted from the pay-bill, provided that a certificate in the following form is attached to the pay-bill: "Certified also that all policemen and village postmen on pay not exceeding  $\frac{R20}{R10}$ , for whom pay has been drawn in this bill, have actually been entertained during the month."

59. Fines imposed on non-gazetted officers for ordinary neglect of office duty are properly recovered by stoppages from pay and consequent short drawings from the treasury.

60. The monthly bill will be supported either by an absentee statement in Form 7 or by a certificate in the terms stated at the end of Form 6. It may be found convenient to have the certificate printed on the last page of the bill.

61. When the name of any person appointed whether permanently or on probation to superior service appears for the first time in an establishment bill, either reference must be given to a previous appointment held by him (which should be supported by a last-pay certificate, under Article 63 (1) showing dates of making over and receiving charge, advances outstanding, etc.), or, if he did not previously hold any appointment or is re-employed after resignation or forfeiture of past service, a health certificate, as required by Articles 49 and 50 of the Civil Service Regulations, must accompany the bill. The number and date of sanction to appointments of persons other than natives of India on salaries of R200 a month or upwards should be quoted.

NOTE.—The production of a medical certificate is necessary in the case of an officer promoted from non-qualifying service paid from a local fund to a post in superior Government service.

62. To the first bill in which a periodical increment is drawn by any officer, a certificate in Form No. 8 should be appended.

The form provides for two alternative certificates. The first alternative certificate may be used in any case in which the increment is due

for continuous service of the prescribed term, less only periods of suspension and leave without allowances, which are shown in the tabular portion of the certificate. An increment so certified may be drawn in the establishment bill without further authority. In all other cases, the second alternative form is required, and whenever this form is used the certificate with the explanatory memo. (which should show briefly, but clearly, the grounds on which the increment is claimed) should be submitted about one month before the increment falls due to the Accountant General, who will pass and return it after check, and the increment may be paid only on a certificate so passed. If the certificate be submitted at the time indicated, the Accountant General will ordinarily be able to return it, so as to allow of the increment being drawn when due in the ordinary establishment bill; but if arrears of increment have accrued when the certificate is returned, they may be drawn on a separate bill.

### Distribution of Salaries.

63. The head of an office is personally responsible for every salary drawn on a bill signed by him until he has paid it to the person entitled to receive it, and has had the acquittance roll signed by the payee, with, if necessary, a stamp. If the payee do not present himself before the end of the month, the amount drawn for him must be refunded by short drawal in the next bill; his salary can be drawn anew under Article 65 when he presents himself to receive it. Pay may not, under any circumstances, be placed in deposit. The leave allowance of a non-gazetted officer on leave in India must be drawn from the treasury from which his salary is ordinarily disbursed under the signature of the head of his office; and he must make his own arrangements for getting it remitted to him.

1. The head of an office should give a last-pay certificate (see Article 29) to an officer of his establishment who is transferred or deputed to another establishment, or who is discharged on pension. The certificate should state that the officer has received pay on the subscriber's establishment up till (date) inclusive, and that from that date he ceased to draw pay on account of, etc. It should also state the amount, if any, recoverable from the officer under an attachment of his salary by a Court of law, the attachment order being passed on to the head of the office to which the officer is transferred. It need not be countersigned by the Audit Officer, even in the case of transfer from one province or circle of audit to another.

2. In the case of an officer discharged on pension, the certificate should accompany the application for pension, unless the applicant continues in the service after submission of his application, in which case the Accountant General, in issuing orders for payment, will direct that no payment is to be made until the certificate is produced.

3. When, with the special sanction of the Comptroller General, undisbursed pay of any establishment is permitted to be retained in hand for more than one month, the amount so retained should be certified at foot of the bill as follows:—

*Certified that Rs. \_\_\_\_\_ out of the amount drawn on the establishment bill for 19\_\_ are retained for future disbursement, and that all sums drawn prior to that date have been disbursed to the proper persons or refunded.*

64. The head of an office is not at liberty to re-adjust the salaries of an officer by giving one officer more and another less than the sanctioned pay of his post; nor may he distribute the pay of an absentee otherwise than as provided in the Civil Service Regulations. But in the case of departments or establishments divided into grades there is no objection to an excess appointment being made in a lower grade against a

vacancy left unfilled in a higher grade. This liberty must, however, not be used for the purpose of increasing the numerical strength of an office. For each vacancy in a higher grade, only one extra appointment in a lower grade is admissible.

### Arrear Bills.

65. Arrear pay should be drawn, not in the ordinary monthly bill, but in a separate bill, the amount claimed for each month being entered separately, with quotation of the bill from which the charge was omitted or withheld, or on which it was refunded by deduction, or of any special order to Government granting a new allowance: such bills can be presented at any time, subject to the conditions laid down in Article 5, and may include as many items as are necessary.

### Service Books.

66. Special attention is drawn to the rules regarding service books, contained in Articles 816 to 822 of the Civil Service Regulations. The service book is a contemporary record in minute detail of a person's official career. Non-pensionable service should be distinctly shown as such in column 2 of the service books, and every entry should be attested at the time by the head of the office whose orders have caused it. It should be possible to prepare the pay bill by checking the last-pay bill with the service books.

67. The service books should be kept in the custody of the head of the office (Article 818, Civil Service Regulations). When an employé is transferred to another office, his service book should be sent to the head of the office to which he is transferred, and not made over to him, nor should it be given to him when proceeding on leave. When non-gazetted officers are officiating in gazetted appointments, their service books should be kept by the head of the office to which each such officer permanently belongs, but when they are confirmed in such appointments, their service books should be forwarded to the Account Office for record.

NOTE.—In service books of the old form which have no separate column for leave, the description and term of the leave granted may be written across columns 2 and 3, the dates of commencement and end of leave in columns 6 and 10; it may be convenient to make these entries in *red ink*.

### Travelling Allowances.

68. Travelling allowances of establishments, other than permanent or fixed allowances, should be charged in a separate bill (Form 9). When actual expenses are drawn under the rules, their details should invariably be furnished in the travelling allowance bill. At convenient intervals during an officer's tour, and as a general rule, immediately on any return to the head-quarters station, a bill should be prepared for the travelling allowance of the clerks and others who have attended him; this bill may be cashed at the treasury on the receipt of the head of the office, and the amounts distributed as in the case of the establishment bill.

69. A bill in the same form, setting forth the details of the several bills drawn on account of the same month (if more than one), and explaining any divergence from the recognised route should be drawn up at the end of the month, submitted for review and countersignature of the controlling officer, if any, and forwarded to the Accountant General, under the rules applicable to contingent expenditure. This bill must bear a certificate as follows:—

“Certified that I am satisfied that the amounts shown in the bill have been distributed to the officers named, and their receipts taken in the acquittance roll.”

NOTE.—The countersigning officer may, if he prefers it, retain the bill for check of future bills, and merely send to the Account Office a notice that he has “passed the establishment travelling allowance bill of \_\_\_\_\_ for the month of \_\_\_\_\_ for R \_\_\_\_\_ as follows:—

No. of bills paid at treasury.	Amount.	Amount disallowed.	Reasons.
--------------------------------	---------	--------------------	----------

The bill contained the required certificate of the distribution of the amounts.”

70. When the travelling allowance bill is paid after countersignature by the controlling officer, it will bear a certificate in the following terms: “Certified that I have satisfied myself that the amounts included in bills drawn 30 days previous to this date, with the exception of those detailed below (of which the total amount has been refunded by deduction from this bill) have been disbursed to the officers therein named and their receipts taken in the acquittance roll.” A similar certificate should be given on bills payable without countersignature.

### Inspecting Officer's Establishment.

71. When part of his establishment moves with an inspecting officer, the head of the office may grant a last-pay certificate for that portion in order to enable him to draw from another treasury such portion of the pay for it as may be desired, the balance, if any, being drawn at headquarters. He cannot take advances on account of travelling allowances, but can draw any amount due on a bill prepared as laid down in Articles 68 to 70.

### Compensation for Dearness of Provisions.

72. Local Governments and Administrations may, by special orders, grant compensation to the establishments subordinate to them within the following limits:—

(I) (a) When the price of the common staple food-grain of the district is dearer than R1 for twelve seers, but is not dearer than R1 for ten seers, all whole-time servants of Government on civil establishments whose pay does not exceed R30 per mensem, may receive an extra allowance at rates not exceeding those prescribed below:—

Pay exceeding R16 but not exceeding R30 per mensem	R2
Pay not exceeding R16 per mensem	R1

When the pay is less than R5 per mensem, the extra allowance may be increased, at the discretion of the sanctioning authority, so as to bring up the aggregate pay and allowance to an amount not exceeding R6 per mensem.

- (b) When such grain is dearer than R1 for ten seers, the above allowances may be raised to amounts not exceeding R3 and R1-8-0, respectively, and the aggregate pay and allowance of servants on less than R5 per mensem may be brought up to R6-8-0 per mensem.

*Explanation 1.*—In provinces in which the districts are very large, the taluk or other sub-division may be taken as the area for the application of the test prices.

*Explanation 2.*—Local Governments and Administrations may, at their discretion, take the average of the prices of the principal food-grains instead of the price of the common staple food-grain of the districts as the test.

*Explanation 3.*—The limits 10 and 12 seers per rupee are maxima, and any Local Government or Administration may, at its discretion, withhold compensation until grain is dearer. Similarly, the pay limit of R30 a month should be regarded as the maximum, Local Governments and Administrations having full power on each occasion of distress prevailing to adopt a lower limit.

*Explanation 4.*—All other forms of remuneration besides pay proper such as acting charge, local and hill allowances, overtime allowances, fees and pensions are to be taken into account in determining pay for the purpose of these rules.

- (II) The allowance is admissible to men who are officiating or in temporary employment and also to piece-workers in Government Presses, provided that they are drawing rates of salary which have been fixed with reference to normal circumstances, but the allowance is not admissible to men absent on leave or under suspension nor to part-time servants who are only engaged by Government for specific duties which do not prevent their earning money in other ways.
- (III) Government servants drawing consolidated rates of pay part of which has been expressly granted for the up-keep of a horse or camel, are eligible for grain compensation if their net pay, excluding the above-mentioned allowance, does not exceed R30 per mensem. Mounted men who are eligible on their net pay to draw the grain compensation allowance for themselves may also get an extra allowance not exceeding R1 a month at the discretion of the Local Government or Administration, for the extra cost of feeding their horse or camel.
- (IV) The orders in each case should be strictly temporary, and unless specially renewed should, in no case, be held to continue in force beyond the end of the financial year in which they were issued.
- (V) In Calcutta whenever grain compensation is sanctioned by the Government of Bengal for the Provincial establishments, the Comptroller General may extend the concession on the terms of the Local Government's sanction to the Imperial establishments employed there. Heads of Imperial Departments may similarly follow the lead of the Local Governments in respect of the establishment subordinate to them serving elsewhere than in Calcutta.

NOTE 1.—The common staple food of the district, taluk, or other sub-division means the cheapest grain of any kind commonly used by the people of the tract.

NOTE 2.—For Heads of Departments see Appendix BBB.

## Chapter 6.—Contingent Charges.

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### Classification of Charges.

73. Contingent charges incurred on the public service are generally divided into classes, but the precise rules of classification vary according to local orders. In most provinces there are at least two classes—

- (a) Contract contingent charges,
- (b) Countersigned contingent charges,

and the rules in this chapter relate expressly only to these two classes. The Local Government may, however, divide the contingent charges into other classes if it thinks fit, and may modify the rules in this chapter so far as such classes are concerned, provided that—

- (i) Any expenditure not coming under contract contingent charges, nor regulated by a fixed scale laid down by competent authority, must either receive previous sanction or must be dealt with under the rules relating to countersigned contingent charges.
- (ii) All contingent expenditure must be entered in a contingent register.

74. Contract contingent charges are those for which a lump sum is allotted annually within which the officer may incur expenditure as required without further sanction of any kind. All other contingencies are countersigned contingencies, unless the Local Government has directed any further subdivision of contingent charges.

NOTE.—Fixed allowances for contingent expenses which are drawn regularly, irrespective of the actual expenditure incurred in any month, are drawn in the establishment bill, and are not subject to any of the rules laid down in this chapter.

### General Limit.

75. Subject to any orders of the Local Government or controlling authority, an officer is allowed to draw money from the treasury for contingent expenses incurred on the public service within the amount allotted to him in his budget estimate or otherwise. For ordinary expenses, previous sanction is not required. It is for the Local Government to define the nature and limit of charges—

- (a) which may be incurred without previous sanction, and
- (b) which require the previous sanction—
  - (i) of any controlling officer,
  - (ii) of itself.

76. No officer may, without previously obtaining an extra grant, incur expenditure in excess of the amount provided for contingent charges under the major head concerned; and when an officer exceeds the annual grant, he may, under orders of Government, be held responsible for the excess. Some Governments allow a disbursing officer free discretion within this limit, whereas others require him to restrict his expenditure within the grant for each *detailed* head of contingent expenditure, unless the controlling authority has previously transferred to the head in which the excess is anticipated part of the grant under another detailed head. Again, the power of making transfers from the contingent grant of one district to that of another under the same major head is not vested in the same officers in every province; the Local Government may retain the power in its own hands, or delegate it, but the transfer can only be of an ascertained surplus within the same major head.

NOTE.—Under an arrangement sanctioned in Government of India, Finance Department, letter No. 5545-A., dated the 18th September 1911, money allotments are made to consolidating officers for the stationery requirements of their own offices and of the officers subordinate to them in the Central Provinces, Burma, Bengal, Assam, the Punjab and the North-West Frontier Province. Only Local Governments are competent to sanction any re-appropriation necessary to cover expenditure to be incurred in excess of these allotments, but they are authorised to delegate to any officers whom they may select, subject to any conditions which they may think fit to impose, the power to re-appropriate from savings in the stationery allotments to meet contingent charges under other heads, provided that no such re-appropriation be allowed until a certificate that savings exist has been obtained from the Controller of Printing and Stationery.

### Permanent Advances.

77. To an officer incurring petty expenses which require to be paid at once before money can be obtained on a contingent bill, a permanent advance is allowed, which is in general single for the whole office, *i.e.*, a District Officer is not allowed one advance for land revenue, a second for excise, and so on, but only a lump advance which is held by the Accountant General at his personal debit.

1. The amount of the permanent advance for each office is fixed by the Local Government on application through the Accountant General; it must, of course, be larger when distance from the treasury renders its frequent recoupment difficult, but should not be larger than is absolutely necessary.

2. The advance is intended to provide, on the responsibility of the officer entrusted with it, for emergent petty advances of all kinds, though it is seldom that they will be needed for other than contingent charges; thus, if a menial servant is required to travel by rail, his fare must sometimes necessarily be advanced from this amount.

3. For the purpose of sanctioning permanent advances required for their own offices, as well as for offices subordinate to them, the Agents to the Governor General in Central India, Rajputana and Baluchistan and the Chief Commissioner of Coorg exercise the powers of a Local Government.

4. Heads of Departments and Commissioners of Divisions can, unless the Local Government otherwise directs, sanction the grant of permanent advances for offices subordinate to them, up to the amount advised by the Accountant General as appropriate. When there is any difference of opinion between the Accountant General and any such authority on this point, the matter should be referred for the orders of the Local Government. The permanent advances for the offices of the officers referred to must however be sanctioned by the Local Government.

78. Each officer who has obtained a permanent advance is required, on the 15th April in each year, to send to the Accountant General a short acknowledgment that the amount is due from, and to be accounted

for by, himself; if any officer should fail to make such acknowledgment, the Accountant General should demand it immediately. In case of transfer of charge of an office, a similar acknowledgment for the full amount must be sent by the relieving officer.

NOTE.—Care should be taken not to multiply permanent advances unnecessarily. An Officer having subordinates who require petty sums should rather spare a small portion of his own advance for their use than apply for separate advances for them, taking acknowledgments from them in the same way as he himself furnishes the Accountant General, and retaining them in his office.

### Contingent Register.

79. The Government of India “ expects that every public officer will exercise the same vigilance in respect to petty contingent expenses that he would do if spending his own money,” and has further ordered that “ a register of contingent expenditure shall be kept in each office, and the initials of the head of the office shall be entered against the date of payment of each item.”

80. This register will be in Form 10, printed on royal paper, in which each Accountant General will assign to the several columns headings suitable to the condition of each department and office. If the contingent grant of an office be divided under two or three main sections only, still under each, the most common sub-heads may be detailed, and a single column allotted for the more varied items; if the grant be parcelled out under many detailed heads, the most common will have each its own column with grant noted at the top, while the rest with their grants will be thrown into the column of unusual charges. An unusual charge, falling under any of the separate columns, should be described in the column headed “ Description,” though the amount of it is entered only in its special column; and the same “ Description ” column will serve also for note of the month or period to which any recurring charges (*e.g.*, rent or punkha pullers) entered in the other columns belong.

1. If more convenient, a separate register may be maintained for each class of contingent charges.

2. The most important common heads of contingencies are noted below; any others, which it may be convenient to record separately, may be added to the list, and those here specified may, if desired, be further sub-divided :—

- |  |   |
|--|---|
| (a) Section-writing.                   | (l) Hot and cold weather charges.         |
| (b) Cost of land.                      | (m) Service Postage and Telegram charges. |
| (c) Law charges.                       | (n) Remittance within district.           |
| (d) Tour charges.                      | (o) Treasury charges.                     |
| (e) Purchase and repairs of furniture. | (p) Cloth for records.                    |
| (f) Purchase and repairs of tents.     | (q) Miscellaneous.                        |
| (g) Purchase of books.                 | (r) Rents, rates, and taxes.              |
| (h) Country stationery.                | (s) Hill journey charges.                 |
| (k) Carriage of stationery.            | (t) Pay of menials.                       |

3. No charges shall be entered in any contingent bill for any postage labels other than service postage labels, *except in the case of postage stamps required for letters or other articles to be sent to Foreign Countries other than British possessions.* Service postage stamps only shall be used in payment of telegrams despatched on the public service. The postage and telegram charges must be supported by the Treasury Receipts for the money which should always be given upon a printed form filled up, entirely by the treasury and signed by the Treasury Officer. If any officer is compelled to send a telegram at a time

when he is temporarily without service stamp he should pay for it in cash and the receipt granted to him will then state the value of the telegram but will not bear on it the word "State." State telegrams sent from railway stations will similarly be paid for in cash. The value of such telegrams may subsequently be recovered from Government, the officer concerned submitting as his voucher the receipt for the telegram, together with a certificate signed by the head of the office that the telegram was sent on State service and that cash payment was unavoidable.

4. Books of telegram forms required for official use may be obtained free of charge from the Superintendent, Government Printing, Calcutta, under sanction given by Local Governments or heads of departments.

81. Before the register is brought into use in the disbursing office it will be ruled, and as the office cashier pays away any money, he will enter the date, name of payee, and number of sub-vouchers in the three columns to the left, the amount in the proper column (marking off all the others); and in the case of any unusual charge, he will also take against the description the initials of the officer incurring it.

1. Regarding the entries to be made in the final columns, see Article 92.

82. At the end of each month the forward total of each column should be made in the disburser's register, and when the foot of the page is reached, it should be carried forward in ink to the top of the next. To enable the disbursing officer to watch the progress of the expenditure under each detailed head, as compared with the budget grant for it, a progressive total of all the columns must be made monthly, immediately after the monthly total, and will include all payments under each head, as also all work bills (see Article 96) from the commencement of the year up to the end of the last expired month.

### Bills for Encashment at the Treasury.

83. When it is necessary to draw money for contingent expenses from the treasury as, for example, when the permanent advance begins to run short, and in any case at the end of each month, or when a transfer of office takes place, the cashier will rule a red ink line across the page of the register or registers, add up the several columns and post the several totals in a separate bill for each class of contingent charges. In a bill for countersigned contingent charges details must be given of the numbers of the sub-vouchers pertaining to each entry, the amount being given only in those cases where a sub-voucher is for more than R10. In a bill for contract contingent charges such details only need be given as will suffice for the proper classification of the charges, the sub-vouchers for service postage and telegraph charges should be attached to the bill; the remaining sub-vouchers are retained in the office, except those which, in the case of countersigned contingent charges, the disbursing officer is authorised to destroy, and no details of their numbers, etc., need be given in the bill. The bills with the sub-vouchers and registers will be laid before the head of the office, who will put his initials against the date of each payment and sign the bill, which the cashier will then date and number and present for payment at the treasury.

1. It has been ruled that the head of the office must *himself* initial the entries in the contingent register. If this duty has been performed by a non-gazetted officer during the absence of the head of the office, the latter must, on return to head-quarters, review the register and re-initial the entries.

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NOTE.—Care should be taken not to multiply permanent advances unnecessarily. An Officer having subordinates who require petty sums should rather spare a small portion of his own advance for their use than apply for separate advances for them, taking acknowledgments from them in the same way as he himself furnishes the Accountant General, and retaining them in his office.

### Contingent Register.

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80. This register will be in Form 10, printed on royal paper, in which each Accountant General will assign to the several columns headings suitable to the condition of each department and office. If the contingent grant of an office be divided under two or three main sections only, still under each, the most common sub-heads may be detailed, and a single column allotted for the more varied items; if the grant be parcelled out under many detailed heads, the most common will have each its own column with grant noted at the top, while the rest with their grants will be thrown into the column of unusual charges. An unusual charge, falling under any of the separate columns, should be described in the column headed “ Description,” though the amount of it is entered only in its special column; and the same “ Description ” column will serve also for note of the month or period to which any recurring charges (*e.g.*, rent or punkha pullers) entered in the other columns belong.

1. If more convenient, a separate register may be maintained for each class of contingent charges.

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- |  |   |
|--|---|
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| (e) Purchase and repairs of furniture. | (p) Cloth for records.                    |
| (f) Purchase and repairs of tents.     | (q) Miscellaneous.                        |
| (g) Purchase of books.                 | (r) Rents, rates, and taxes.              |
| (i) Country stationery.                | (s) Hill journey charges.                 |
| (k) Carriage of stationery.            | (t) Pay of menials.                       |

3. No charges shall be entered in any contingent bill for any postage labels other than service postage labels, *except in the case of postage stamps required for letters or other articles to be sent to Foreign Countries other than British possessions.* Service postage stamps only shall be used in payment of telegrams despatched on the public service. The postage and telegram charges must be supported by the Treasury Receipts for the money which should always be given upon a printed form filled up entirely by the treasury and signed by the Treasury Officer. If any officer is compelled to send a telegram at a time

when he is temporarily without service stamp he should pay for it in cash and the receipt granted to him will then state the value of the telegram but will not bear on it the word "State." State telegrams sent from railway stations will similarly be paid for in cash. The value of such telegrams may subsequently be recovered from Government, the officer concerned submitting as his voucher the receipt for the telegram, together with a certificate signed by the head of the office that the telegram was sent on State service and that cash payment was unavoidable.

4. Books of telegram forms required for official use may be obtained free of charge from the Superintendent, Government Printing, Calcutta, under sanction given by Local Governments or heads of departments.

81. Before the register is brought into use in the disbursing office it will be ruled, and as the office cashier pays away any money, he will enter the date, name of payee, and number of sub-vouchers in the three columns to the left, the amount in the proper column (marking off all the others); and in the case of any unusual charge, he will also take against the description the initials of the officer incurring it.

1. Regarding the entries to be made in the final columns, see Article 92.

82. At the end of each month the forward total of each column should be made in the disbursing officer's register, and when the foot of the page is reached, it should be carried forward in ink to the top of the next. To enable the disbursing officer to watch the progress of the expenditure under each detailed head, as compared with the budget grant for it, a progressive total of all the columns must be made monthly, immediately after the monthly total, and will include all payments under each head, as also all work bills (see Article 96) from the commencement of the year up to the end of the last expired month.

### Bills for Encashment at the Treasury.

83. When it is necessary to draw money for contingent expenses from the treasury as, for example, when the permanent advance begins to run short, and in any case at the end of each month, or when a transfer of office takes place, the cashier will rule a red ink line across the page of the register or registers, add up the several columns and post the several totals in a separate bill for each class of contingent charges. In a bill for countersigned contingent charges details must be given of the numbers of the sub-vouchers pertaining to each entry, the amount being given only in those cases where a sub-voucher is for more than R10. In a bill for contract contingent charges such details only need be given as will suffice for the proper classification of the charges, the sub-vouchers for service postage and telegraph charges should be attached to the bill; the remaining sub-vouchers are retained in the office, except those which, in the case of countersigned contingent charges, the disbursing officer is authorised to destroy, and no details of their numbers, etc., need be given in the bill. The bills with the sub-vouchers and registers will be laid before the head of the office, who will put his initials against the date of each payment and sign the bill, which the cashier will then date and number and present for payment at the treasury.

1. It has been ruled that the head of the office must *himself* initial the entries in the contingent register. If this duty has been performed by a non-gazetted officer during the absence of the head of the office, the latter must, on return to head-quarters, review the register and re-initial the entries.

2. When the advance is running short, a demand may be presented in excess of the balance; this item too should be charged in the register and included in the bill, the number given being that which the sub-voucher will bear when payment has been made.

84. All charges incurred must be paid and drawn at once, and under no circumstances may they be allowed to stand over to be paid from the grant of another year. If possible, expenditure may be postponed till the preparation of a new budget has given opportunity of making provision, and till the sanction of that budget has supplied means, but on no account may charges be actually incurred in one year and thrown on the grant of another year. Such a course is obviously improper, and has repeatedly been strongly condemned by the Government of India.

84A. No money should be withdrawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw advances from the treasury either for the prosecution of works, the completion of which is likely to take a considerable time, or to prevent the lapse of budget grants.

85. The charges of two major heads may not be shown in one register, nor included in one bill. But expenses which are shared in some fixed proportion between two branches of the same office should, unless they are reviewed by different authorities, appear in one bill; as, for instance, charges for purchase and repair of tents, or for furniture to be used by the revenue and magisterial branches of a district office, whose bills are submitted for the countersignature of a Commissioner. In such a case the joint grant may be entered in one register only for purposes of control, the account adjustment being left to the Accountant General.

86. When for any charge special sanction is necessary, the sanction must be quoted both in the bill presented for encashment and in the detailed bill; and when expenditure, for which a lump sum is granted under a single special sanction, is continued over more than one month, the second and subsequent month's bills should bear a note of how much has been spent up to date under the sanction.

87. Contingent charges are to be recorded as charges of the month in which they were actually disbursed from the treasury; and if a contingent bill headed as belonging to one month be presented for payment in the next, it will be returned for correction, as it must be treated in the accounts as a charge of the month in which the money is actually disbursed *from the treasury*.

### Countersigned Contingent Charges—Monthly Bill.

88. (a) From the monthly totals of the contingent register the monthly detailed bill will, in the case of countersigned contingent charges, prepared in Form 11, headed *not payable at the treasury*, and showing the monthly total of each column, with description of each unusual charge; the numbers of the sub-vouchers will be entered against each item; at foot will be a memorandum of the number and date of every contingent bill cashed at the treasury, and the sub-vouchers included in each, and the amount charged in the bill must be agreed with the amount actually drawn from the treasury within the month. It will be signed by the head of the office and submitted to the control-

ling officer, or, if there be no controlling officer, to the Accountant General direct, with all sub-vouchers for service postage stamps, and for all sums above ₹10, and a certificate in the following form for smaller ones:—

I certify that the expenditure charged in this bill could not, with due regard to the interests of the public service, be avoided. I have satisfied myself that the charges entered in this bill have been really paid. Vouchers for all items of expenditure above ₹10 in amount, all sums paid for postage stamps, and all work bills are attached to the bill. I have, as far as possible, obtained vouchers for other sums, and am responsible that they have been destroyed, or so defaced or mutilated that they cannot be used again.

(b) If in any month the monthly proportion of the budget grant has been exceeded, a report of the special circumstances which rendered the excess necessary should be sent to the countersigning officer with the detailed bill.

1. A District Officer need not personally give the certificate required from a disbursing officer; with the sanction of the Commissioner, or, in the Madras Presidency, of the Board of Revenue, he may delegate the duty to one of his gazetted subordinates.

2. These orders touching the use and defacement of vouchers are applicable to all moneys disbursed by Government officers in their official capacity, even, to take an instance, from the Wards Rate Fund.

3. When, in paying rewards to informers, it is not considered desirable to disclose the names of the payees, a certificate in the handwriting of the *Collector*, to the effect that the reward has been duly paid, should be submitted to the Accountant General in support of the payment in lieu of the payee's receipt ordinarily required.

4. The Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa, can submit his contingent bills direct to the Comptroller, India Treasuries.

89. Officers whose contingent bills require no countersignature, and who do not embody in their bills charges of any officer dealing separately with the treasury, need not submit monthly bills; but they should draw money from the treasury by bills in Form 12, showing full details of the charges.

1. Illustrations may be necessary to explain the second condition. *A*, whose bills do not require countersignature, has subordinates who hold part of his permanent advance and replace themselves in fund by sending paid vouchers to *A*, and obtaining from *A* the amount of their actual expenditure; *A* need not submit monthly bills. The bills of *B* do not require countersignature, but his subordinates are allowed to deal direct with some treasury, presenting bills for encashment, which are to be adjusted by *B*'s monthly bills; *B* must submit monthly bills in adjustment of the bills cashed by himself and his subordinates.

### Countersigning Officer.

90. It is the duty of a countersigning officer to see that the charges made in a contingent bill are of obvious necessity, and are at fair and reasonable rates; that previous sanction for any item requiring it is attached; that the requisite vouchers are all received and in order, and that the calculations are correct; and specially that the expenditure has not exceeded, and is not likely to exceed, the grant of the particular district under the head concerned. If expenditure be progressing too rapidly, he should communicate with the disbursing officer, and insist on its being checked. It is no answer to say that the charges have been really incurred on account of another district, and (Article 97) cannot be recovered: if they were anticipated, provision has doubtless been made for them in the budget of the province, and the grant can be made available by transfer from the grant of the other district; if they

were not anticipated, a case for extra grant may possibly be made out. If the *monthly proportion* of the budget grant is at any time exceeded, the countersigning officer is required to note on the detailed bill, for the information of the Accountant General, that he is satisfied that special circumstances have rendered the temporary excess necessary.

91. On receipt of the monthly detailed bill in the office of the countersigning officer, its figures will be transcribed in a register of the same form as the disburser's register, with similar description of the unusual items, and the bill will then be reviewed by the countersigning officer with the sub-vouchers. Any disallowance, with the number of the sub-voucher, and explanation of the objection, will be noted on the bill at foot and in the "Remarks" column of the register, and the amount shown in the register in the column affected will be corrected in red ink; explanation of the objection should be given on the reverse of the bill, if there is not room on the face. The countersigning officer will then take up register and bill together, enter in the former the date of admission under his initials, sign the bill, and despatch it to the Account Office with the large vouchers, and the following certificate in lieu of the smaller ones:—

I certify that, in support of every charge of more than R10 made in this bill, a receipt or other voucher has been given me, and is now in my possession. The receipts and vouchers for service stamps, State telegrams, and items in excess of R100 are attached to the bill, and I am responsible that the receipts and vouchers for all other items of more than R10 are in proper form and order, and that they have been so cancelled that they cannot be again used to support claims against the Government. All work bills are also appended.

1. The word *item* refers to items of expenditure, not items of charge, *e.g.*, a charge for R120 for section-writers would not require to be supported by a voucher if the amount was made up of sums paid to several individuals, none of which exceed R100.

2. In the absence of the countersigning officer, the examination and countersignature of the bill may be performed by some responsible gazetted officer authorized by the countersigning officer.

92. There will thus be two registers of the same form in the offices of the disburser and the countersigner. In the first a single line will be given to each sub-voucher; in the second, to each monthly bill, except that each disbursement which is unusual or special will have an extra line. The third column of the form would be used in the district office for record of the numbers of sub-vouchers, but in the countersigning office it will be blank. Again, for the columns to the right, that concerning the detailed bill would show in the district office the date of its despatch: in the other, the date of its receipt. The column for date of admission would in the countersigning office show the date of despatch of the countersigned bill, while in the case of the district office it would record the date of recovery of any disallowance, or that of the countersigning officer's letter further passing a disallowed item not yet actually recovered; any disallowance would be recorded by each in the column of remarks on the same line with the figures affected.

### Disallowances.

93. After despatch of the bill to the Account Office, the countersigning officer should communicate any disallowance to the disbursing officer, and its amount should be without fail refunded by short drawing on the next contingent bill presented at the treasury for the same

department; therein the gross amount of each sub-voucher would be entered, and below the total would be entered "Deduct disallowed from bill of R ,," and the receipt given would be for the net amount only. An item disallowed must without fail be recovered, and if, after correspondence, the countersigning officer withdraws his objection, the amount may be re-drawn: after the total of the sub-vouchers in the next bill presented at the treasury would be entered "Add amount of disallowance from bill of

refunded by deduction from contingent bill No. dated , and re-allowed as per ;" the receipt would be for the gross amount, and the items would be re-included in the next monthly contingent bill.

1. It will be observed that the totals in the disburser's register are those of amounts charged, not of those admitted by the countersigning officer; but when an amount disallowed by him on one detailed head is adjusted by a short charge on another encashed bill, the actual charge for each head may be worked out by entering the amount retrenched in black ink with a *minus* sign in the column of the retrenched head on the line of totals for the bill in which the adjustment is made; the forward totals will thus be correct.

### Inspecting Officers' Bill.

94. An inspecting officer cannot take advances on account of office contingent charges. He should provide himself with a portion of his permanent advance, and recoup himself from time to time by presenting at the different treasuries contingent bills, in the ordinary form, for recovery of contract or countersigned contingent charges, as the case may be. Thus, in the case of countersigned contingent charges, one detailed bill may adjust money drawn at more than one treasury; and in this case it will be well to require detail at foot of the bill of the places of payment of the several encashed bills, as well as their dates and amounts. But the amounts drawn will all be taken as final payments, and not as advances.

### Inter-departmental Transfers.

95. The following rules are prescribed for regulating the conditions under which one department of the public service may charge another department for services rendered or articles supplied to it, and the procedure to be observed in recording such charges in the public accounts:—

I.—For the purposes of inter-departmental payments, the departments of Government are divided into service departments and commercial departments, according to the following principles:—

A.—*Public Service Departments.*—These are constituted for the discharge of those functions which either (a) are inseparable from, and form part of, the idea of Government, or (b) are necessary to, and form part of, the general conduct of business. Their cost is shown in the public accounts as the

cost of the service as a whole, and without reference to the details of service rendered: *e.g.*—

(a) Departments classed under Administration—Jails, Police, Roads and Buildings, Irrigation (*i.e.*, Maintenance of Public Tanks and Waterways), Military Works, Army.

(b) Survey, Government Printing, Stationery.

*B.—Quasi-Commercial Departments.*—These are maintained for the purpose of rendering particular services on payment made for the services rendered or for the articles supplied. Their functions are not part of the ordinary idea of Government or administration: *e.g.*—

Forests, Post Office, Telegraph, Railways, Irrigation (supply of water), Cinchona Plantations.

II.—A commercial department should charge any other department for services rendered or articles supplied in the same way as it would charge a member of the public.

III.—The charges permitted by rule II are confined to charges for services or supplies which it is the object of the existence of the department to render or to furnish.

NOTE 1.—The Forest Department may charge any other department for vegetable or animal products extracted from a forest area, and also for mineral products, unless such mineral products are extracted by the direct agency of the department concerned under its own supervision and without the intervention of contractors or middlemen, for its own use, and not for disposal to the public or other departments.

NOTE 2.—The Public Works Department should not charge other departments of Government rent for temporary occupation by such departments of land acquired for Irrigation and Navigation Works for which Capital and Revenue Accounts are kept.

IV.—Service departments are not allowed to make charges against other departments for services which fall within the class of duties for which they were constituted (*see* rule VI).

1. Convict labor is, however, usually charged for, such as that supplied to the Public Works Department (Government of India, Finance Department, Resolution No. 517, dated 26th January 1872), and to the Forest and Marine Departments at Port Blair.

2. Expenditure on buildings by Public Works Department Officers in Bombay on account of the Indo-European Telegraph Department should be debited in transfer to the latter Department.

V.—In exceptional cases, where it has been considered advisable to show in one place the entire cost connected with a service of a commercial department, charges for services rendered by a service department to a commercial department have been allowed: *e.g.*—

Supply of stationery and printed forms to Railways or the Postal or the Telegraph Department.

VI.—A branch of a service department supplementary to its general duties is sometimes constituted upon commercial principles; and so far as regards the work of this branch, it is allowed to charge as a commercial department: *e.g.*—

Jail manufacture, Survey map-publishing, Printing (Publishing Department), Steamers employed in earning freight, Mint (Miscellaneous Services other than Rupee Coinage).

VII.—A branch of a department, whether service or commercial, constituted for the subsidiary service of that department,

but employed for analogous service of another department, may charge that other department: *e.g.*—

Workshops of a Department, Agent for Government Consignments (services for Civil Department), Mathematical Instrument Factory, Supply and Transport (employed on petty services), Dockyards, Arsenals.

NOTE.—Types and other printing materials and all stores supplied by the Central Press, Calcutta, either from its workshop or by local purchase, to other presses, Provincial or Imperial, or to the Assistant Comptroller General, in charge Paper Currency, should be charged for, the valuation in the case of articles manufactured at the workshop being taken at the approximate cost of production without any margin for profit. The Comptroller, India Treasuries, will make the necessary adjustments in the case of the presses under his audit, and for the Paper Currency Office, Calcutta; and in other cases will raise the necessary debit in his exchange account with the Account Officer concerned.

VIII (a).—A regularly organized store branch of a department (whether service or commercial) should charge any other department whose requirements it is made, for the convenience of the public service, to supply: *e.g.*—

Medical Stores to Civil Departments.

*Exception.*—Military stores supplied to Imperial Departments from Arsenal. As the issue of these stores represents military or quasi-military operations somewhere, nothing is gained by giving credit for them under "Army."

(b).—In order to prevent undue exaggeration of the public revenue and expenditure, a store department which is systematically employed in supplying the requirements of another department, should take the credits it receives by deduction from its expenditure on stores, and not by credit to receipts.

IX.—Petty and casual supplies made for the convenience of the public service to one department, of stores or articles purchased for or belonging to another department, and not borne upon a systematic store account, should, unless there be objection on the part of the supplying department, be furnished without payment.

X.—A public department cannot be *assessed* to pay revenue to Government; but fees and duties leviable by law must be paid by public departments in the same way as by private individuals.

XI.—All payments of amounts due by one Public Department to another should be made by book transfers, except when such transfers do not suit the methods of account or of business adopted by the receiving department.

NOTE.—The cost of stationery and printed forms supplied to State Railways (including lines under survey or construction) is payable in cash.

96. In the case of work done by a Government factory (such as a jail, mint, workshop) or other authorized transfers, the officer in charge will, if the adjustment is to be made by book transfer, prepare an invoice of the quantity and price of the work done, and forward it in triplicate to the officer served, who, on approving the invoice, will countersign all,

and return one copy to the supplying officer. Another copy he will file in his own office, and the third he will attach to his contingent bill for the current month, noting the amount in the statement of account at foot, in order to work out the available balance of his grant, but not including it as a disbursement among the charges of his bill. Before despatching his monthly bill, however, he should post the amount of the work bill in his contingent register, and include it in the forward total, in order that he may agree that forward total with that shown in the statement of account on his contingent bill; in the register of the countersigning officer the amount of such a bill should in like manner be separately entered. Such invoices will never be retained by the countersigning officer.

NOTE.—The officer served cannot *charge* the amount in his contingent bill, as no cash payment is made, but only a book adjustment in the Account Office; but the amount available for contingent expenditure is reduced, and so, to work out the available balance, note is made in the register of contingent expenditure, and in the statement of account at foot of the bill.

### Expenditure for other Officers.

97. It is often expedient for a public officer to make purchases or incur expenditure in another district, making his arrangements through an officer in that other district. If the amount to be paid on account of contingent expenditure incurred in this way is not less than R50, payment may be made by transfer receipt, but otherwise every public officer who incurs expenditure in this way must treat it as expenditure of his own office, and not demand recoupment by transfer receipt from the officer at whose request he, as an agent, incurs the expenditure. The charge must, however, be taken as expenditure of the department to which the officer requiring the expenditure is attached and therefore an officer should address his applications for any service to the principal officer of his department in the district indented on, *e.g.*, a police officer should ask the District Superintendent, not the Magistrate, to purchase blankets for him. The Magistrate in such a case would pass on the indent, or the voucher if he has supplied any articles, to the police officer, who would deal with the charge as a final one of his own office, applying to the proper authority for an extra grant, if his own should fall short before the end of the year. The responsibility for obtaining proper sanction always rests with the originating officer.

1. This rule is not applicable when purchases are effected in the capital town of a presidency or province; the cost may then be sent by R. T. Receipt.

2. This rule does not apply to expenditure chargeable to local funds, which should always be recovered.

98. Transferred to Appendix BBBB.

## Chapter 7.—Miscellaneous Charges.

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## Refunds of Revenue.

99. No useful check can be exercised over refunds of revenue in the Account Office except in cases where full details of the collections of such revenue are received in that office, either in the treasury accounts or in other documents, *e.g.*, Fine Statements. It is therefore essential that every refund should be noted against the original credit in the departmental accounts, where all sums are entered in detail. The voucher for refunds (Form 13) provides for a certificate of such note having been made. The officer who received the amount should fill in columns 1 to 5 of the form and sign the certificate in column 10, while the Treasury Officer or the Sub-Treasury Officer should verify the credit by means of the particulars in columns 4 and 5, and affix his signature in column 6 in token of his having done so.

100. The sanction necessary for refunds of revenue is regulated by the orders of the Local Governments. This sanction may either be given on the voucher itself or quoted in it, a certified copy being attached when such orders are not separately communicated to the Audit Office.

101. Refunds of stamps by Courts can be made in the same way as refunds of fines. Refunds by District Officers are usually regulated by departmental rules.

## Compensation for Land.

102. The procedure to be observed for the payment of compensation for land taken up for public purposes under the Land Acquisition Act of 1894 is regulated by the rules printed in Appendix C.

1. These rules apply also to lands taken up for the East Indian Railway Company. The Collector is not to receive cash payment from the Company, but should merely charge the amount in his account.

2. The bills for compensation in cases of land taken up for the East Indian Railway should be verified by the District Engineers of the East Indian Railway Company before they are paid by Collectors. If the payee requires immediate payment, as he is entitled by law to do, the payment should be made, and a copy of the bill, marked *Duplicate*, sent to the District Engineer with instructions to forward it to the Accountant General as soon as possible. The object of the District Engineer's verification is solely to enable the Railway authorities to identify the land and so make the proper eventual adjustment upon their accounts. They have no control over the award, or the payment itself.

103. A Local Government may authorize any land acquisition officer to make all or any of his payments by cheques on the treasury, provided no inconvenience is caused to the payees in consequence of the property being situated at a distance from the treasury.

104. The cost of any special establishment entertained under orders of Government by a civil officer, is, when the officer is employed as a Public Works disbursing officer, chargeable to the works concerned; otherwise, it is brought to account in the Civil Department. Contingent charges follow the same rule.

#### Discount on Stamps.

105. Discount upon stamps is allowed to certain classes of vendors under fixed rules, and is given by deduction from the purchase-money. The practice as to finally passing it is different in different provinces: in some the vendors give receipts attached to a schedule in the treasury accounts, which is admitted upon the Collector's certificate: in others a classified bill for the discount is submitted to the Controller of Stamps for countersignature.

#### Commission to Registrars.

106. Commission to Registrars is drawn under departmental rules upon vouchers which exhibit the fees upon which the commission is claimed, in such a form as to be capable of verification by comparison with the treasury accounts. In some cases commission is calculated on the number of documents registered; in such cases the bill is passed on a certificate of the District Registrar or other Controlling Officer.

#### Departmental Payments.

107. Payments, such as purchase of salt in the Salt Department, or purchase of stationery by the Controller of Stationery, are made under some general or special sanction. If not provided for by departmental rules, they should be made upon separate bills accompanied by vouchers and a certificate that they have been entered in the proper store accounts; the authority (unless it is a general one), under which the purchase is made, should also be quoted.

#### Rewards to Informers (Indian Customs Act).

108. When an offender against the Indian Customs Act is punished by a Magistrate with imprisonment, without option of paying a fine, the person concerned may receive rewards at the rate of ₹1 for each day's imprisonment allotted, provided that the rewards shall not exceed ₹50 for one prisoner, or ₹200 for any one case.

#### Treaty Payments.

109. Amounts payable under treaty to Native States are paid under the following system. The Political Officer in charge sends to the Account Officer concerned a requisition for a payment order, mentioning where and to whom each payment is to be made. Payment orders are delivered to him accordingly, and the Treasury Officer is advised of the orders issued.

### Special Political Expenditure.

110. The following rules have been prescribed by the Government of India for the regulation of expenditure incurred by officers entrusted with special political expenditure and for the guidance of Account Officers:—

1.—For the purposes of account and audit the expenditure may be broadly divided into two classes:—

*Class I.—Charges requiring the sanction of Government, either specific or general—*

#### *Salaries and Allowances.*

1. Salaries of Officers.
2. Salaries of fixed establishment (both permanent and temporary).
3. Deputation allowance.
4. Sumptuary allowance.
5. Outfit allowance.
6. Travelling allowance (if different from that admissible under the Civil Service Regulations).
7. Free rations.
8. Compensation for dearness of provisions.

*Class II.—Charges for which allotment may be made with discretion to the Officer in charge—*

#### *Initial charges.*

1. Purchase of tents.
2. „ of camp furniture and equipment.
3. „ of transport equipment.
4. „ of Toshakhana articles.
5. „ of mess equipment.
6. „ of transport animals.
7. Supply of warm clothes.

#### *Recurring charges.*

8. Transport charges, *i.e.*, camel, mule and cooly-hire.
9. Purchase of stationery.
10. Compensation—
  - (a) To camp followers for loss of transport animals.
  - (b) To villagers for damage to crops, etc.
11. Rewards and Khilats.
12. Secret Service expenditure.
13. Dāk arrangements.
14. Mehmani to tribesmen and chiefs.
15. Payments to guides.
16. Improvement of roads.
17. Service telegrams and postage.
18. Feed and keep of transport animals.
19. Construction of boundary pillars.
20. Miscellaneous expenses.

II.—(a) Officers entrusted with such expenditure are required to submit, as early as possible, detailed estimates of probable expenditure classified as above. Under "Salaries and Allowances" present emoluments and the deputation and other allowances proposed should be clearly indicated. If the grant of travelling allowances, other than those author-

*E.g.*, exemption from the ten days' halt rule, increased daily or mileage allowances, etc.

ised under rule, is in any case recommended, the precise nature\* of the concession should be specified and when free carriage is allowed, it should be explained to what extent the ordinary or special travelling allowance should be reduced. The classes of officers entitled to rations, either free of charge or on payment, should be specified. A scale should be proposed for the issue of rations on payment, as also, if necessary, for "Compensation for dearness of provisions." No expenditure should be incurred under class I in excess of the amounts sanctioned.

(b) As regards expenditure under class II, a fairly approxi-

† The classes of servants to whom warm clothing is to be granted and the maximum amount per head should be laid down in addition to the total grant for the purpose.

mate estimate of the initial charges 1 to 7† can be prepared. The estimate for "Recurring charges" can, in the first instance, be a rough forecast only, but as soon as the officer is in a position to do so, a revised estimate should be submitted. Expenditure under class II may be incurred up to the limit of the estimates under each head when these have been approved, and under "Recurring charges" grants may be transferred from one head to another, provided the total grant is not exceeded.

III.—An officer entrusted with special political expenditure shall supply himself with funds by cheques drawn on treasuries against letters of credit issued by the local Accountant General. The officer should therefore apply to the Accountant General to the Government under whose orders he is acting, for the issue of the necessary letters of credit to the treasuries where he will require funds. He should state the amount he requires in each month and at what treasury or treasuries he requires it. He will be advised by the Accountant General of the issue of letters of credit.

IV.—A cash book in Form 13 (A) should be kept showing clearly and fully all cash transactions that take place day by day. Amounts received by cheques drawn against letters of credit should be entered in the cash book on the receipt side as "Received from the Treasury of —." The receipts and disbursements should be entered in the cash book in the order of their occurrence, and the cash book should be closed and balanced at the end of each month, the closing balance of one month being carried forward as the opening

balance of the next month. At the close of each month an extract from the cash book showing the receipts and charges of the month, and opening and closing balances, should be submitted, with all except secret or confidential vouchers, to the Accountant General from whom the letters of credit were obtained.

- V.—As far as possible vouchers should be furnished of all items of expenditure exceeding ₹10. When vouchers are not procurable, bills should be submitted giving full details of the payments made. Every voucher or bill accompanying a cash account should contain the certificates prescribed in Article 88 of the Civil Account Code. The vouchers should be numbered consecutively from the beginning to the end of the mission, and their numbers should be quoted against the charge both in the cash book and in the cash account submitted to the Account Office. Vouchers in vernacular should always be accompanied by an English translation.
- VI.—Vouchers for secret service expenditure should be submitted to Government with a list showing their amounts. In the cash account such vouchers will be simply quoted as “Confidential voucher No. \_\_\_\_\_, dated \_\_\_\_\_.” The Government concerned will on passing these vouchers intimate to the Accountant General that “Confidential voucher No. \_\_\_\_\_, dated \_\_\_\_\_ of (officer) has been passed for ₹\_\_\_\_\_.”
- VII.—A supply of stationery as well as of Salary, Establishment Travelling Allowance and Contingent Bill forms should be obtained from the Controller of Stationery, and all charges should be drawn on the regular forms.
- VIII.—Advances made for public expenditure will be held under objection until a detailed account duly supported by vouchers is furnished in adjustment of them.
- IX.—A Store Account in Form 13B attached should be kept of the articles purchased for the Toshakhana, which at the close of the mission should be submitted to the Accounts Office through the Government of India in the Foreign Department.

111—113. Cancelled

### **Expenditure against Grants at the disposal of the Home and Revenue Departments of the Government of India.**

113A. When a sum of money is placed under the orders of the Home or Revenue Department of the Government of India, every expenditure sanctioned against it will be sanctioned by an order of the Department, stating—

- (a) the particular subject of the expenditure, which must always be within the general purpose of the grant;
- (b) the limit of the allotment made for it;

- (c) the person in whose charge the expenditure is to be;
- (d) the treasury or treasuries where he wants the money.

**113B.** A copy of this order is to be sent to the Comptroller, India Treasuries, who will then authorize the treasury to pay the amounts on the officer's receipt.

**113C.** The officer may then draw the money on his receipt, specifying the order of the Home or Revenue Department under which it is sanctioned. He should not draw more than he actually requires from time to time for expenditure, but can draw as often as he finds convenient. He may also make his receipts payable to any other person; but in this case, he should advise the Treasury Officer of his action.

**113D.** An account of the expenditure against the allotment must be rendered to the Comptroller, India Treasuries, in which the officer will enter on the receipt side all sums he has drawn from the treasury under the last article and on the expenditure side all amounts he has spent. Vouchers must be attached in the same way and under the same rules as in the case of a contingent bill. A copy of this account (but without vouchers) is to be sent to the Home or Revenue Department as the case may be.

**113E.** This account is to be sent in at the end of every month, except when it is estimated that the sanctioned expenditure will be complete and the account closed within three months from the date of the order sanctioning it. In such case the account may be withheld till the end of the said period of three months, and then sent in complete up to date. But in any case an account must be made and sent in up to 31st March of any year.

**113F.** If any expenditure is placed in direct charge of the Secretary, it must be provided for by a particular sanction under Article 113A, and the Secretary must proceed thereafter under Articles 113C, 113D, and 113E. No part of the grant may therefore be spent without an allotting sanction under Article 113A.

**113G.** The above rules do not apply to any part of a grant which is placed by the Department at the disposal of a Local Government. In such case, the order under Article 113A will be communicated both to the Comptroller, India Treasuries, and to the Accountant General of the Local Government. The Local Government and its Accountant General will thereafter manage the expenditure under Articles 113A to 113F.

### Construction or Purchase of Vessels.

**113H.** Local Governments and Administrations may sanction the construction or purchase, at the cost of Provincial Revenues, of all vessels that may be required for inland navigation and for use at ports, subject to the following rules:—

- (a) without the previous sanction of the Government of India to be obtained through the Marine Department, the cost shall in no case exceed ₹1,00,000;

- 
- (b) the advice of the Director, Royal Indian Marine, as regards the type and cost of the vessel to be constructed or purchased, shall invariably be obtained, and shall be adopted on all material points;
  - (c) without the previous sanction of the Government of India in the Marine Department no boat or vessel shall be built otherwise than at a Government Dockyard;
  - (d) the preceding rules do not apply to non-seagoing vessels of any kind, other than those driven by engine power.

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### Forms of Drawing and Repaying.

114. Loans and advances may not (except in the cases specified below, and in cases provided for by the Civil Service Regulations) be drawn from a treasury without authority of Government, which authority must be quoted in the voucher upon which the amount is drawn.

115. In repaying a loan or advance, the memorandum presented at the treasury must state the original date and amount of the loan or advance, or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal, the interest must be separately specified; and if the repayment is a fixed periodical amount, including both interest and principal, the orders fixing the amount should be quoted.

1. It must be remembered that the calculation fixing the amount of equal periodical instalments, by which an advance is repaid with interest, presupposes punctual payment of the instalments, and that, if any instalment is not punctually repaid, the fixed instalment will not in the end discharge the loan.

2. A personal advance to a public officer may be repaid, either by deductions in his salary bill, or in cash; but in all cases the amount and date of the advance must be quoted. Remittance of the amount to the particular treasury where the advance was made is not necessary.

### Sanction.

116. Advances of unusual character or of large amount always require the previous sanction of the Government of India; and no loan, even from Provincial or Local Funds, may be made without such sanction, save as specially provided below.

117. Cancelled.

### Calculation of Interest.

118. A loan bears interest for the day of advance, but not for the day of repayment. Interest for any shorter period than a complete half-year will be:—Number of days  $\div$  365  $\times$  yearly rate of interest.

## Revenue Advances and Loans to Public Corporations.

### *Definition of Revenue Advances.*

119. Revenue advances include the following:—

- I. Advances to cultivators under various Acts, such as the Land Improvement Loans Act, 1883, and the Agriculturists' Loans Act, 1884, as amended by the Land Improvement and Agriculturists' Loans (Amendment) Act (Act VIII) of 1906, or advances to Co-operative Credit Societies under Act X of 1904.
- II. Advances under special laws not coming within class (I), such as the Jhansi Encumbered Estates Act, or the Bengal Drainage and Embankment Act.
- III. Loans to Native States, landholders and notabilities apart from the provisions of any law.
- IV. Advances for survey operations, such as for erecting boundary marks or for other expenditure on survey which is recoverable from landholders or ryots.
- V. Advances of special Revenue Departments, such as Salt and Excise (*e.g.*, for purchase of opium).

### *Rules under which Advances are made.*

120. (a) Rules under the Land Improvement, Agriculturists' Loans, and other similar Acts regulating the procedure for making applications for loans, and the conditions under which they may be sanctioned, are passed by each Local Government with the approval of the Governor General in Council. The powers of the Local Government under the Local Authorities Loans Act, 1879, are regulated by rules published under the Act by Notifications Nos. 15 and 16, dated 1st January 1889, and No. 417, dated 24th January 1890. These rules are not in any way affected by the rules in this chapter.

(b) Loans to private individuals under class III of the previous article should be made only when they have in them some purpose of a public or political character.

121. As regards loans to Municipalities, District Boards and other public bodies, etc., the special conditions to be insisted on by Local Government before making any loan are—

*1st.*—Loans may be granted only for works of public and general convenience and utility, such as drainage, water-works, bridges and the like, and also to a limited extent for works which are merely or mainly ornamental or convenient such as a town hall, public garden or market place.

Loans are also granted for the construction of railways to such District Boards as levy a special cess for the purpose.

*2nd.*—A local body which has borrowed from Government may only borrow from other sources after having obtained the sanction of the Local Government concerned, which should not be granted unless it is clearly shown that the sum lent by the Government with interest thereon is duly secured.

[*N.B.*—This condition is, of course, enforced indirectly through the operation of the rules under the Local Authorities Loans Act, under which the Local Governments are bound to see that the assets and future resources of the borrowing body, when it desires to borrow, are equal to bearing the burden of a further liability as well as to discharging existing ones.]

### *Provincial Loan Account.*

122. Local Governments and Administrations, with which Provincial arrangements are in force, may grant advances coming under classes I to III of Article 119, and loans to Municipalities and Public Corporations (other than Presidency Corporations), including Local Boards,

District Councils and any bodies having like authority beyond the local limits of Municipalities and Cantonments, as well as other miscellaneous loans and advances when especially sanctioned by the Government of India, out of amounts placed annually at their disposal by the Government of India.

**NOTE.**—It is not intended that loans should be made to large Municipalities which have a public credit of their own.

**123.** These amounts are brought on to an advance and loan account which has been opened with each Local Government. The account was opened with the actual outstanding balance of advances and loans in each province on the 31st March 1888. Further sums are placed at the disposal of Local Governments on a consideration of the available resources of the Government during the ensuing year and of the demands presented. The Local Governments should disburse loan money within the allotments provided in the annual Advance and Loan Account placed at their disposal. The amount of loans to be made should not exceed the net total amount of advance provided for any province; and Local Governments are free to utilise any excess repayments during the currency of the year in making fresh loans and advances.

**124.** Interest at  $3\frac{1}{2}$  per cent. a year is charged to Local Governments on the mean between the outstanding balance at the commencement and the outstanding balance at the close of each year as shown in the books of the Account Office. On the other hand, Provincial Revenues are credited with the full amount of interest received on these loans and advances which without the previous assent of the Government of India shall not be less than 4 per cent., except in the case of advances made under rules sanctioned by the Government of India in which lower rates are allowed. Any sums which it may be necessary to write off as irrecoverable must be at once charged to Provincial Revenues and credited to the advance account.

**NOTE.**—When Loans to Co-operative Credit Societies (Article 119—I) are granted free of interest, a separate account should be kept and the total deducted from the total balance of the Provincial Loan Account before interest at  $3\frac{1}{2}$  per cent. is calculated thereon.

#### *Estimates.*

**125.** In the case of all these advances provision should be made in the estimates for all which can be foreseen and which are not repayable within the year; and the Government of India has accordingly directed that each Local Government should make a timely estimate both of the advances and of the recoveries of the coming year, and should communicate it to the Accountant General for entry in his estimates.

**126.** As regards advances and loans coming into the Provincial Loan Account, it has been ordered that in November of each year each Local Government should submit to the Government of India an estimate in Form 14 of the loans proposed to be made and the expected recoveries. Upon a consideration of the several demands and of its available resources, the Government of India will determine what sum is to be allotted for the purposes indicated in the ensuing year, and will distribute it as nearly as possible in proportion to the necessities of each

province. The Government of India does not ordinarily sanction any additional allotments during the currency of a year.

NOTE.—Municipalities occasionally apply for loans, which involve the payment of money to them not only during the year for which the estimates are submitted, but during future years, and which, therefore, not only utilize a part of the Provincial allotment for that year, but practically bind the Government of India to making allotments in future years. Before sanctioning such loans the Local Governments should ascertain from the Government of India whether the Government of India are likely to find any difficulty in providing the necessary allotments from year to year during the currency of the loans; an estimate of the amounts that will be required in the first as well as in each of the succeeding years being furnished by the Local Government on each occasion. The Government of India will then consider whether funds will be available for the purpose, and, if so, will make special allotments for such loans, which will be distinctly specified in the annual Resolution regarding the allotment of funds. Any savings from these specific allotments, due to postponement of the issue of the loans, should be held over and should not be considered as available for other loans.

### 127. Cancelled.

#### *Allotment of Grants.*

128. A Local Government should, as far as possible, regulate the transactions of the year according to the sanctioned estimate; and as demands are apt to arise in a sudden and unforeseen way, care should be taken to reserve for such demands such an amount as experience may show to be necessary. Subject to the condition that the total amount sanctioned for net payment on account of loans and advances of all classes coming under the Provincial Loan Account is not exceeded, a Local Government may transfer funds sanctioned for one class to meet demands falling under another class. But no re-appropriations to class III for loans to private individuals are permissible from undischarged portions of allotments provided for the other classes.

#### *Conditions of Repayment.*

129. The following rules apply, so far as the law and existing regulations allow, to all advances of the kind included in the Provincial Loan Account:—

- (a) The term of loans under the Local Authorities Loans Act may in very special cases extend to 30 years, but ordinarily the advances should be repaid within as short a period as possible, not exceeding 20 years. The period of repayment of loans which are granted for works which are mainly or merely ornamental or convenient should not exceed 10 years.
- (b) The term is to be calculated from the date on which the loan is completely raised or declared by the Local Government to be closed.
- (c) It will be optional with each Local Government and Administration to fix its own dates for the payment of the instalments.
- (d) Instalments paid before the due date will be taken entirely to principal, unless, of course, any interest for a preceding period is overdue.

1. When a loan of public money is taken out in instalments, the first half-yearly repayment should not be demanded until six months after the last instalment is taken; meanwhile simple interest only should be realized. But should it appear that there is undue delay on the part of the debtor in taking out the last instalment of a loan, the Local Government may at any time declare the loan closed, and order repayment of capital to begin. The Accountant General should bring to notice any delay that appears to him to require this remedy and he should take this step whether there are any dates fixed for the taking of instalments or not: and even in the case of loans the debits against which arise through the Public Works Department accounts current, the same course should be followed, although the Accountant General may in the first instance make a reference to the Examiner of Public Works Accounts to ascertain the cause of delay.

2. If in any case particular dates in the calendar have been fixed for the payment of interest, or for the repayment of instalments of debt, then such repayments should not begin until the second of the half-yearly dates so fixed, after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, interest is recoverable half-yearly on a loan advanced under the rules issued under section 5 of the Local Authorities Loan Act, 1879. Supposing such a loan to be completely taken up on 31st March and the interest to be payable on 30th June and 31st December, the first half-yearly instalment in repayment of principal will not be due until 31st December following. Simple interest only will be due on the intermediate 30th June.

3. Notes 1 and 2 are applicable, *mutatis mutandis*, to loans the repayments of which are made by other than half-yearly instalments.

#### *Defaults in Payment.*

130. (a) Any default in the payment of interest upon a revenue advance class III, or upon a loan to a public corporation, or in the repayment of the principal of any such advance or loan should be promptly reported by the Account Department to the Local Government, and, if the loan was sanctioned by the Governor General in Council and does not belong to the Provincial Loan Account, to the Supreme Government also. A Local Government receiving such a report should immediately take steps to remedy the default, and in the case of a loan sanctioned by the Governor General in Council, which does not belong to the Provincial Loan Account, should immediately explain the circumstances to the Government of India in the Home, Revenue or Public Works Department, as the case may be, and report the steps so taken.

NOTE.—In the case of loans granted to Native States the Accountants General submit annual reports in Form 180-A of Volume II to their respective Local Governments or Administrations by the 1st August, by whom they are forwarded to the Government of India in the Foreign Department with further information regarding loans raised by Native States under Government guarantee and with such remarks as they consider necessary in column 17.

(b) A penal rate of compound interest not less than 6 per cent. per annum should be enforced, as the law allows, upon all overdue instalments of interest or principal and interest.

(c) Borrowers should be required to adhere strictly to the terms settled for the loans made to them, and no modification in their favour of these terms should be made subsequently, except for very special reasons.

130A. The following rules have been prescribed regarding defaults in respect of loans made to local authorities:—

- (1) Local Governments may remit, without reference to the Government of India, the payment of interest on loans to local authorities falling due in ordinary course, in cases in which the loss would be borne by Provincial Revenues.

- (2) It may also permit the postponement of an instalment in repayment of principal, subject to the condition that the amount of principal overdue at one time on one loan shall not exceed Rs. 5,000.
- (3) Interest necessarily runs upon instalments postponed under rule 2; and it is in the discretion of the Local Government to decide whether such interest shall be at a penal rate, or at the rate which the loan ordinarily bears. Such discretion should be exercised with due regard to the distinction between a default occurring by want of proper arrangements or provision and a default arising from unavoidable circumstances and reported for the previous orders of the Local Government.
- (4) The powers above defined may be exercised in regard to loans falling within the Provincial Loan Account only. The grant of further concessions in regard to such loans or the grant of concessions in regard to other loans, requires the previous sanction of the Government of India.

*Treasury Accounts and Procedure.*

131. Revenue advances will be issued from the treasury upon orders signed or countersigned by the Collector of the district or other duly authorised officer. The Treasury Department and the Accountant General shall take no further cognizance of these advances, beyond holding them in a separate advance account at the debit of the officer who authorises the advance. For all further accounts and supervision, the Revenue Department shall be responsible.

NOTE.—*Takavi* advances may be made either direct to the parties concerned and on their receipt (stamped when necessary) or in lump sums on abstract bills to officers disbursing *takavi*.

In the former case the charges should be supported by actual payees' receipts or where these are required for the Revenue Office by a certificate from the Collector or other duly authorised officer to the effect that the payments have been made to the proper parties and their receipts duly taken and filed in the Revenue Office.

In the latter case the following safeguards should be adopted:—

- (1) No officer disbursing *takavi* should be allowed to draw a second abstract bill without producing a detailed bill to account for the amounts already disbursed from the last advance taken, any balance left being at the same time refunded into the Government treasury. In no case should the submission of the detailed bill be delayed beyond the end of the month following that in which the advance was drawn from the treasury.

The disbursing officers should be directed to take the receipts of the payees on the spot as soon as the advances have been made, and to certify at the foot of the detailed bill that the advances were duly sanctioned by them and paid in their presence.

Payees' receipts need not be sent with the detailed bill and their names need not be shown in it.

- (2) Collectors should prescribe a money limit for the amount which can be drawn on abstract bills by each officer with due regard to the circumstances of each case.

*Plus and Minus Memorandum.*

132. (a) In every treasury whence revenue advances have been made, one or more plus and minus memoranda should be kept, in which the

advances should be debited and all recoveries credited. One of these plus and minus memoranda shall be the ordinary account of revenue advances and other special accounts shall be opened from time to time for any special officers authorised to make advances, who may, under the orders of the Revenue Authorities, keep and submit accounts separate from the general account of the district officer.

(b) The plus and minus memoranda maintained under clause (a) will be submitted with the monthly treasury accounts, and will be under the order of the Accountant General, whose care it will be that they accurately represent the credits, debits and balances that pass upon his accounts in respect of revenue advances of the district or officer concerned.

(c) No officer authorized to make advances may question the accuracy of the plus and minus memorandum as the record of his responsibility, otherwise than by satisfying the Accountant General of its erroneous-ness, and causing him to correct it. Every officer, therefore, should see that the debits and credits made to his account accurately correspond with those which enter his own registers and returns. If he is not the District Officer, he should obtain from the treasury a copy of the plus and minus memorandum with which he is concerned. Special care should be taken in paying recoveries into the treasury that the amount of interest and of principal recovered be separately and distinctly credited, as the former must not, and the latter must, be credited in the plus and minus memorandum.

#### *Revenue Department Returns.*

133. (a) With every return of revenue advances made to the Revenue Authorities a memorandum should be submitted setting forth the figures of the treasury plus and minus account, and agreeing them with the figures of the return.

(b) The Accountant General will, at the close of every half-year's accounts, send to the Board of Revenue or other Chief Revenue Controlling Authority a return in such form as may be agreed on, showing the figures that pass upon his books in respect of revenue advances. The object of the statement is to enable the Chief Revenue Authority to check the reconciliation prescribed in clause (a).

#### *Irrecoverable Advances.*

134. (a) Any irrecoverable advances coming under the Provincial Loan Account may be written off under the orders of the Local Government which may delegate this power in the case of loans and advances under the Land Improvement and Agriculturists' Loans Acts to a subordinate revenue authority subject to such conditions, as to amount, etc., as it may think fit to impose. Any Local Government has power to remit advances to cultivators, which are found to be irrecoverable.

(b) It shall be the duty of the Revenue Authorities, as soon as any advance is ascertained to be irrecoverable, to cause the amount of it to be written off the accounts of revenue advances, and to advise the

Accountant General, in order that he may charge off the amount as expenditure and direct it being written off the treasury plus and minus memorandum.

(c) Irrecoverable advances should nevertheless be registered by the Revenue Authorities in a separate account or record, in order that any possible eventual recovery may be made; but they will not affect the treasury plus and minus memorandum, and any recoveries will be taken as revenue.

#### *Periodical Review.*

135. Local Governments will arrange to receive annual reports upon outstanding loans from the responsible Account Officer, and should then bring the transactions under separate review.

#### **House-Building Advances.**

136. (a) Advances to public officers for house-building are regulated by Rules laid down in Government of India, Financial Resolution No.  $\frac{A}{2721}$ , dated 30th June 1892, as amended by No. 4678-A., dated 20th August 1906.

I.—Advances may be made, under the sanction of Local Governments and Administrations, Heads of Departments and Commissioners of Divisions to officers who desire to build houses, for occupation by themselves, at places where no houses are available, or where house-rent is exceptionally high. No advance is permissible for the construction of a house except at the place in which the officer is actually serving, or at which he is permitted to reside while in active service.

NOTE.—The Local Government may by special orders withdraw or restrict the powers of sanction under this rule exercised by Heads of Departments and Commissioners.

II.—All such advances must be *bonâ fide* required for the purpose of building suitable houses for the personal residence of the officers concerned, and if more is advanced than shall be actually expended for the purpose, the surplus shall be refunded to Government.

III.—The advances may be made in instalments when considered desirable, and when so made, repayment shall commence from the fourth issue of pay after the first instalment is taken; but when the advance is taken in one instalment, repayment shall commence with the second issue of pay. The repayment of the whole advances shall in both cases be completed in two years.

IV.—No advance shall exceed six months' salary of the officer to whom it is made; and not more than one advance shall be made for the same house.

V.—Recovery will be made by the Treasury Officer, or other disbursing officer, deducting monthly instalments equal to one-twenty-fourth part of the advance from the salary bills of the officer concerned.

VI.—In order to secure Government from loss consequent on an officer dying or quitting the service before complete repayment of the advance, the house so built, together with the land it stands upon, must be mortgaged to Government, by whom the mortgagee will be released on liquidation of the full amount of the advance.

NOTE.—The mortgage bond will be prepared in Form 14A.

VII.—The officer must satisfy Government regarding his title to the land upon which the house is or is proposed to be built.

VIII.—An officer quitting or removed from the station where he has built a house, before the whole amount of the advance has been liquidated, will continue liable to the deduction of his monthly instalment until the advance has been repaid; but, with the special sanction of the Local Government, he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due; or to transfer it to any officer of his own or higher rank, the future deductions being made from the salary of such officer.

IX.—An officer may, after transfer to a new station, be allowed a second advance, provided the former one has been completely repaid.

X.—Applications for advances must be made through the applicant's departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the house is completed, they will be at once refunded to Government.

XI.—The last-pay certificate granted to officers under advances must specify the original amount of such advance, the amount repaid and the balance remaining due.

(b) An advance may be made to an officer in the Civil Department in exceptional circumstances, for the purchase of a house in places where house-rent is exceptionally high; the general principles of clause (a) being applicable, and the officer being required, in addition to a mortgage-deed, to deposit with Government satisfactory evidence of a clear title to the house.

1. Advances to officers of the Postal and other departments must be debited to those departments and not retained in the Civil Books.

2. The 'net' amount of advances granted under these rules should not exceed the amount provided in the sanctioned Budget Estimate of ways and means.

### Miscellaneous Advances.

137. Advances may be made under the rules specified below:—

(a) Under special orders of a Local Government, subject to adjustment by the officers receiving them.

- (b) To an officer under orders of transfer, to an amount not exceeding one month's pay, and also not exceeding the amount of expenditure which he is likely to incur by reason of his transfer, or to an amount not exceeding the travelling allowance to which he may be entitled under the rules in consequence of the transfer, when this exceeds one month's pay. Such advances may be sanctioned by any officer who is not lower in rank than the Principal District Officer in the department concerned; and the advance should be recorded on the officer's last-pay certificate and recovered from the salary of the officer in three equal instalments.

NOTE 1.—Ordinarily the amount to be recovered monthly in adjustment of such advances should not be affected by the fact of an officer going on furlough or sick leave on half pay; but the instalments may be reduced if the Local Government so directs.

NOTE 2.—Civil Authorities in the Madras Presidency may also grant advances of pay sufficient to enable military pensioners to join their first appointments in the Civil Department.

- (c) To a Survey Officer, to enable him to join his first appointment, on the requisition of the Surveyor General. The requisition and the officer's receipt must be submitted in support of the charge.
- (d) To an Officer, for himself or an Assistant or Deputy, proceeding on tour, to an amount sufficient to cover his tour charges for a month, subject to adjustment upon his return to head-quarters or upon 31st March, whichever is earlier.

NOTE 1.—Advances granted under this clause should not be applied to the expenditure of any gazetted officer except an officer of the Forest Department which is meant to be *covered by his travelling allowance*.

NOTE 2.—The Surveyor General may advance to officers of the Provincial and Upper Subordinate Services any sum not exceeding R300 towards the purchase money of riding horses or riding camels on condition that the advances are refunded in the pay bills of those officers in three monthly instalments in the case of Provincial officers and six monthly instalments in the case of Upper Subordinate officers.

NOTE 3.—A second advance cannot be made to the same officer under this article until the first has been accounted for.

NOTE 4.—All officers of the Indian Finance Department, who may in special cases be required to undertake inspection work involving long and expensive tours, may at the discretion of the head of their office, or of the Comptroller and Auditor General, when the touring officer is himself the head of an office, be allowed to draw advances of travelling allowance for the purpose, subject to adjustment on completion of their tours. Such advances are not to be granted as a matter of course but only on occasions when the cost of travelling cannot be promptly recouped and is so heavy as to be a serious tax on an officer's private resources.

- (e) To a Treasury Officer or District Superintendent of Police, for expenses connected with a remittance of treasure, to be adjusted when the duty is completed.
- (f) To Receivers of wrecks under sections 77 and 78 of the Merchant Shipping Act, VII of 1880.
- (g) For law-suits to which Government is a party.
- (h) I. To any Government servant who has been bitten by a rabid animal and who is too poor to proceed to Kasauli or

VI.—In order to secure Government from loss consequent on an officer dying or quitting the service before complete repayment of the advance, the house so built, together with the land it stands upon, must be mortgaged to Government, by whom the mortgagee will be released on liquidation of the full amount of the advance.

NOTE.—The mortgage bond will be prepared in Form 14A.

VII.—The officer must satisfy Government regarding his title to the land upon which the house is or is proposed to be built.

VIII.—An officer quitting or removed from the station where he has built a house, before the whole amount of the advance has been liquidated, will continue liable to the deduction of his monthly instalment until the advance has been repaid; but, with the special sanction of the Local Government, he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due; or to transfer it to any officer of his own or higher rank, the future deductions being made from the salary of such officer.

IX.—An officer may, after transfer to a new station, be allowed a second advance, provided the former one has been completely repaid.

X.—Applications for advances must be made through the applicant's departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the house is completed, they will be at once refunded to Government.

XI.—The last-pay certificate granted to officers under advances must specify the original amount of such advance, the amount repaid and the balance remaining due.

(b) An advance may be made to an officer in the Civil Department in exceptional circumstances, for the purchase of a house in places where house-rent is exceptionally high; the general principles of clause (a) being applicable, and the officer being required, in addition to a mortgage-deed, to deposit with Government satisfactory evidence of a clear title to the house.

1. Advances to officers of the Postal and other departments must be debited to those departments and not retained in the Civil Books.

2. The 'net' amount of advances granted under these rules should not exceed the amount provided in the sanctioned Budget Estimate of ways and means.

### Miscellaneous Advances.

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(a) Under special orders of a Local Government, subject to adjustment by the officers receiving them.

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NOTE 1.—Ordinarily the amount to be recovered monthly in adjustment of such advances should not be affected by the fact of an officer going on furlough or sick leave on half pay; but the instalments may be reduced if the Local Government so directs.

NOTE 2.—Civil Authorities in the Madras Presidency may also grant advances of pay sufficient to enable military pensioners to join their first appointments in the Civil Department.

- (c) To a Survey Officer, to enable him to join his first appointment, on the requisition of the Surveyor General. The requisition and the officer's receipt must be submitted in support of the charge.
- (d) To an Officer, for himself or an Assistant or Deputy, proceeding on tour, to an amount sufficient to cover his tour charges for a month, subject to adjustment upon his return to head-quarters or upon 31st March, whichever is earlier.

NOTE 1.—Advances granted under this clause should not be applied to the expenditure of any gazetted officer except an officer of the Forest Department which is meant to be covered by his travelling allowance.

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NOTE 3.—A second advance cannot be made to the same officer under this article until the first has been accounted for.

NOTE 4.—All officers of the Indian Finance Department, who may in special cases be required to undertake inspection work involving long and expensive tours, may at the discretion of the head of their office, or of the Comptroller and Auditor General, when the touring officer is himself the head of an office, be allowed to draw advances of travelling allowance for the purpose, subject to adjustment on completion of their tours. Such advances are not to be granted as a matter of course but only on occasions when the cost of travelling cannot be promptly recouped and is so heavy as to be a serious tax on an officer's private resources.

- (e) To a Treasury Officer or District Superintendent of Police, for expenses connected with a remittance of treasure, to be adjusted when the duty is completed.
- (f) To Receivers of wrecks under sections 77 and 78 of the Merchant Shipping Act, VII of 1880.
- (g) For law-suits to which Government is a party.
- (h) I. To any Government servant who has been bitten by a rabid animal and who is too poor to proceed to Kasauli or

Coonor at his own expense may, provided that his substantive pay is not more than R100 a month, be granted—

- (i) his actual travelling expenses to Kasauli or Coonor and back, namely, (a) a single fare each way by railway of the class by which he is entitled to travel on duty, (b) for journeys by road or by river and ocean steamers, the actual cost of transit, not exceeding the amount admissible under rule. In the case of officers of the third and fourth classes (as defined in Article 1002 of the Civil Service Regulations) actual expenses may be granted for journeys by road at the discretion of Local Governments.

NOTE.—The expenses for the return journey on the same scale should be paid to the patient at Kasauli or Coonor after the treatment has been undergone, by the Treasury Officers at those stations, on production of a discharge certificate from the Director of the Institute and of the original intimation which will have been furnished under Rule VI below by the officer sanctioning the patient's despatch to the Director and which will show the class to which the patient has been treated as belonging for the purpose of travelling allowance.

- (ii) an advance of one month's pay to be recovered by instalments on the usual scale;
- (iii) one month's casual leave or extra privilege leave when the appointment of a substitute is found necessary, any leave required in excess being treated as ordinary, privilege or sick leave.

NOTE.—The Local Government may also at their discretion, grant in addition, to officers drawing not more than R25 per mensem, maintenance allowance, equal to the daily allowance admissible when under treatment at a Pasteur Institute and for the period spent in the journey to and from a Pasteur Institute.

II. To any Government servant who has a difficulty in finding at once the means to enable him to proceed to an Institute and whose substantive pay exceeds R100 but does not exceed R500 a month, may be granted an advance not exceeding the amount admissible under Rule I (i) and may also be given the concessions specified in I (ii) and (iii) above. The sums thus advanced will be recovered by instalments on the usual scale.

NOTE.—Local Governments may allow the repayment of those advances in more than three but not more than twelve instalments when they consider that the enforcement of the ordinary rule would cause hardship. This power may be delegated to Heads of Departments and Commissioners of Divisions.

III. To any Government servant drawing not more than R500 a month, a member of whose family is bitten by a rabid animal and who has a difficulty in finding at once the means of sending him or her to a Pasteur Institute, may be granted an advance not exceeding the actual travelling expenses (as defined in Rule I above) of the person bitten, to Kasauli or Coonor and back plus one month's pay. The advances will be recovered in the manner indicated in Note to Rule II.

IV. To indigent persons who come to Kasauli or Coonor at their own expense, but are unable to maintain themselves there

or to pay for their return journey, an advance may be made by the Director.

NOTE.—In such cases the Director will correspond direct with the officers in charge of the districts to which the patients, to whom advances have been made, say they belong, and will ask them to take over for investigation claims in respect of the advances made. District Officers will take over these claims as soon as they are satisfied that the persons who received the advances actually belong to their districts and will inform the Director that they have done so. The Director will then recover the amounts advanced from the treasury, producing the District Officers' "acceptances" as vouchers, and the claims will then be passed on to the Provinces concerned—to be adjusted as the amounts advanced are recovered or written off under the local rules.

IV-A. With regard to indigent patients who are sent for treatment, from a Pasteur Institute to the Civil Hospital, Kasauli, or the Municipal Hospital, Coonoor, the Director may, in the first instance, defray the expenses connected with their diet and in the case of death, of their burial or cremation, as the case may be, and recover the cost in accordance with the procedure laid down in Rules II and IV above.

V. Subject to such further rules as the Local Government may make any indigent person unconnected with the Public Service who, in the opinion of any officer authorised to grant the concession, is unable to proceed to a Pasteur Institute at his own expense, may be granted his actual travelling expenses to Kasauli and Coonoor and back, namely, (a) a single third class fare each way by railway, (b) for journeys by road, or by river and ocean steamers, the actual cost of transit, (c) maintenance allowance, at the following daily rates:—Europeans and Eurasians R1 during the journey and R2-8 during treatment. Natives 4 annas during the journey and 6 annas during treatment.

NOTE.—The expenses for the return journey should be paid to the patient at Kasauli or Coonoor, after the treatment has been undergone, by the Treasury Officer at those stations on production of a discharge certificate from the Director of the Institute and the intimation referred to under I (i) above.

VI. Any officer authorised to grant these concessions may allow an attendant to accompany patients to a Pasteur Institute, in cases of women, children under 16 years of age, and men who are by reason of age or other sufficient cause, incapable of travelling alone, where their services are absolutely necessary. Any such attendant shall be granted—

(i) travelling expenses and maintenance allowance at the rate sanctioned for patients, and

(ii) wages not exceeding 4 annas a day, in cases where the despatching officer is satisfied that the patient is unable to pay the daily expenses of the attendant.

These charges will be borne by the revenues to which the charges on account of the patient are debited.

VII. Any Government servant not below such rank as may be fixed by the Local Government shall be empowered to grant the above-mentioned concessions and to authorise the imme-

diate departure for Kasauli or Coonoor of any of the classes of persons specified, whether Government servants or indigent persons unconnected with the public service.

VIII. When a patient is sent to a Pasteur Institute under the above rules, the officers sanctioning the patient's despatch will send forthwith and, if possible, with the patient an intimation direct to the Director of the Institute stating—

- (1) whether the person relieved is (a) a Government officer, (b) local fund or municipal servant, or (c) indigent person, and in the case of (b) and (c) whether the cost is to be borne by general revenues or any local or municipal fund;

NOTE.—When the information about the incidence of the charge is not available at once, it should follow the intimation to the Director as soon as possible.

- (2) the class to which the person, if a Government servant or local fund or municipal servant, has been treated as belonging for the purpose of travelling allowance;
- (3) the amount of travelling allowance (by rail and road) advanced; and
- (4) the number of the days for which and the rate at which maintenance allowance has been advanced.

NOTE.—The advances mentioned in clauses (d), (e), (g) and (h) I (i), V and VI are treated as final charges, not as advances recoverable, and are to be drawn and accounted for as contingent charges or travelling expenses of establishments.

(i) “Under special orders of a Local Government or Administration, to a touring officer for the purchase of a motor car or a motor boat, subject to the following conditions:—

- i. An Advance will be given only when the Local Government considers that it is in the interest of the public service that the officer should use a car or a boat in the discharge of his duties.
- ii. The total amount to be advanced to an officer shall not exceed R7,500 or four months' pay, whichever is less. Local Governments and Administrations may, however, base the amount, at their discretion, on salary, instead of pay proper, when an officer is acting in one appointment or in a grade from which he is not, in their opinion, likely to revert for any length of time during the period of repayment.
- iii. An officer on leave in England for whom an advance has been approved by the Local Government or Administration concerned, will be allowed to take it from the Secretary of State a month before his departure for India.
- iv. Recovery will be made by deducting monthly instalments equal to one-thirty-sixth part of the advance from the salary bill of the officer concerned.

NOTE 1.—Officers drawing the advance will be required to execute a mortgage bond in the Form 14B or in that prescribed by the Bills of Sale Amendment Act, 45 and 46 Vict., clause 43, according as the advance is drawn in India or in England.

NOTE 2.—Note 1 under clause (b) of Article 137 of the Civil Account Code applies to this class of advance also, provided that the whole advance must in any case be recovered within three years from the month following that in which it is made.

NOTE 3.—Departments of the Government of India and heads of Imperial Departments exercise the powers of a Local Government for the purpose of the rule in the case of officers serving under them.

NOTE 4.—These rules do not apply to the purchase of motor cycles.

- (j) To an Assistant Superintendent of Police, in whose case the Secretary of State has dispensed with the ordinary condition of appointment, namely, that he shall be supplied by his parents or guardian (a) with either a uniform or its price, and (b) with not less than £50 for the purchase of a horse and saddlery in India, an advance not exceeding R1,000 to be recovered, without interest, in equal instalments of R50 per mensem. Repayment need not begin until six months after the officer's arrival in this country.

### Marine Advances.

138. Officers commanding ships of the Indian Marine Department will be furnished with warrants in Form 15, on presentation of which, accompanied by a requisition in duplicate in Form 16, they may draw from the civil treasury such sums as they may require for the pay of the officers and crew, and for petty contingencies. The Treasury Officer will note the advance on the warrant which he will return to the officer receiving the money, and will forward the *original* requisition to the Controller of Marine Accounts, Calcutta, keeping the *duplicate*, duly receipted, as the voucher for his Treasury Cash Account.

diate departure for Kasauli or Coonoor of any of the classes of persons specified, whether Government servants or indigent persons unconnected with the public service.

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- iii. An officer on leave in England for whom an advance has been approved by the Local Government or Administration concerned, will be allowed to take it from the Secretary of State a month before his departure for India.
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### Marine Advances.

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## Chapter 9.—Bills and Remittances.

General Explanations . . . . .	139	Issue of Remittance Transfer Receipts by Military Account Officers . . . . .	144
Money-limit of Remittance Transfer Receipts . . . . .	142	Issue of Duplicates of Bills . . . . .	145
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## General Explanations.

139. Orders from one treasury upon another can be obtained in two forms—(1) Supply Bills, (2) Remittance Transfer Receipts. The former are issued for purposes of resource, and, when they are advertised as available at any treasury, they may be obtained on application at the rates mentioned in the advertisement. The latter are issued only under special conditions as stated below—*vide* Articles 142 to 144. A list of the treasuries which issue and cash bills is given in Appendix D.

1. An Accountant General may issue a telegraphic order instead of a supply bill on payment by the remitter of the cost of the telegram. But the greatest care must be taken at all treasuries not to pay on a telegram to any one who is not well known and of undoubted respectability, and to refer for confirmation in any doubtful case. All remittances through the telegraph must be granted on this understanding, and the fact of payment must be reported at once by telegraph to the issuing officer. When a telegraphic order is issued on a treasury in another province, the transaction should, if its amount is Rs 50,000 or more, be treated as a Foreign Remittance, the usual advice being sent to the Accountant General. Orders for smaller amounts should be treated as Supply Bills.

2. Officers in charge of civil treasuries in the Bombay Presidency and of those at Quetta, Indore and Ajmer, are authorised to draw Remittance Transfer Receipts on the military treasure chests at Mhow, Neemuch, Deesa, and Asirgarh, on requisitions from Officers Commanding Regiments, Batteries, and Companies of Sappers and Miners, but only for military purposes.

3. The Treasury Officer, Ahmedabad, may also issue Remittance Transfer Receipts on the military treasure chest at Deesa and Neemuch for payment to certain civil officers stationed at those places. The Treasury Officer, Indore, may also draw upon Neemuch for payment of the charges of the Cantonment Magistracy at that place.

4. Officers in charge of Civil treasuries in the Punjab are also allowed to draw Remittance Transfer Receipts on the Military Treasure Chest at Neemuch for Military purposes.

5. Officers in charge of Civil treasuries in the United Provinces of Agra and Oudh are allowed to draw Remittance Transfer Receipts on the Military Treasure Chest at Lansdowne for Military purposes only.

6. Officer in charge of the Civil treasury at Nimar is allowed to draw Remittance Transfer Receipts on the Military Treasure Chest at Neemuch for payment of bills of the Chaplain of Neemuch and his establishment.

140. The person who *draws* (*i.e.*, issues or grants) a bill is called the *drawer*; the person on whom it is drawn (and who will have to pay it) is the *drawee*; the person to whom the bill is granted is the *remitter*; the person to whom it is payable is the *payee*.

141. A Remittance Transfer Receipt is not transferable, and is only payable to, or on the receipt of, the person named therein as payee. A supply bill is transferable; according to its form it is payable "to the order of A. B.," and A. B., the original payee, can transfer his right by endorsement. This he may do by simply signing his name on the back, in which case it becomes payable to bearer, or he may write above his signature "pay to C. D.," or "pay to C. D. or order," in which case C. D. stands in the same position as A. B. did originally and has

the same powers of transfer. The writing by which such a right is transferred is called *endorsement*; an endorsement to "C. D. or order" is a special *endorsement*; and the persons to whom successively a bill is transferred are *endorsers*; and the person in rightful possession of a bill at any time is the *holder*.

### Money-limit of Remittance Transfer Receipts.

142. No transfer receipt should be granted for less than ₹5 save for public purposes, or when it is required for a sepoy's remittance. And the limit of transfer receipt obtainable for private purposes is, in all cases but that of a sepoy proceeding on leave, the amount of a month's pay and allowances of the remitter.

NOTE.—For rules regarding issue of Remittance Transfer Receipts in payment of contingent charges incurred in another district or in a Presidency or Provincial capital town, see Article 97 and the rules which follow it.

### Issue of Remittance Transfer Receipts by Treasury Officers.

143. Remittance Transfer Receipts are issued by Treasury Officers to Officers in the Civil and Military Departments under the conditions specified under Articles 143A to 143E.

143A. To Officers in the Civil Department *at par*.

- |   |  |
|---|--|
| (1) To all Civil Officers for <i>bonâ fide</i> public purposes to be clearly stated in the application. | 1. Remittances for purposes of the Local Funds named in Annexure B to this chapter and such additional funds as may be determined from time to time by the Comptroller General for this purpose, as also those of sums realized under processes for the recovery of public demands, are regarded as for <i>bonâ fide</i> public purposes.  |
| (2) Pay and Allowances . . . . .  | 2. Officers requiring transfer receipts on public service will submit with the cash a formal application certifying that the Bill is wanted exclusively for public purposes and describing the object of the remittance; if the Treasury Officer doubt whether the object is really public he should state his doubt to the applicant, or take the orders of the District Officer. On grant of a transfer receipt, its number should be noted on the application, which should then be pasted in a rough file book of such applications arranged in the order of receipt. Questionable grants should be reported to the Accountant General with a view to the issue of instructions for future guidance. |
| (a) Districts offices . . . . .   | The remittance of pay and allowances is not ordinarily a <i>bonâ fide</i> public purpose. The following are cases in which their remittance is specially permitted :—<br>For the remittance of the pay and allowances of clerks deputed from District offices in the United Provinces to the Reid Christian College, Lucknow, for training as typists.   |
| (b) Forest . . . . .  | For subordinates of other circles attached to the Forest School Circle, United Provinces of Agra and Oudh.   |

- (c) Police . . . . . For subordinates when absent from their districts on duty. But not more than one transfer receipt may be given in the same month in favour of the same subordinate.
- For remittance of pay of Gurkhas of the Burma Military Police on sick leave in Nepal, and in special cases on good cause being shown to men on furlough in Nepal.
- (d) Salt Department . . . . . For officers and subordinates of the Internal Branch, Northern India Salt Revenue Department.
- (e) Survey and Settlement . . . . . For subordinates when serving at a distance from the survey parties to which they are attached.
- (f) Criminal Intelligence Department . . . . . For Najeibs and approvers as well as for Inspectors and other officers above those grades deputed on duty to a distance from head-quarters.
- (g) Vaccination . . . . . For Native Superintendents and Vaccinators, under similar circumstances.
- (h) Education . . . . . For pay and allowances of Apprentice Overseers from the Thomason College, Rurki, who are posted on works for practical training in the United Provinces of Agra and Oudh and other provinces; and for allowances only for Instructors of such Overseers; and for remitting Scholarships from one province to another under the provisions of the Code for European Schools.
- (i) Pensions of Widow and Orphan incumbents on the Indian Civil Service Funds. . . . . If not drawn in Calcutta these may be remitted to the incumbents or their Agents *at par*.
- (3) Public Works . . . . . To Executive Engineers, District Engineers and District Surveyors, for payments to be made outside their divisions, but only on the public service, and not for private purposes or the convenience of contractors. When purchases are effected, or work is done, by one division or province on account of another, the adjustment will be made by book transfer.
- (4) Telegraph . . . . . To Telegraph Officers, for remittance to a distance from a treasury at which they have credit.
- (5) Family Remittances—
- (a) Police . . . . . To native officers and men of the police battalions and police constabulary, for remitting money to their families in the form and on the terms provided for sepoy's remittances, the heading of the descriptive roll being altered by hand to suit the case.
- (b) Native State Prisoners . . . . . For remittance to families of certain Native State Prisoners in Central India.
- (6) Seamen's Wages . . . . . For remittance of wages of seamen discharged and forwarded to Calcutta under Board of Trade's Form C. C. 14 (a).
- (7) Subscriptions for a public or quasi-public purpose. . . . . Any Local Government and any Department of the Government of India desiring to facilitate the collection of subscriptions for any public or quasi-public purpose in which it is interested may allow the issue of one transfer receipt a month, from any district treasury, to the Local Secretary or Treasurer of the fund or institution for the purpose of remitting subscriptions to the central body.
- (8) Tea Cess Fund . . . . . To Collectors of Customs and the Resident in Travancore for remittances to the Chairman of the Tea Cess Committee, at the Bank of Bengal, Calcutta, of the net proceeds of the Tea Cess.

- (9) Countess of Dufferin's Fund . (a) To private persons for the purpose of remitting subscriptions to the Fund.  
(b) To officers of the Fund for remittances for any purpose.
- (9A) Lady Aitchison Hospital for Women, Lahore. (a) For remittances by private persons of subscriptions to the Hospital.  
(b) For remittances for any purpose by officers of the Hospital Fund.
- (10) Victoria Memorial Scholarships Fund. For remittance of subscriptions to the Fund and also for remittances from the Fund for expenditure on the objects of the Fund.
- (11) Queen Victoria Memorial Fund . For remittances to the Executive Committee at Calcutta either by local Branches of the Fund or by individual subscribers.
- (11A) King Edward Memorial Fund For remittances of subscriptions to the Executive Committees at Presidency towns or Provincial capitals, either by local branches of the Committee or by individual subscribers.
- (12) Pasteur Institute of India, Kasauli. For remittance of subscriptions to the Agent, Bank of Bengal, Simla.
- (12A) Pasteur Institute of Southern India, Coonoor. For remittances of subscriptions to the branch of the Bank of Madras at Ootacamund or to the sub-treasury at Coonoor.
- (13) Allowances paid by Native States. For remittance of allowances paid by Native States through Political Officers under Government guarantee, or under the special sanction of the Government of India.
- (14) Messrs. Thomas Cook & Son, Bombay. For monthly remittances by District Officers to Messrs. Thomas Cook & Son at Bombay of amounts realized by sale of tickets to pilgrims from India to Jeddah and back.
- (15) Emigrants' Remittances . . . . . To Protectors of Emigrants for remittances of the estates of deceased emigrants to their heirs.
- (16) Rohilkund-Kumaon Railway . . . . . By the Naini Tal treasury to remit the revenue balances of the Rohilkund Railway to Calcutta, provided the sum to be remitted exceeds R150.
- (17) Sawantvadi State . . . . . To the Political Superintendent, Sawantvadi, for purposes of the State, by the Ratnagiri Treasury, provided the sum to be remitted exceeds R150.
- (18) Burma, Assam or Bengal Military Police. For remittances to Nepal in respect of the property of deceased members of the Burma, Assam or Bengal Military Police.
- (19) Interest on Government Promissory Notes. For remittance by the Public Debt Office (I) of interest overdue on Government Promissory Notes which are transmitted to it for renewal by a Government treasury other than that on which they are enfaced for payment of interest, (II) of broken interest on allotment certificates, (III) of broken interests on notes converted under Article 214 or transferred into stock under Article 230.
- (20) Co-operative Credit Societies . . . . . For remittances between societies duly registered under Act X of 1904.  
For remittances between the Shamrao Vithal Urban Society and its branches on condition that the amount to be remitted at a time is not less than R25.  
For remittances between the No. I Military Accounts Mutual Help Urban Co-operative Credit Society of Poona and its branches on condition that the amount remitted at a time is not less than R25.

- (21) Indian Nursing Association and Countess of Minto's Endowment Fund. For remittances to or by the Funds and any of their branches.
- (22) Remittances to the Maharaja of Burdwan of arrears of revenue from patni taluks collected in the districts of Birbhum, Hooghly and Midnapore. For remittances by the Collectors of these districts of amounts received on account of arrears for patni taluks sold or advertised to be sold under Regulation VIII of 1819.
- (23) Cost of vaccine lymph supplied by the Punjab Vaccine Institute. For remittances by local bodies in the Punjab of the cost of vaccine lymph supplied by the Punjab Vaccine Institute.
- (24) Pilgrim's remittances . . . . . To Commissioner of Police, Bombay, for remittances of the proceeds of the estates of the deceased pilgrims in the Hejaz to their heirs.

**143B. To Officers in the Civil Department at a premium.**

- (1) Somali Coast . . . . . To Government employes on the Somali Coast to the extent of their monthly pay and allowances at one per cent. premium, there being no money order office available to them.
- (2) Trust Funds . . . . . To Government Officers in favour of the Comptroller General or the Accountants General, Madras and Bombay, for the purchase of Government Promissory Notes out of funds held in trust, including Native States transactions, at the following rates of premium on the amounts remitted :—

	Annas.
For every R50 or fraction thereof up to R1,000 . . . . .	8
For every R100 or fraction thereof in excess of R1,000 up to R20,000 . . . . .	8
For every R100 or fraction thereof in excess of R20,000 up to R50,000 . . . . .	4
For every R100 or fraction thereof in excess of R50,000 . . . . .	2

NOTE.—Remittance Transfer Receipts may be granted under this clause to Municipalities when making investments through the Accountant General.

- (3) Land Revenue and Cesses . . . . . To persons having to pay land revenue and cesses in another district, when the amount to be remitted exceeds R150, on payment of premium at the following rates :—

For sums exceeding R150 and not exceeding R500 . . . . .	1 8
For sums exceeding R500 and not exceeding R1,000 . . . . .	2 0
For sums exceeding R1,000 and not exceeding R2,000 . . . . .	3 0
and for every additional R1,000 or fraction of R1,000 . . . . .	1 0

A single transfer receipt only can be granted to one remitter for each instalment; the particulars of the properties on account of which the money is remitted must be carefully detailed on the reverse, and the form filled up thus :—

Received from A. B. on account of C. D., proprietor, the sum of R—on account of land revenue demands to be transferred to his credit under land revenue, as per particulars on the reverse, at the—treasury.

NOTE.—The East Indian Railway Company is exempted from the payment of premia upon Remittance Transfer Receipts for rents of lands appertaining to the Company's coal-fields.

**143C. To Officers in the Military Department for cash or in payment of cheques at par.\***

- (1) For *bonâ fide* public purposes to be clearly stated in the application. To all Military Officers. If an application for a Remittance Transfer Receipt under this clause clearly specifies the purpose for which the transfer receipt is required, and contains a certificate by a responsible Military Officer, including Officers Commanding Volunteer Corps, that it is a *bonâ fide* public purpose, the Treasury Officer will issue the Remittance Transfer Receipt without further question; if he considers in any case that it is doubtful whether the purpose is a *bonâ fide* public purpose, he will, after issue, report the matter to the Accountant General for reference, if necessary, to the Controller of Military Accounts or Deputy Controller (in independent charge).
- (2) Pay and Allowances . . . . (a) Of Military Officers on duty or on leave in India. To Paymasters, Deputy Controllers, Examiners or Divisional Disbursing Officers for remittance (beyond the military account circle in which serving. See Army Regulations, India, Vol. III, para. 65) of pay or allowances of a Military Officer on duty or on leave in India to the place where the officer actually is on duty or on leave. A remittance may not be made to an agent under this rule.
- (b) Of Military Officers out of India. To Paymasters, Deputy Controllers, Examiners or Divisional Disbursing Officers in favour of the Agents in India of a Military Officer who has embarked from any port in India on account of pay, etc., which became due to him between the dates of leaving his station and of embarkation, provided that payment has to be made in India.
- (3) Printed forms . . . . For remittances to the Superintendent of Government Printing, Rangoon, in payment for printed forms by Regimental Officers who get cash allowances for printing.
- (4) Queen's Military Widows' Fund. To an Officer who is a subscriber to the Queen's Military Widow's Fund to the amount of his subscription to that fund.
- To Honorary Secretaries of branches for remittances on account of the fund.
- (5) Estates of Sepoys and Deserters. For remittance of the estates of deceased sepoy and deserters.
- (6) For Mess or Regimental purposes. To Regiments or Committees of officers, provided the sum to be remitted exceeds R150.

NOTE.—The expression "regimental purposes" has reference to the purposes of Regimental Mess, Band, and similar funds formed for the benefit of the regiment as a whole, and not of individuals. Remittances to meet payments for the purposes of a

\* For the purposes of Article 143C the term "paymaster" is applicable to Officers Commanding regiments of Native Cavalry and Infantry, batteries of Native Artillery, detached half battalions, the Viceroy's and Governor's Body Guards, and the Officer Commanding the corps of Sappers and Miners or any of their companies. The term "paymaster" further includes the paymaster of the Karachi trooping depôt, and applies generally to all military officers entrusted with similar duties.

regiment which are chargeable to Government do not come under this clause, but under Article 143C (1).

**143D.** To Officers in the Military Department in payment of cheques only at par.

- (1) For public purposes . . . . . In the case of British Regiments of Infantry and Cavalry and Batteries or Companies of Royal Artillery, and Native Corps, in part-payment of any of the regimental cheques.
- (2) For private remittances of British Warrant and Non-Commissioned Officers and men (Departmental and Regimental). . . . . To the extent of monthly pay and allowances in part-payment of any of the Regimental Paymasters' or other disbursing officers' cheques.

NOTE.—The subscriptions of both Military and Civilian Members of the Indian Ordnance Department Provident Fund are collected monthly in cash and may be sent to the Secretary of the Fund by Remittance Transfer Receipts in one lump sum for each Ordnance Establishment.

- (3) For private remittances of Native Officers and men of Native Corps. . . . . To the extent of monthly pay and allowances in part-payment of the first cheque drawn in each month.

**143E.** To Officers in the Military Department at a premium.

- (1) For private remittances of Military Officers in Military employ and Chaplains. . . . . To Military Officers in Military employ and to Chaplains for sums in excess of R150 in part or in full of their pay, at the time that pay is drawn, at a premium of annas eight for every R100 or fraction thereof, and subject to the restriction that no Remittance Transfer Receipts shall be drawn by one Presidency town upon another, or by any treasury in Annexure A to this chapter upon any other treasury in the same column of the Annexure. For Chaplains, moreover, no Remittance Transfer Receipts can be drawn upon a treasury in another Presidency.

NOTE.—If a Military Officer requires a Remittance Transfer Receipt from a Civil treasury, he must tender a cheque on the treasury, or cash with a certificate from the Deputy Controller, Examiner of Military Accounts, Divisional Disbursing Officer or the Commanding Officer of a native battery or a native regiment to the effect that the amount forms a portion of the applicant's pay and allowances, and that he is entitled to the privilege of a transfer receipt.

- (2) For purchase of Government Promissory Notes out of funds held in trust. . . . . To Military Officers in Military employ in favour of the Comptroller General or Accountant General, Madras or Bombay, at the same rates of premium as are applicable to similar remittances made by Civil Officers.—Article 143B (2).

**Issue of Remittance Transfer Receipts by Military Account Officers.**

- 144.** The following are the cases in which the issue of Remittance Transfer Receipts on Civil treasuries by Military Officers is allowed:—
- By Deputy Controllers, Examiners, Divisional Disbursing Officers, Field Paymasters and Station Supply Officer, Aden. . . . . These officers (see list in Article 397, Note 1) may grant Remittance Transfer Receipts upon any Civil treasury on which they have no assignments for making casual payments, for any of the purposes and subject to the conditions mentioned in Article 143 C, D and E.

These officers with the exception of the Station Supply Officer, Aden, may draw transfer receipts at par on any treasury in India for Military

Officers serving with an expeditionary force up to the limit of monthly pay and allowances, including staff allowances, provided that, when the means of remittance by postal money order are available, remittances by transfer receipts may not be made for sums of less than R50 in each case.

• NOTE.—Remittance Transfer Receipts at par should not be used except by Field Paymasters for the purpose of making regular periodical payments.

### Issue of Duplicates of Bills.

• 145. When satisfactory evidence has been given that a bill has been either lost or destroyed, and application is made within a reasonable period after issue and of course, therefore, before it has lapsed, a duplicate may, without reference to the Accountant General, be granted to the party who obtained the original, or to the payee, or the legal representative of either, but to no other person. If the bill should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawee; the issue of this certificate will, of course, be no bar to the payment of the lost bill, if presented before the duplicate is paid.

### Cancellation and Refund.

• 146. No bill can be cancelled without surrender of the whole set. Thus, if a duplicate or a triplicate has been issued, the bill can be cancelled only if the original *together with* the duplicate (and the triplicate if issued) be surrendered. Consequently no refund can be made on a lost bill; a duplicate must be obtained and payment taken at the treasury drawn on.

• 147. (a) All parts being surrendered, a bill may be cancelled and its amount refunded at discretion of the Treasury Officer, on the application and receipt of the remitter in the case of a public service transfer receipt, and of the payee in the case of a supply bill or private transfer receipt. If in either of the latter cases the receipt of the payee cannot be obtained, the remitter's application for cancellation, with explanation of the reasons for his request, and of the difficulty in the way of obtaining the payee's signature, should be submitted for orders of the Accountant General. Although no difficulty should be made about cancellation of public service transfer receipts, it must be clearly understood that either of the other classes can be cancelled only as an indulgence, and for cause shown. No premium which has been levied can be refunded; but if, under any very peculiar circumstance, it is thought advisable to cancel a supply bill on which discount has been allowed, the amount of discount must be deducted, and no more refunded than the net amount received on the bill.

(b) The special rules applicable to cancellation of a sepoy's remittance receipt are given in Article 152.

NOTE.—If alteration of the name only of the payee is required by the remitter, it will suffice for the drawer to alter the name in the bill (initialling the correction) and to advise the drawee.

### Exchange.

148. (a) A Treasury Officer will grant a transfer receipt in exchange for one drawn on him—

if on the *public* service, only if the payee be a public officer and require the receipt to be exchanged for reasons to be stated in his application;

if for a *private* remittance, only if the payee have been removed to the neighbourhood of a treasury different from that originally drawn on.

(b) A supply bill cannot be exchanged.

NOTE.—A bill is said to be exchanged when the payee, being unable to appear and take payment in cash, applies for a new one, endorsing the original "Received payment by transfer" receipt on—

If he can appear and take payment in cash, his obtaining a new bill with the cash paid on the old one is a matter to be disposed of under ordinary rules.

### Transfer Receipts to Sepoys and Policemen.

149. In the case of sepoy's and policemen's remittances, Commanding Officers will forward the Remittance Transfer Receipts to the payees direct. Descriptive rolls of the payees duly filled in and signed, will at the same time be sent to the Treasury Officers concerned.

NOTE.—The Commanding Officer, in the case of a policeman, is the District Superintendent of Police. There is no objection, if such a course is preferred, or is required by departmental rules, to his sending the Remittance Transfer Receipt to the District Superintendent of Police of the district in which the payee resides, who will deliver it to the payee after satisfying himself as to his identity.

150. These Remittance Transfer Receipts are payable to the parties described in the roll. In cases of doubtful identity, payment may be made on security at the discretion of the Treasury Officer.

151. If a sepoy payee be unable to attend the treasury but have endorsed the receipt, or in the case of demise of such payee, the payment may be made to the Adjutant of the regiment.

152. These Remittance Transfer Receipts, if not presented for payment at the expiration of six months from the date of issue, should be considered as cancelled, and if they are presented after that period, payment should be refused. Transfer receipts which have thus become uncurrent will be returned by the payee to the drawer for the issue of a fresh receipt, or for the refund of the amount, as may be required. Should such a receipt, whether original or duplicate, be lost in transit, report should be made to the local Accountant General, who will decide the case specially on its merits, sanctioning refund to the person indicated if it appears right. When the bill is six months old and therefore void, there need be no hesitation in permitting refund on production of a non-payment certificate from the treasury on which it was drawn.

NOTE.—These Remittance Transfer Receipts may also be cancelled as provided for in Article 147.

## Annexure A.

[Referred to in Article 143E (1).]

## List of Treasuries.

Column 1.	Column 2.	Column 3.
Agra.	Ahmedabad.	Bangalore.
Akyab.	Ahmednagar.	Bellary.
Allahabad.	Amraoti.	Berhampore.
Bareilly.	Belgaum.	Calicut.
Benares.	Bombay.	Cocanada.
Calcutta.	Brouch.	Madras.
Cawnpore.	Indore.	Mangalore.
Dacca.	Karachi.	Ootacamund.
Delhi.	Poona.	
Ferozepore.		
Hyderabad (Deccan).		
Jhansi.		
Jubbulpore.		
Jullunder.		
Lahore.		
Lucknow.		
Mandalay.		
Meerut.		
Moulmein.		
Murree.		
Nagpur.		
Naini Tal.		
Patna.		
Peshawar.		
Rangoon.		
Rawalpindi.		
Simla.		
Umballa.		

**Annexure B.**

[Referred to in Article 143A (1).]

1. District Funds (including District and Local Board's Funds), Ajmer-Merwara, Coorg, Central Provinces, Burma, Assam, Bengal, Bihar and Orissa, United Provinces of Agra and Oudh, Punjab, North-West Frontier Province, Madras and Bombay.
2. District Road Fund, Bengal.
3. Road Cess Funds, Central Provinces and Berar.
4. Pound or Cattle Pound Cess Funds, Ajmer-Merwara and Berar.
5. Dispensary Fund, Ajmer-Merwara.
6. Education or Education Cess Fund, Central Provinces and Berar.
7. Jaglia Cess Fund, Berar.
8. Bazar Cess Fund, Berar.
9. Steam Boiler Inspection Fund, Burma, Bengal and Bombay.
10. District Chawkidari Reward Fund, Assam, Bengal, and Bihar and Orissa.
11. Road Patrol Fund, Bengal.
12. Village Chawkidari Fund, Bengal.
13. Rural Police Fund of Oudh.
14. Irrigation Cess Fund, Madras.
15. Proprietary Estates Village Service Fund, Madras.
16. Bhadrachalam Estates Village Service Fund, Madras.
17. Dharamsala Fund, Malwa, Central India.
18. Fund for fines levied under section 34 of Act V of 1861, Berar.
19. District Cess Funds, Burma.
20. Police Funds.
21. Imperial Service Local Charges Fund.
22. Sambhar Badge Fund.
23. Indian Famine Charitable Relief Fund.
24. Customs Badge Fund, United Provinces of Agra and Oudh.

## Chapter 10.—Budget.

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**Responsibility.**

**153.** The responsibility for the Budget Estimates lies with the Local Government, and they are accepted by the Government of India as the estimates not of the local Accountant General, but of the Local Government; and for any error or failure in the estimates the Local Government is primarily accountable. An Accountant General is bound to place the Local Government in possession of all the facts which he can supply, and (so far as he is permitted to do so) of his opinion and advice bearing upon the estimates; but he will not enter or alter any figure in his estimate without sufficient authority from the Local Government.

**Preparation.**

**154.** No minute rules can be laid down for the collection of local details and for the estimates of revenue and charge, as each Local Government has power to make such arrangements as may seem to it best; only every head of an office will prepare a *complete* estimate, including the salaries and the contingent and other charges of his establishment; thus the Treasury Officer may not be called on to prepare the estimate for the civil courts and all other offices in the district, nor may the local estimate be for the variable charges only.

1. What are called fixed establishments are not irrevocably fixed for all time, and should be brought under the formal review of heads of departments from time to time; even when there is no thought or intention of making any change in establishments, it would still seem to be desirable that heads of departments should review the entire estimate of the requirements of their departments.

2. When Local Governments propose to provide in their estimates for any considerable expenditure out of accumulated balances, the proposals must be forwarded to the Government of India in advance of the estimates for separate consideration.

**155.** The following are the chief rules for the preparation of the Budget Estimate:—

(a) It should be for what is expected to be actually received or paid (under proper sanction) during the year, including the arrears of past years,—not for the demand or the liabilities falling due within the year. In no case are net receipts or net charges to be entered, but the gross transactions in full.

(b) For fixed charges the detailed estimate should show the full amount of the sanctioned scale (in the case of progressive salaries, the actual salary which is being earned on 1st April of the year for which the estimate is made, without reckoning any future increments), and where it is found by experience that a saving will arise from absence or other cause, a lump deduction may be made.

(c) The columns of numbers must be carefully checked; the rate of pay should be stated, whenever possible, in order to admit of verification with the column of charge. Variations in the columns of numbers as well as in amount should be explained. If they rest on an order of Government, the number and date should be quoted.

(d) For all fixed recoveries and fixed payments (other than establishment charges) the sanction fixing the amount should be quoted.

(e) Opposite every item of fluctuating charge, such as travelling allowances, contingent charges, official postage, and the like, note in red ink should be made of the actual expenditure of each of the three years last past, together with a brief explanation of any abnormal variation; and in all cases where estimates for the coming year differ from those of the preceding year, full explanation must be given.

1. In the case of contract contingent charges, only the sanctioned allotment should be shown.

2. The estimates of contingent charges should be checked by the controlling officer upon comparison of the expenditure of various offices.

(f) The estimate of receipts and varying charges should not be merely an arithmetical average of three years' figures. The average is a guide, but it should not be taken absolutely.

(g) No new charge may be included in the budget until sanctioned by competent authority, but a note may be made at the end of the budget (with explanation) of any fresh charge that is expected to be sanctioned and to come in course of payment during the year to which the budget relates. And under the special sanction of the Head of the Administration concerned (which must be communicated to the Accountant General), provision may be made in the Budget for such fresh charges as are likely to be formally sanctioned and paid during the year to which the Budget relates.

NOTE.—It not unfrequently happens that an establishment or some special allowance is sanctioned for an official year, and the charge for the last month of the year only becomes due when the new year has commenced, and must be taken against the grants of that year; provision should be made accordingly.

(h) Every department will provide for the whole receipt and charge with which it deals finally; thus, when the Public Works Department collects irrigation revenue, it will estimate for it.

(i) As charges for the freight paid in India on stores received from England will be borne by the department against which the cost of the stores is charged in the home accounts, provision will be made in the departmental estimate.

### Communication of Sanction.

156. The Accountant General, as soon as he receives from the Comptroller General the last budget notes relating to his province, will revise the budget figures and work out the grants for Civil Departments as finally sanctioned. He will then send advices to all disbursing and controlling officers, showing the amounts allowed for the contingencies and fluctuating expenditure of every office.

1. The fact of a charge which requires special sanction having been included and passed in a budget is no authority for its payment.
2. There is no need to communicate sanction for fixed charges, refunds, or interest.
3. The Accountant General need not notify any grants to the Treasury Officers.

157. The grants as made by the Supreme Government are for the service of a whole department, or, as the account phrase goes, for *major heads*. With the district distribution of the grant the Supreme Government does not concern itself, nor does it interfere with the transfer of an ascertained saving on one section of a department to meet new wants of another. But when the grant for a major head as a whole is likely to be exceeded the Accountant General should not report the savings under any minor head subordinate to that major head as available for re-appropriation to meet excess expenditure under a different major head; the savings may, however, be appropriated to meet excesses under other minor heads so long as the excess under the major head is not thereby increased.

#### Expenditure not provided for.

158. Expenditure which cannot be met from the grant made at the beginning of the year for the service of the department to which it appertains, requires *ipso facto*, and apart from all other rules, the sanction of Government. Every application for such sanction must be made in time to have orders passed on it by the proper authority before the end of the year and must be accompanied by a statement in Form 17, showing how the expenditure is proposed to be met. A copy of this statement should be forwarded by the sanctioning authority, together with the order of sanction, to the Audit Officer who should accept no sanction unless covered by a specific re-appropriation, where re-appropriation has been made from an existing grant, the audit should be conducted against the reduced grant.

NOTE.—In these applications the figures of the Budget Estimate must be given and not those of the Revised Estimates. Column 3 of Form 17 must show the amount sanctioned by Government in the *Budget Estimates*: if re-appropriations have been made subsequently, the alterations sanctioned up to date must be shown by *plus* and *minus* figures supported by explanatory memos. It is not convenient that the Revised Estimates should be in any way connected with such applications, as the acceptance of the former does not imply any sanction to the expenditure included in them and they cannot be used for purposes either of budget control or of audit.

159. Save for exceptional reasons, expenditure for which no provision has been made in the estimates of the current year should not be proposed, and cannot be sanctioned; in the absence of special arguments the Government of India assumes that any expenditure proposed is intended to have effect from the beginning of the following financial year, and not earlier.

NOTE.—In all applications for sanction to expenditure, it should be distinctly stated whether provision for the proposed charge has or has not been made in the Budget Estimate of the year; and, if not, whether it can be met from savings in the existing grants.

160. Whenever, therefore, a proposition is made under Article 158, the fact that provision has not been made for the desired expenditure in the estimates should be prominently set forth, as well as the particular reasons why it is, nevertheless, considered indispensably necessary that

the outlay should be immediately incurred, and should not be postponed to the next financial year. Explanations should also be invariably given why the need for the expenditure was not foreseen in time to obtain sanction for its inclusion in the estimates.

#### Inevitable Payments.

161. The want of provision in the estimate does not operate to prevent payment of any sums really due by Government, nor the want of sanction to prevent record of any actual payment.

162. Money indisputably payable should never be left unpaid; and money paid should under no circumstance be kept out of the accounts a day longer than is absolutely necessary. It in no way promotes economy to postpone inevitable payments, and it is an object of very great importance to ascertain, liquidate, and record the payment of all actual obligations at the earliest possible date.

## Chapter 11.—Government Securities in Trust.

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### Extent of Application of Rules.

**163.** All Government Promissory Notes deposited with a Government officer *ex-officio* are to be dealt with under the rules in this chapter, except—

- (1) Securities vested in a Bishop or Archdeacon.
- (2) Securities deposited with a High Court, the Chief Court of the Punjab, or of Lower Burma; but, if any of these Courts so direct, the procedure laid down in this chapter may be applied to such deposits.
- (3) Securities deposited in the Indore Residency Treasury by Native Chiefs of Central India.
- (4) Securities deposited with Administrators General.
- (5) Securities deposited for salt credits in Bengal, Bihar and Orissa, Assam, Madras and Bombay.
- (6) Securities deposited with a Controller of Military Accounts by a Bank as security for the amount of regimental funds held by the Bank.

NOTE.—Government Promissory Notes held by Municipalities, Port Trusts and any other public corporations may, at their discretion, be deposited with the Government under the rules in this chapter, but no public officer shall accept or hold such deposits *ex-officio* in any other way than as here prescribed.

### Custody.

**164.** When Government Promissory Notes are deposited with a Government officer for more than twelve months and it is the wish of the depositor to draw interest on them during the period of deposit, he should, after drawing all interest due upon them at the time, endorse them as follows:—

If the officer with whom the notes are deposited is in the Post Office or the Telegraph Department “Pay to the Accountant General, Post Office and Telegraphs” or “Deputy Accountant General, Post Office and Telegraphs.”

In other cases—In the Madras Presidency—“Pay to the Accountant General, Madras.”

In the Bombay Presidency—“Pay to the Accountant General, Bombay.”

In Bengal when the officer is in matters of account and audit under the Accountant General, Bengal—“Pay to the Accountant General, Bengal.”

Otherwise—"Pay to the Comptroller General."

**NOTE.**—With a view to prevent receipt of stolen notes, Government officers may decline to accept notes as a security deposit unless they have been enfaced for payment of interest at the Treasuries in which they are to be deposited. If there is any doubt about the regularity of the endorsements, the depositor may be required to have the note renewed in his own name.

**164A.** When notes are deposited as security for more than one year, and interest is not to be drawn while they are thus deposited, they should not be endorsed as in the preceding article, but will remain in the name of the depositor.

**164B.** The Government officer who receives the notes will forward them in halves in registered covers, for custody, to the Comptroller General or the Accountant General, Bengal, or Madras, or Bombay, or the Accountant General, Post Office and Telegraphs, as the case may be, through the account officer mentioned below.

If the officer is in the Military Department—Controller of Military Accounts (including Supply) or Deputy Controller in Independent charge.

If the officer is in the Marine Department—Controller of Marine Accounts, Calcutta.

In all other cases—Civil Accountant General. Except in the case of the Post Office and Telegraph Department when they should be sent to the Accountant General, Post Office and Telegraphs, direct.

**165.** With each despatch of notes a covering list in duplicate in Form 18 (foolscap size) is to be sent.

1. The officer who sends the notes should be careful that the chain of endorsements on the note is complete,—that is, that the persons or officers who endorse the notes away are the same as those in whose name they already stand or to whom they have been endorsed. An endorsement signed "for" any other person is invalid unless the endorsement is supported by a power-of-attorney.

2. Endorsements to or by any person "in trust for" any other or "trustee of" anything are also invalid. All words relating to the trust must be expunged under the initials or signature of the person in whose endorsement they occur.

3. Endorsements written upon a piece of paper which joins the two halves of a note are also invalid.

4. These, and like defects, should be at once cured, else they will inevitably give rise to much trouble when the note comes to be renewed or sold.

**166.** (a) Notes on which interest is to be drawn will be converted into stock of the loans to which they severally appertain, unless at the written request of the depositors the account officer mentioned in Article 164B desires that they should be transferred to the  $3\frac{1}{2}$  per cent. loan of 1865 in the case of notes belonging to any of the  $3\frac{1}{2}$  per cent. loans, in which case they will be converted into stock of that loan. The interest falling due upon the stock will be remitted without deduction of income tax periodically to the account officers concerned by whom it will be distributed after deducting the proper income tax and commission, by payment orders among the depositors.

(b) The currency of these orders of payment is limited to six months. If any are presented for payment after that period the presenter should be referred to the officer who issued the cheque.

(c) Such notes will be delivered up or sold upon application from the officer who forwarded them, made to the account officer to whom he forwarded them. The account officers, save where they have received orders from the Local Government that the securities pertaining to any endowment are not to be sold or given up without the orders of Government, act purely as the agents of the officers from whom they received the notes; and the latter must be responsible that they do not realize, or sell, or return any notes which according to the trust under which they are held, they have no power to realise, or sell, or return.

1. It should be observed that when a note is delivered up under this rule, it will not be the identical note which was sent for custody, but only another note of the same loan or of the loan to which the original note had been transferred.

2. An officer applying for delivery of a note should always specify at what treasury he wishes it to be enfaced for payment of interest.

3. Stock certificates will be sent in lieu of promissory notes if so desired.

#### 167. Cancelled.

167A. When Government Promissory Notes are deposited with a Government officer for 12 months or less or when they are deposited for more than 12 months but the depositor does not desire to draw any interest during the period they will remain in the name of the depositor, and will not be endorsed by him to any Government officer. The Government officer receiving the deposit will see that the notes stand in the name of the depositor and that the contract or other document executed by the depositor conveys authority to Government to appropriate or cancel the notes if the contract is not fulfilled. After satisfying himself on these points the Government officer receiving the deposit will lodge the notes for safe custody in the nearest Civil Treasury, except in the Presidency town of Calcutta, where the notes will be lodged with the Comptroller General, Accountant General, Bengal, and Accountant General, Post Office and Telegraphs, as the case may be, and the Presidency towns of Madras and Bombay where they will be lodged with the Accountant General, Madras or Bombay, respectively. The depositor may draw interest on these notes by tendering receipts in the usual form countersigned by the officer with whom he deposited them.

167B. (a) Notes received for safe custody under the preceding article must at once be entered in a register in Form 68, but no record need be made in it of any interest payments.

(b) A receipt should be given for all notes so deposited in the same form as the register, the column giving particulars of the return being omitted. The receipt should be reclaimed when the notes are returned.

(c) The return of a note should be noted at once in the register in the column provided for the purpose.

#### Sale or Purchase.

168. If it is desired to sell a Government Promissory Note held in custody under Article 166, application should be made to the account officer, who will arrange for the sale and will remit the proceeds.

169. (a) When an officer wishes to purchase a note out of any funds which he holds in trust, he should obtain in favour of the Comptroller

General or the Accountant General, Bengal, Madras or Bombay, as the case may be, a transfer receipt [see Article 143B (2)] or if it is cheaper, a Presidency Bank draft, for the amount of the market value plus 5 per cent. to cover any payment that may be necessary for interest due on the notes as well as the commission of one-eighth per cent. mentioned below.

(b) If the note is to be retained for safe custody, the transfer receipt and the application for purchase should be forwarded to the account officer mentioned in Article 164B, who will arrange for the purchase and send due intimation thereof.

(c) If the note is not to be so retained, the transfer receipt and application may be sent direct to the Comptroller General or Accountant General, Bengal, Madras or Bombay, as the case may be, who will send the note when purchased together with an account and an order for the balance to be refunded.

NOTE 1.—An officer applying for the purchase of a Government Promissory Note should always specify whether the purchase should be of 3 per cent. or 3½ per cent. paper.

NOTE 2.—When a security deposit is held in the Post Office Savings Bank [Rule 45 (g) of the Post Office Savings Bank rules] the officer to whom the Savings Bank Pass Book is pledged may, if the depositor so desires, invest the amount of the deposit in Government Securities through the Accountant General, Post Office and Telegraphs. The officer may also keep the notes, after purchase, in the custody of the Accountant General, Post Office and Telegraphs, and have the interest on them credited in the depositor's Savings Bank account.

### Commission.

170. A commission of one-eighth per cent., in addition to any actual outlay on brokerage, is charged by each of these officers for the purchase and sale of Government Promissory Notes; and a commission of one-quarter per cent. for drawing and remitting the interest. Commission at these rates is deducted from the payments next due to the body or person interested, and credited as Miscellaneous Revenue.

1. The fee of one rupee, levied by the Public Debt Office, for issue of a new note, is also charged against the officer on whose part it is required.

2. Security deposits of Government servants are exempted from this commission.

3. Security deposits of Banks holding regimental funds under Financial Department Resolution No. 3956-A., dated 22nd July 1902, are exempted from commission for drawing interest.

4. This commission is also not charged on investments made through the Post Office Savings Bank referred to in Article 169, Note 2.

### Publication of Accounts.

171. Every account officer who receives notes under Article 164B is required to publish at the end of each calendar year a list of the notes in his custody. Every Government officer with whom a note has been deposited *ex-officio* should watch for this publication, and bring to notice any omission or error in which he is concerned. The lists will be made up in Form 19 and published as soon after January 1st of each year as they can be made up.

### Provincial and Municipal Debentures and Port Trust Bonds.

172. Provincial and Municipal debentures and Port Trust bonds deposited with a Government officer, *ex-officio*, will be forwarded to the account officer mentioned in Article 164B. The Provincial debentures will be passed on to the Comptroller General or the Accountant General, Madras or Bombay, in the same way as Government Promissory Notes. The Municipal debentures and Port Trust bonds will remain in the custody of the local account officer, if the interest is payable at the local Public Debt Office or branch of the Bank of Bengal, otherwise they will be sent by him to the Comptroller General, the Accountant General, Madras, Bombay, Burma, United Provinces, the Punjab and Bihar and Orissa, and the Comptroller, Central Provinces and Assam (who will be regarded as the Central Account Officer in respect of the custody of the debentures), according as the interest is payable at Calcutta, Madras, Bombay, Rangoon, Allahabad, Lahore, Ranchi, Nagpur or Shillong. The Central Account Officer will draw the interest (to be credited in the exchange account between the officers concerned) as it falls due, and the local account officer may issue the payment order to the responsible officer or depositor concerned, as the case may be, on the interest date.

### Investments by Public Officers.

173. The following are the rules regarding investments in securities for funds held in trust by public officers for some public or *quasi*-public purpose or on behalf of Government:—

- I. Subject to the exception referred to in Rule III, all investments in securities of trust funds held by a Government officer for a public or *quasi*-public purpose, such as the maintenance of a dispensary, school or the like, shall be made in Government Promissory Notes only, and all securities other than Government Promissory Notes coming into the possession of any Government officer in virtue of his office to be held in trust for such purposes shall be converted into Government Promissory Notes.
- II. All trusts for such purposes as those indicated in Rule I shall, subject to the exception stated in Rule III, stand in two names and instead of the personal name of an officer of Government his official designation shall, if possible, be employed. All securities held under such trusts will, subject to the same exception, be dealt with in accordance with the provisions of Resolution by the Government of India in the Finance Department, No. 276, dated 30th April 1880. The Local Government should declare what trusts represent permanent endowments and should issue orders to the Accountant General that securities appertaining to such permanent endowments are not to be sold or given up without the orders of Government. The Local Government should also, in the case of any trust standing

in the name of one officer only, issue instructions declaring what second officer should be associated in the trust.

- III. If in any case owing to any legal or other difficulty the orders prescribed in Rules I and II cannot be carried out, or if in any case it is not considered desirable to carry them out, the facts of the case should be reported to the Local Government, and the Local Government should, by special orders, make such arrangements as may be necessary to protect the interests of Government and to secure the safety of the trust funds or securities.

Chapter 12.—Charitable Endowments.

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Special Rules.

174. The following special rules relate to Charitable Endowments under Act VI of 1890:—

Treasurers of Charitable Endowments.

175. Under section 3 (1) of that Act the following officers have been appointed Treasurers of Charitable Endowments for the territories specified against them:—

<i>Officers.</i>		<i>Territories.</i>	
The Accountant General,	Madras . . . . .	Madras Presidency.	
Ditto	Bombay . . . . .	Bombay Presidency.	
Ditto	Bengal . . . . .	Lower Provinces.	
Ditto	United Provinces of Agra and Oudh	United Provinces of Agra and Oudh.	
Ditto	Punjab . . . . .	Punjab including N.-W. Frontier Province.	
Ditto	Burma . . . . .	Burma.	
Ditto	Eastern Bengal and Assam . . . . .	Eastern Bengal and Assam.	
The Comptroller, Central Provinces	. . . . .	Central Provinces.	
The Accountant General, Madras	. . . . .	Coorg.	

Vesting of Property in Treasurers.

176. When the Local Government has passed an order vesting any property in the Treasurer of Charitable Endowments, the title-deeds, or, if the property consists of securities, such securities (in halves), should be forwarded to him under registered cover. The vesting order of itself operates to transfer the securities to the Treasurer, and there is no necessity for the endorsement to him by the previous holders.

1. The securities which may be vested in the Treasurer of Charitable Endowments are described in section 4 (3) of the Act.

2. If the securities are already in the custody of the Accountant General, he should be asked to transfer them from his general accounts to the accounts which he keeps as Treasurer of Charitable Endowments.

3. Government Promissory Notes held by Treasurers of Charitable Endowments, other than those of Madras and Bombay, should be forwarded to the Comptroller General for custody under the rules in Chapter 11.

Investment of Floating Funds.

176A. The floating funds of an Endowment may with the sanction of the Local Government be kept as a Local Fund; or the same authority may prescribe other depositories, e.g., the Postal Savings Banks or Private Banks.

### Fees.

177. (a) The fees payable in respect of property vested in the Treasurer are, in the case of property other than securities for money, the actual charges incurred by the Treasurer in the discharge of his functions in respect of the property.

(1) In the case of securities for money—

(a) For the purchase and sale of securities, a commission of one-eighth per cent. in addition to any actual outlay on brokerage.

(b) For drawing interest, a commission of one-fourth per cent.

(c) For remitting interest, the actual charges incurred.

(2) In the case of property other than securities for money, the actual charges incurred by the Treasurer in the discharge of his functions in respect of the property.

(b) The Treasurer may deduct any fees payable to the Government on account of any endowment from any money in his hands on account of such endowment. If he holds no such money, the amount should be claimed from the administrators.

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## Chapter 13.—Interest on Government Paper.

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## Enfacement for Payment.

178. (a) Interest on securities of the Government of India can be made payable at any Indian Treasury on application to the Public Debt Office, Bank of Bengal, Calcutta. The note must be forwarded with the application, and will be returned enfaced for payment as desired, and bearing an endorsement in the following form under the initials of the Superintendent of the Public Debt Office:—"Interest for the half-year, or up to 190 , paid on this note." In the case of new notes, on the reverse of which provision has been made for recording each payment, this endorsement is unnecessary.

NOTE.—Enfacement for payment of interest should be made lengthways across the note so as to extend to both halves of it.

N.B.—The Public Debt Office in Calcutta requires the renewal of all notes on which the payment of interest is re-transferred to Calcutta. See Article 194 (b) (1).

(b) Notes enfaced for payment of interest at any treasury in Madras or Bombay may, on the application of the holder, be transferred by the treasury in Madras to the Presidency Bank of Madras, and by the treasury in Bombay to the Presidency Bank of Bombay. Before making the transfer the Treasury Officer will see (1) that the note is enfaced for payment of interest at his treasury and is entered on his register (Article 179), (2) that the application is made by the holder, (3) that there are vacant spaces on the back of the note for endorsements and for noting interest payments, and (4) that there is space on the face of the note for the order for transfer. If satisfied on these points, and if no other objection occurs to him, the Treasury Officer will write the words "enfacement cancelled" with his signature and official designation across the existing enfacement on the note, and under it fill up the new enfacement, making the interest payable at the Bank of Madras or Bombay, as the case may be. He will simultaneously note the transfer in his Register (Article 179) and send advice to the Public Debt Office, Calcutta, and the Bank concerned, in Form 20.

(c) Notes enfaced for payment of interest at the Presidency towns of Madras and Bombay may, on the application of the holder, be transferred by the Bank of Madras to any treasury in the Madras Presidency, and by the Bank of Bombay to any treasury in the Bombay Presidency. In these cases advice of transfer should be sent to the treasury and to the Public Debt Office, Bank of Bengal, Calcutta, as prescribed in the preceding rule.

(d) The Banks of Madras and Bombay are also authorised to enface notes for payment of interest at Bombay and Madras, respectively, sending advice of the transfer to the Bank concerned and the Public Debt Office, Calcutta. They may also re-transfer notes for payment of interest at Calcutta.

(e) In all other cases of re-transfer, application should be made to the Public Debt Office, Bank of Bengal, Calcutta, either through the treasury at which the interest is payable, or direct to the Public Debt Office.

(f) Notes on which interest is payable in the Presidency of Madras or of Bombay can be transferred to the London register by the Bank of the Presidency concerned. Enfacements to London made by the Bank of Bengal or Madras or Bombay may also be cancelled by the Bank of Madras or Bombay. All such enfacements and cancellations must, however, be reported at once to the Bank of England and to the Public Debt Office in Calcutta.

### Register of Enfaced Notes.

179. When advice of an enfacement is received by a Treasury Officer from the Public Debt Office, he will make the requisite entry in a Register, Form 21, a separate section of the register being set apart for the notes of each loan. Whenever interest on any note entered in this Register remains undrawn for 20 years or more the note should be struck off the Register, the reason for doing so being recorded in the Remarks column of Form 21.

180. A list of current loans is appended.

#### *3½ per cent. loans.*

Of 1842-43, dated	1st February 1843.
„ 1854-55, „	30th June 1854.
„ 1865, „	1st May 1865.
„ 1879, „	16th January 1879.
„ 1900-01, „	30th June 1900.

#### *3 per cent. loan.*

Of 1896-97, dated 30th June 1896.

The following list shows the loans which have been notified for discharge, some notes of which are still unpaid but bear no interest:—

Five-and-half per cent. loan of 1859-60; 5 per cent. loan of 1825-26, 1841-42, 1854-55 (for P. W.) and 1856-57; 4½ per cent. of 1870, 1878, and 1879; 7 shillings sterling per cent. portion of 4½ per cent. loan of 1879, dated 15th September 1879; 4 per cent. of 1824-25, 1828-29, 1832-33, 1835-36, 1842-43, 1854-55, 1865, and the reduced 4 per cent. of 1879; 4 per cent. loan of Mysore Family, 4 per cent. East India Commuted Stock, 4 per cent. stock receipts of 22nd April 1854, and reduced 4 per cent. loan of 4th July 1881, Treasury Bills at 2½ pias per R100 per diem; and 3½ per cent. loans of 1853-54 and 1893-94.

181. A list of notes on which interest is payable at any treasury on the 31st December of each year should be compiled from this register as

soon as possible after the close of the year and forwarded to the Public Debt Office at the Bank of Bengal, Calcutta. The list will be in the form of the register, but the column of remarks will be blank and there should be a separate list for each loan. Before submission to the Public Debt Office totals of the lists should be very carefully made. There should be a separate total for each loan.

**NOTE.**—A blank return should be sent by those treasuries which have no notes enfaced for payment of interest at them.

### Payment of Interest.\*

**182.** (a) On presentation of a Government security for the realisation of interest due, it is necessary to see that it has been duly enfaced for the payment of interest at the treasury, and that advice of the same has been received and registered. Interest should not be paid on a Government security unless duly enfaced; also, if the Superintendent's endorsement mentioned in Article 178 is not on the note, the Treasury Officer cannot pay interest, but must return the note to the Public Debt Office, in order that the omission may be supplied.

(b) Also, if interest has been left undrawn for ten years, the Treasury Officer's authority to pay it shall be taken to have lapsed, and further interest cannot be paid without a special reference to the Public Debt Office to ascertain that there is no objection to such payment. When the period of non-drawal amounts to 20 years or more, interest cannot be paid except under the orders of the Comptroller General.

**NOTE.**—If the notes are a first issue under an open loan, or are in the form containing, on the back, cages for record of payment of interest, no Superintendent's endorsement is required or should be called for.

**183.** Payment at Mofussil Treasuries of interest upon Promissory Notes of the Government of India is made subject to the following conditions, that is to say—

*First.*—That the person to whose, or to whose agent's, receipt payment is made is either the person in whose name the note was originally issued, or one who derives his title from the said person by a regular chain of endorsements of the form described in Article 184.

**NOTE 1.**—No notice will be taken of any trust appearing in an endorsement of transfer or receipt for interest. When a note is endorsed to, or receipted by, any person, in his capacity of trustee or in any other representative capacity, such person will be treated in all respects as the true owner of the note.

**NOTE 2.**—A note, blank endorsed by the holder, is not receivable at any Government treasury or at the Public Debt Offices in the Presidency towns. The holder of any such security will therefore be required to specially endorse the same before submitting it for payment of interest.

*Second.*—That all the endorsements upon the note, whether of transfer or of payment of interest, are clear and distinct; that there are no cross-endorsements; and that there

\* Interest at treasuries is necessarily paid for full half years, but as between seller and purchaser of promissory notes the interest is ordinarily calculated as follows :—

I. Interest to be paid by the month, each month to be taken as one-twelfth of a year, and to consist of thirty days or parts.

II. In cases where it may be necessary to calculate interest on the fractional parts of a month of thirty-one days, the extra day is to be neglected.

remains room for a clear and distinct endorsement for renewal and for interest accrued.

*Third.*—That the note itself is not mutilated or torn. (Division into an upper and a lower half does not reckon as mutilation if the two halves are firmly rejoined.)

*N.B.*—In the case of a note which is open to objection on any of the grounds mentioned in the second or third condition of this article, the holder thereof shall be required to receipt the same for renewal, and payment of interest on such note shall be refused until the note is actually renewed.

**184.** The form of endorsement referred to in the first condition must be one of the following, each being “(signed) A” :—

- (1) “ Pay to B.”
- (2) “ Pay to B or order.”
- (3) “ Pay to B and C jointly.”
- (4) “ Pay to B and C or their joint order.”
- (5) “ Pay to B or C.”
- (6) “ Pay to B or C or order.”
- (7) “ Pay to B and C or either of them.”
- (8) “ Pay to B and C or either of them or order.”
- (9) “ Pay to B, C, D and E or to any one (or more) of them.”
- (10) “ Pay to B, C, D and E or to any one (or more) of them or order.”

in which A, the endorser, is either a personal name, without addition of official capacity or of legal status (such as administrator, etc.), or is the name or usual signature of a well-known firm; A being the holder according to the tenor of the note and endorsements, preceding that signed by himself. There are, however, certain exceptions to this rule, for which see Notes 1, 2, 3 and 4 under Article 185.

**185.** It should be noted that if A is, according to the tenor of the note or endorsements, holder in any other than his personal capacity, an endorsement is not legally valid if it is made in his personal capacity only, whereas if it is made in any other capacity the Treasury Officer must, in conformity with the present orders, require renewal to be applied for. One effect of this order, therefore, is to cause reference to be made to the Public Debt Office in every case of endorsement by such a holder, except in the cases following :—

1. In the case of the public offices named below, a Government security may be made or endorsed payable to, or to the order of, the holder for the time being of the offices, by the name of the office :—

Office of Comptroller and Auditor General.	Office of Director General of Posts and Telegraphs.
“ Accountants General.	“ Postmaster General and Deputy Postmasters General.
“ Comptrollers.	“ Administrative Medical Officer, North-West Frontier Province.
“ Controllers of Military Accounts.	“ Chief Account Officer, Salt and Customs, Bombay.
“ Military Accountant General.	“ Administrator General, Bengal.
“ Examiners of Accounts.	“ Administrator General, Madras.
“ Examiner of Military Works Accounts.	“ Administrator General and Official Assignee, Bombay.
“ Accountant General, Postal and Telegraph Accounts.	“ Official Assignee, Bengal.
“ Secretaries to the Government of India.	“ Official Trustee,
“ Secretaries to Local Governments and Administrations.	“ Secretaries to Board of Revenue, Commissioners.
“ Consulting Engineer for Railways (Madras).	“ Collectors, Magistrates, Judges.
“ Superintending Engineers.	“ Deputy Commissioners
“ Executive Engineers.	“ Treasury Officers.
“ Masters of the Mint.	

Office of Directors of Public Instruction.	Office of Assistant Commissioner of Salt and Abkari Revenue, Madras.
„ Inspectors of Schools.	„ Consulting Architect to Government (Madras).
„ Inspectors General, Jafis.	„ Official Assignee, Madras.
„ Inspectors General of Registration.	„ Official Trustee, Madras.
„ Inspectors General of Police.	„ Official Trustee, Bombay.
„ Deputy and Assistant Inspectors General of Police.	„ Collector of Customs, Calcutta.
„ District Superintendents of Police.	„ Sheriff of Bombay.
„ Political Residents.	„ Registrar, Chief Court, Punjab.
„ Political Agents.	„ Deputy Controllers of Military Accounts.
„ Presiding Officers of Courts and Officers empowered by the Code of Criminal Procedure to require the execution of bonds.	„ Prothonotary, Testamentary and Admiralty Registrar, High Court, Bombay.
„ Registrar of all Presidency Small Cause Courts.	„ the Clerk of the Crown, High Court, Bombay.
„ Managers of State Railways.	„ Officers Commanding Stations.
„ Commanding Officers of Regiments.	„ Secretary, Railway Board.
	„ General Officers Commanding Divisions and Brigades.

2. The officers mentioned above have been empowered to hold securities in the name of their offices by notification under section 7 (I) of Act XIII of 1836. In addition thereto certain officials of Foreign States are permitted by executive orders to hold securities similarly.

3. Government securities may be held and negotiated by any bodies corporate with perpetual succession and a common seal, but in practice there are so many questions to be considered, such as the wording of the Act or the bye-laws by which a public body or corporation is governed, that great caution should be exercised regarding securities so held and reference made to the Accountant General in any case of doubt.

4. Interest may be paid to a person other than the last endorsee in the exceptional cases mentioned in Article 190, subject to the conditions laid down therein.

5. If a promissory note is purchased by the Executor or Administrator of an estate in his own name and the endorsement describes him as Executor or Administrator, interest can be paid to his receipt without any other authority.

### Endorsement to a New Owner.

186. When interest is claimed on a Government Promissory Note, and it is found that the note bears an endorsement showing that it has been transferred to another owner, or that a new signature is appended to the receipt for interest, attention must be given to the following points:—

In the case of a note endorsed by its former owner, if the endorsement be in English, it will be enough to see that there is no reason to question the signature; if the endorsement be in any native language, under it should be written a full and literal translation in English.

### Endorsement by a Native Female.

187. If the endorsement bears the signature of a native female, it must be attested by the signatures of two respectable witnesses, who must appear before a Treasury Officer (or a Sub-Treasury Officer who is qualified to take and record evidence, provided that he is not a mere ministerial officer) or before a Justice of the Peace or Magistrate to

testify to the genuineness of the endorsement. Such officer should authenticate the examination in the following form:—

“ Examined before me.”

(Signed) A. B.,  
 Treasury Officer.  
 Sub-Treasury Officer.  
 Magistrate.

at \_\_\_\_\_ in the District of \_\_\_\_\_

NOTE.—In the case of endorsements in English, the provisions of this rule shall not be enforced unless it is especially so directed by officer whose duty it is to pass the same.

### Endorsement by a Married European Female.

188. Under section 4 of the Indian Succession Act, X of 1865, reproduced below, a European female, married on or after 1st January 1866, has the power, without her husband's consent, to draw interest on, or to sell, Government securities standing in her own name:—

“ No person shall, by marriage, acquire any interest in the property of the person he or she marries, nor become incapable of doing any act in respect of his or her own property which he or she could have done if unmarried.”

### Endorsement by an Attorney.

189. The note may have been endorsed by the attorney of the former owners.

In this case the Treasury Officer is to refuse payment of interest and to require the claimant, if he desires such payment to be continued, to have the note renewed in his own favour.

### Endorsement by a Judge.

189A. The note may have been endorsed by a Judge in the following manner:—

“ A by B, Judge of the Court of (or as the case may be in a suit by C against A).”

### Endorsement by an Heir, Executor, etc.

190. It may have been endorsed by the heir, executor or administrator of an estate.

In this case the Treasury Officer will also refuse payment of interest unless the claim is supported by a certificate under the Succession Certificate Act of 1889, or a probate or letters of administration granted by a competent Court under the provisions of the Indian Succession Act of 1865, or the Probate and Administration Act, No. V of 1881. The Treasury Officer must register such certificate, probate, or letters of administration (Article 215), and enter them on the reverse of the note, immediately under the endorsement, to the validity of which they are to testify, care being taken that a certificate to realize interest only is not admitted in support of a transfer endorsement. But see Article 185 (4).

If there is any ambiguity in the interpretation of any of these documents, reference should be made to the Public Debt Office,

191. In case of every endorsement or signature supported by a document requiring registration under Article 215, the number which the document bears in that register, with the date of registry, must be noted on the back of the note closely below such signature, and attested by the Treasury Officer's initials.

The documents referred to are the following:—

	favouring	(name).
Sale power		
Interest power	"	"
Probate	"	"
Letters of administration	"	"
Succession certificate (negotiable)	"	"
Do. (interest only)	"	"
Guardianship certificate	"	"
Proof of death of	"	"
Certificate of marriage of	"	"
Certificate of incorporation of	"	"

### Owners in Foreign States.

192. On the death out of British India of the holder of a Government Promissory Note, letters of administration must be taken out in a British Indian Court before the note can be dealt with in British India.

### Signature.

193. (a) The signature of a proprietor or of an agent, whether for interest or sale, given on paper pasted to a Government security (even where the paper is a slip joining together the two halves of the note), is inadmissible; the signature must be entered on the back of the *security itself*, and within the limit of the plate-mark on the face of the note.

(b) Crossed receipts being strictly prohibited on the backs of Government securities with reference to the subjoined notice, published at page 238 of the *Calcutta Gazette*, dated 22nd February 1865, care should be taken that every entry on the back of a Government security is made to take up as little space as possible.

"Whereas much inconvenience and difficulty is experienced in the Loan and Interest Departments of this office in tracing endorsements and receipts for interest written across the reverse of Government Promissory Notes presented for renewal or interest, notice is hereby given, with the sanction of Government, that in future cross receipts for interest will not be accepted, or further interest paid upon any note, the reverse of which is filled up. The holders of notes so filled up can obtain new notes on application to the Loan Office, and on payment of the usual fees."

NOTE.—Cross receipts for interest paid may be allowed as a special case when Government Promissory Notes are sent to the Public Debt Office for renewal.

### Cases in which Renewal is necessary.

194. (a) Though there are cases in which endorsements of other forms than those described in Article 184 and the exception to Article 185 are legal and admissible, it is desirable that after any such endorsement has been made or proceeding taken, the admissibility of it may be tested by the Public Debt Office, so as to prevent any disputes as to title; and with this view the holders of such notes are, pending their renewal, debarred the privilege of receiving interest elsewhere than at Calcutta,

where alone, by the literal terms of the note, it is payable. The Treasury Officer will therefore refuse payment of interest and require the claimant, if he desires such payment to be continued, to take the measures prescribed in the rules for obtaining a renewed note in his own favour.

(b) In all or any of the following cases the holder of a note may be required to receipt the same for renewal:—

1. If the note has been enfaced for payment of interest at a mofussil treasury, and the holder thereof is desirous of altering the place of payment, except when the transfer is to the Presidency Bank of Madras or Bombay. (See Article 178a.)

2. If only sufficient room remains on the back of the note for one further endorsement or when any word or words is or are written upon the note across any existing endorsement or endorsements, all cross-endorsements being strictly prohibited.

3. If the note is torn or in any way damaged or crowded with writing, or unfit, in the opinion of the officer before whom it is produced for payment of interest, for receiving endorsement.

4. If the note bears an endorsement which transfers the note to, or is signed by, any person otherwise than in his personal capacity, except in the cases mentioned in Note 1 to Article 185 and in the undermentioned cases:—

(a) Where the transferee is a well-known firm, corporate body, or Bank; or the signature attached to the endorsement is the usual name or signature of such a firm or purports to be the impression of the common seal of a corporate body with perpetual succession, or is the signature of the Secretary, Deputy Secretary, Manager or Agent of a Bank or corporate body.

(b) Where the transfer is made to or by a person in whose favour a certificate under the Succession Certificate Act (VII of 1839) or probate or letter of administration under the Indian Succession Act (X of 1855) or the Probate and Administration Act (V of 1831) has or have been granted by a Court of competent jurisdiction.

(c) Where the transfer is made to or by the executor or administrator who is described as such therein, such executor or administrator being shown to be the holder according to the tenor of the note and previous endorsements.

5. If the endorsements are not clear and distinct, or if there is any endorsement which is inadmissible under Article 195.

6. If in the opinion of the officer before whom the note is presented for payment of interest the title of the person so presenting the note is irregular or not fully proved.

NOTE.—If notice of loss of a note has been received under Article 223 from any person other than the presenter, renewal should be required under this clause before interest is paid.

7. If the note in question being a counterpart note issued under the provisions of Article 195 has ceased to be the property of a minor, or to belong to an estate in which administration is limited to interest.

### Issue and Withdrawal of Counterpart Notes.

195. In the case of any note which is the property of a minor unrepresented by any person having power to negotiate it or which belongs to an estate in which administration is limited to interest, the Public Debt Office at Calcutta, upon such note being deposited with it, may issue to the holder of such note a counterpart thereof, having the words "counterpart not negotiable" stamped across the face thereof, and further, payments of interest may be recorded upon such counterpart. Whenever such note ceases to be the property of such a minor, or ceases to belong to an estate in which administration is limited to interest, the further payment of interest in respect of the note may be refused, until the first or any subsequent counterpart (as the case may be) issued in

respect of it has been receipted and renewed in the manner provided in the last preceding rule. Upon such counterpart being receipted and renewed as aforesaid, the same, together with the original note and any preceding counterpart issued in respect thereof, will be cancelled.

**196.** No payment of interest and no record or acknowledgment of the payment of interest and no issue of a counterpart note under the preceding rule is to be deemed or taken to be an acknowledgment of the title of the holder of any note.

### Payment of Interest to Joint-holders.

**197.** No payment of interest should be made to one or more or several joint-holders of a Government security except upon production by such one or more of written authority to give a discharge on behalf of the others. To facilitate production of such authority, Form 23 is supplied free of cost to joint-holders for use by them, and a supply of this form should be kept for the purpose at the Public Debt Offices and at all treasuries at which interest is paid on Government securities. The use of the form is not compulsory; and holders of promissory notes may use their own forms of authority, if they prefer to do so; but they should be encouraged to use the prescribed form, as less likelihood of mistake will be incurred.

**NOTE.**—Any such letter of authority or power-of-attorney executed for the sole purpose of authorising one or more of the joint-holders of a Government security to give on behalf of the other or others of them a discharge for interest payable on such security or on any renewed security issued in lieu thereof, is exempt from stamp duty under Government of India, Finance Notification No. 3713, dated 2nd September 1891.

### Death of a Joint-holder.

**198.** In ordinary circumstances, and unless the right is openly and expressly disputed, property in promissory notes, standing in or endorsed into the names of more than one proprietor lapses to the survivor or survivors; but in all cases in which a joint-proprietor of a note is stated to have deceased, proof of decease, either in the shape of a solemn affidavit or affirmation of the knowledge of such decease made by respectable and uninterested parties before a Justice of the Peace or other judicial officer, or in the shape of a burial certificate, copied from the usual register and attested by the proper authority, or certificate of death or other satisfactory evidence, should be required to be produced, and when produced should be registered, and entry made on the note, in the following form, below the endorsement in favour of the deceased and joint-holders or in the event of the Government Promissory Notes having been specially endorsed by the survivor, as such survivor, immediately below such endorsement.

“ Proof of death of \_\_\_\_\_, registered No. \_\_\_\_\_ of \_\_\_\_\_.”

(Signed) A. B.

*Treasury Officer.*

**NOTE.**—In the first blank would be placed the full name of the person deceased; in the next the number of the entry in the form given in Article 215 and in the third the initial letter under which the entry has been made, and the year.

### Securities belonging to Native States.

199. Notes held by Native Ruling Chiefs as State property are issued in a special form, interest on such notes being payable to the Ruling Chief for the time being. See Article 214A.

#### Receipt for Interest.

199A. At each treasury will be kept a supply of the prescribed form of receipt for interest (Form 22, quarter foolscap size), which will be given on application to any person proposing to draw interest. The following instructions are printed on the back of the receipt, and should be attended to. Personal attendance of the holder is not necessary, but the notes on which interest is drawn must be produced for endorsement of the payment:—

*N.B.*—1. A separate receipt must be given for the notes of each loan; but any number of notes of the same loan may be entered in the same receipt if the interest is payable to the same person.

2. The whole of the interest due on a note must always be taken. Partial payments are not allowed.

3. Receipts for interest on Government securities are exempt from stamp duty.

4. Signatures in native character must be translated, and a receipt by a native female must be attested, and except in the case of payments of interest at a Presidency Bank authenticated in the manner prescribed in Article 187. No attestation or authentication is however required in the case of signatures in English unless it is especially so directed by the officer making the payment.

5. The promissory note or notes must be produced with the receipt. If a form is printed on the back of the note (as is the case with all renewed after May 1881), the paying officer will enter a note of the payment: but if the promissory note bears no such form, then a receipt for interest must also be given on the back of the note, thus—

“Received interest for \_\_\_\_\_ half-years ending \_\_\_\_\_ R \_\_\_\_\_  
X. Y., *Treasury Officer.* (Signed) A. B.”

6. If the back of the note is full of endorsements, and there is no space for a further clean endorsement, the Treasury Officer should decline to pay interest, and require the holder to send his note in for renewal.

7. On application at the Treasury, or Public Debt Office, promissory notes may be converted into stock certificates, in which case the interest is paid by warrant which will be delivered to the holder by the Treasury Officer upon receipt from the Public Debt Office; or on application the warrant will be sent direct to the holder through the post.

199B. It is very important that no avoidable delay should be allowed to occur in the payment of interest which should invariably be made on the due dates or as soon thereafter as possible. Consequently at treasuries where the payments to be made are numerous, holders should be encouraged to send in their notes some time before the interest actually falls due so that the preliminary examination required may not operate to prevent payment being promptly made.

#### Record of Payment.

199C. The payments made will be entered by the Treasury Officer in a register in Form 24, subordinate to the cash book. The schedule to accompany the list of payments with receipts attached should be copied from this register.

*NOTE.*—In the preparation of interest receipts and registers, all details, especially the numbers, amounts, and the numbers of the half-years, or the periods for which interest is paid, must be correctly filled in; due attention to this will save much needless correspondence.

### Renewal of Notes.

200. The holder of any note requiring renewal may procure a renewed note in lieu of his original security in any of the following ways, that is to say, he may present it duly receipted either in person or through a representative at (1) Public Debt Office, Bank of Bengal, Calcutta; or (2) at a Government treasury for transmission to that Office; or (3) at the Banks of Madras and Bombay, who, as agents of the said Bank of Bengal, may either renew such notes on their own responsibility or may forward them to the Public Debt Office for renewal. In the case of notes sent to or presented direct to the Public Debt Office for renewal, claims for renewal will be disposed of by the Secretary, Bank of Bengal, and in the case of notes presented for renewal at the Bank of Madras or Bombay, and renewed by them on their own responsibility, the claims will be disposed of by the Secretary of the Bank concerned.

201. If the notes are presented to a Treasury Officer, he will despatch the notes in halves, by post, registered; the upper halves should be despatched first, the lower ones being sent on receipt of acknowledgment of the upper halves. Care should be taken that the due registry in the Treasury Office of all documents connected with transactions entered on the back of the notes is correctly certified against each transaction:—

- (a) In the receipt for renewal, the name of the payee of the new note should be correctly and legibly written.
- (b) In the case of notes required in favour of a European female, her condition in life (unmarried, married or widow) should be stated.
- (c) In the cases of married women whose marriages were solemnized before 1st January 1866, the consent of the husband should be obtained and duly certified on the notes by the Treasury Officer.

NOTE.—Before despatching a note to the Public Debt Office, the Treasury Officer must be careful to see that the interest due up to the last half-yearly date has been drawn, except in cases where there is any doubt in respect to the endorsements or where the interest has been left undrawn for several years.

202. A note tendered for renewal must be receipted on the reverse as follows:—

“Received, in lieu hereof, a renewed note payable to (*name of holder*), with interest payable at \_\_\_\_\_

*Signature of the.....* *Holder*  
*Duly authorized representative of (name of holder)* ”

203. If a person tendering a note for renewal applies for more than one note in lieu of the note tendered, the latter must be receipted on the reverse as follows, or in a form as near thereto as circumstances will admit:—

“Received, in lieu hereof, two (*or more*) notes for R \_\_\_\_\_ respectively, payable to (*name of holder*), with interest payable at \_\_\_\_\_

*Signature of the.....* *Holder*  
*Duly authorized representative of (name of holder)* ”

204. If a person tendering more than one note for renewal applies for one consolidated note in lieu of the notes tendered, the latter must

be receipted as follows, or in a form as near thereto as circumstances will admit:—

“Received, in lieu hereof, a new note payable to *(name of holder)*, for R \_\_\_\_\_ by consolidation with Promissory Note or Notes Nos. \_\_\_\_\_ *(mentioning the numbers and amounts of the other notes desired to be consolidated with it)*, with interest payable at \_\_\_\_\_

Holder  
Signature of the..... *Duly authorised representative of (name of holder)*”

205. The form of receipt mentioned in the foregoing rules must be very clearly and correctly written, and there must be no ambiguity as to the name of the payee of the new note. The name of the holder, as signed by him or as entered by the duly authorised representative below his own signature, should agree letter for letter with the name in the body of the note, or in the transferring endorsement, as the case may be. Where the holder himself signs the receipt, he may add his usual signature below.

206. (a) The following fees are payable in respect of applications for renewal or issue of a duplicate note:—

For each note four annas per cent. if the new note does not exceed R400, and one rupee if the new note exceeds that sum.

(b) The fact of receipt of the fee should be recorded on the back of the note by the Treasury Officer and the amount credited in the cash account as “Renewal fee on Government Promissory Note for R \_\_\_\_\_ as per advice No. \_\_\_\_\_, dated \_\_\_\_\_, to the Public Debt Office, Calcutta,” care being taken that the No. and date of the advice (Form 25) are entered in the cash account before the advice is despatched.

1. Postage stamps are not received.
2. The cancellation of coupons attached to a note in view to re-issue of the note without coupons involves a fee of R5.
3. When the interest column has been expended on a note which bears no endorsement (other than the renewal endorsement), no fee is charged.

207. Notes, the property of minors unrepresented by any person having power to negotiate them or belonging to an estate in which certificate of administration is limited to the realization of interest, of which the backs are filled up, should be sent with an application to the Public Debt Office for issue of a counterpart note, having the words “Counterpart not negotiable” stamped across the face thereof.

207A. When notes are renewed in favour of certificate holders under Act XXVII of 1860 or Act VII of 1889, who are empowered to negotiate or transfer the notes, they should be issued in the following form:—

A. B., holder of certificate in the estate of \_\_\_\_\_ deceased, empowered under Act XXVII of 1860 (or VII of 1889, as the case may be) to receive interest and negotiate or transfer (as in certificate) this note.

208. When a Government Promissory Note receipted for renewal comes before the Public Debt Office, and the title appears defective, the Public Debt Office will not pass an order for the payment of interest until such title is cleared, or the following procedure is adopted.

209. Where the defect is formal only, so that there is no practical risk in overlooking it, the note may be renewed at once under a bond of indemnity, which should be for the value of the security and the interest payable for six years from date of such renewal.

210. If the defect, however, be a serious one which it would be inadvisable to overlook, or if the holder, where the defect is formal, refuses to enter into the bond mentioned in the preceding article, then the Public Debt Office will refuse to renew the note, or pay interest until the defects in title be cured by the holder. But in cases where the note belongs to a minor, and representation is limited to interest, a counterpart note is issued by the Public Debt Office without further question.

211. Except in the case of estate paper where representation is limited by order of Court, and there is no question of defective title, no counterpart can be issued without the special sanction of the Comptroller General.

#### Consolidation and Sub-division of Notes.

212. (a) Notes of the same loan, on which interest has been paid up to the same date, may be consolidated, or notes may be sub-divided into others of smaller denominations, but of the same loan, at the option of the proprietors, notes being only issued for R100 or multiples of R100. Every note so to be consolidated or sub-divided should be endorsed by the proprietor in the forms prescribed for the purpose in Articles 203 and 204.

(b) A fee according to the scale prescribed in Article 206 is leviable upon each *new* note issued in consolidation or sub-division.

213. Debentures repayable on different dates or at different treasuries cannot be consolidated; and notes of *sicca* loans cannot be sub-divided.

#### Conversion of Notes.

214. (a) Promissory notes and stock of the  $3\frac{1}{2}$  per cent. loans of 1842-43, 1854-55, 1st May 1865, 1879 and 1900-01 may be transferred to any other of those loans except that no transfer to the loan of 1900-01 from any of the other loans is admissible.

(b) The conditions on which such transfer is permitted are that—

(i) a full half-year's interest is due on the Government Promissory Note or stock certificate at the time it is presented for transfer.

EXCEPTION.—Transfers are, however, permitted in the following cases independently of the above condition :—

- (a) To the  $3\frac{1}{2}$  per cent. loan of 1842-43 : from the  $3\frac{1}{2}$  per cent. loan of 1900-01 in all months of the year except January and July.
- (b) To the  $3\frac{1}{2}$  per cent. loan of 1854-55 : (i) from the  $3\frac{1}{2}$  per cent. loan of 1842-43 in the months of July and January; (ii) from the  $3\frac{1}{2}$  per cent. loan of 1865 in all months of the year except May, June, November, and December; (iii) from the  $3\frac{1}{2}$  per cent. loan of 1900-01 at any time.
- (c) To the  $3\frac{1}{2}$  per cent. loan of 1865 : from the  $3\frac{1}{2}$  per cent. loan of 1900-01 in the months of May, June, November and December.
- (d) To the  $3\frac{1}{2}$  per cent. loan of 1879 : from the  $3\frac{1}{2}$  per cent. loan of 1900-01 at any time except from 31st December to 14th January and 30th June to 14th July.

- (ii) The new note or certificate will be issued bearing interest from the commencement of the current half-year of the loan to which it appertains, except in the case of exception (b), clause (iii), when the new notes or stock will be issued bearing interest from the same date from which interest is due on the notes or stock of 1900-01 tendered for transfer.
- (iii) Interest up to that date will be paid on the old note or certificate.
- (iv) The fee prescribed in Article 206 will be charged on each new note issued, but no fee will be levied on any certificate issued.

### Special Notes for Native States.

**214A.** (a) Chiefs of Native States can convert Government Promissory Notes of the ordinary form, the property of the State, into Government Promissory Notes in a special form.

(b) The conditions of issue are—

- (1) The special notes are issued only in favour of Chiefs of Native States, whose admission to the privilege has been sanctioned by the Government of India in the Foreign Department.
- (2) Applications for notes in such form should be made to the Comptroller General by the Political Officer resident in the State, and should quote the order of the Government of India sanctioning the admission of the State to the privilege.
- (3) The amount of each note will not be less than Rs5,000.
- (4) The notes are not negotiable by endorsement, but the holder can at any time obtain in exchange, if he desires, notes of the ordinary form on application to the Public Debt Office, Calcutta.

(c) The advantages of holding notes in special form are—

- (1) Interest upon these notes is exempt from Income Tax.
- (2) The notes being issued in the name of the Chief, his heirs and successors, devolve by mere succession to the Raj without legal administration.
- (3) The notes are enfaced for payment of interest at any Government treasury desired as in the case of ordinary notes.

NOTE.—If these notes are converted into stock certificates the special advantages attached to them are lost.

### Registration of Powers-of-Attorney, etc.

**215.** A register of powers-of-attorney, probates, certificates, or other documents connected with the transfer of, or drawing of interest on, Government securities, will be kept by the Treasury Officer in Form 26.

1. Separate pages should be reserved for separate initials, and the entries under each initial should have a separate series of numbers.

2. In the case of probates, etc., and orders of court, the name of the court, and any number it may have assigned to its order, may with advantage be noted in the column of "Date of document."

216. Each document will be registered under the initial of the surname in column 4, which will be in the case of—

Power-of-attorney . . . . .	That of the grantor.
Probates or letters of administration . . . . .	" " deceased.
Certificates for administration of minors' estates . . . . .	" " minor.
Certificates of death or marriage . . . . .	" " persons deceased or married.

217. In the case of powers-of-attorney, probates, letters or certificates of administration, care must be taken to record the limitations of the power conveyed, so that transfers may not be admitted under powers to realize interest only. Special attention is requested to section 8 of Act VII of 1889, under which the Government securities on which certificate-holders are empowered to receive interest, or which they are empowered to negotiate, must be described in the certificate. The list of securities covered by the certificate should be copied into column 6.

Certificates granted under Act VII of 1889, entitling the holder to draw interest on Government securities, should bear stamp duty with reference to the value of the securities and not with reference to the amount of interest to be drawn.

218. All powers-of-attorney, certificates under Act VII of 1889, probates or letters of administration, proofs of death and marriage, and other documents connected with the transfer, etc., of promissory notes, when duly registered, will be endorsed in the following form:—

" Registered No. \_\_\_\_\_  
(Signed) A.B., *Treasury Officer.*"

*The* \_\_\_\_\_ 190—.

NOTE.—The blanks will be filled up with the number of the register, the name of the district and the date of registry.

### Stamp Duty.

219. No power-of-attorney to sell, or to realize interest on, Government securities, will be registered unless duly stamped, save when it is exempt from stamp duty by law or notification under the Stamp Act (*e.g.*, the power mentioned in Article 197, Note).

220. Powers-of-attorney granted by a number of persons having separate and distinct interests in the acts to be performed under such powers, require to be stamped to a value equal to the aggregate amount of duty which would have to be paid if each person had executed a separate power.

220A. Letters of administration or certificate under Act VII of 1886 issued by a competent court should, even when insufficiently stamped, be registered and acted upon. The fact of the document being insufficiently stamped should, however, be brought to the notice of the court which issued it.

### Rules regarding Powers-of-Attorney.

221. Attention is required to the following rules regarding powers-of-attorney:—

- (a) Powers in favour of a house of business, without specifying the individual members at the time composing the house, are inadmissible.

- (b) Powers not in favour of A. and B. "jointly and severally," require that both A. and B. should sign in any transactions done in virtue of such powers.
- (c) General powers, *i.e.*, powers relating to all notes standing in the name of the grantor, are not held to apply to promissory notes in which the grantor is interested jointly with others, unless they contain a special clause to that effect, or a specification of the notes.

### Registry of Endorsements.

222. With a view to protect the holders of Government Promissory Notes from risk in transmitting their notes by post, Treasury Officers are authorised to register the endorsements on notes presented to them for this purpose, but should further warn holders of the advisability of forwarding the upper and lower halves with the same precautions as are taken by Treasury Officers in despatching notes for renewal. (Article 201.) Registration of the endorsements will be made without any regard to their correctness or to the object with which they are made.

### Procedure on Loss of Note.

223. When a promissory note is said to have been lost and the alleged proprietor is desirous of applying for the issue of a duplicate, he should be directed to advertise the loss of the note, without delay, in three successive issues of the *Gazette of India*, and also in the local Government Gazette. He should further address the Secretary and Treasurer, Bank of Bengal, on the subject, fully detailing the circumstances attending the loss of the note, and the dates and pages of the *Gazette of India* in which his notice appeared, at the same time furnishing any proof he may possess of the note having been his property and he should be instructed to furnish a copy of this communication to the treasury at which interest is payable.—See also Financial Department Notification No. 112, dated 6th April 1883, *Gazette of India*, dated 7th April 1883, page 171, and Financial Department No. 96, dated 7th January 1888, paragraphs 17 to 22, *Gazette of India*, dated 7th January 1888, page 6.

### Erasures.

224. Every erasure in an endorsement should be accompanied by an explanation in writing, to be produced by the proprietor of the note at the time of its presentation at the District Officer's office; and every cancellation of an endorsement should be made under the signature of the proprietor of the note for the time being.

### Vernacular Documents to be translated.

225. No document in any native character will be received by the Public Debt Office unless accompanied by a translation in English authenticated by a responsible officer.

### Reference to Public Debt Office.

226. All communications on matters of detail relating to the subject of this chapter should be addressed to—

THE SECRETARY AND TREASURER, BANK OF BENGAL,  
*Public Debt Office, Calcutta.*

### Provincial Debenture Loans.

227. The rules in force for Government securities are generally applicable to these debentures, except that interest cannot be paid elsewhere than at the places mentioned in them. Payments of interest will be reported to the Presidency Bank in schedules similar to those in use for payments on account of Government securities.

1. In some cases a payment on account of profits is added to the fixed rate of interest paid upon Provincial Debentures. In such cases the Local Government will declare, by a notification in the Gazette, the amount to be added on this account to the payment of interest. For example, it will declare that, in addition to the fixed interest payment of R4 (or other sum) per cent. due on 1st April 190 , further amount of annas per cent. will be paid on account of profits. The whole amount of the payment, including that which represents the profits, will be treated in the accounts as a payment on account of interest and no adjustment between the Civil and Public Works Departments is required on account of it.

2. The Government of the United Provinces of Agra and Oudh have directed that in the case of their Provincial Debentures, a debenture may be renewed in the name of the heir (or legal representative) of the holder, on being signed by him for renewal (see Article 200) and on the district officer endorsing on the debenture a certificate that the person so signing is the heir or legal representative of the holder.

### Chapter 14.—Stock Certificates.

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#### Nature of Security.

**228.** (a) Stock certificates of debt are issued from the Public Debt Office, Calcutta, in lieu of promissory notes, under the Notification, Financial Department, No. 6318-A. of 28th December 1894, Appendix E.

(b) Stock certificates have the following advantages over Government Promissory Notes:—

- (1) Government Promissory Notes can be converted into stock certificates and re-converted into promissory notes at any time, at the option of the holder.
- (2) The holders of stock certificates are not required to present them in person or by agent when the interest becomes due. On application made, interest will be paid to stock certificate holders by warrants on any Government treasury, which warrants will be sent by post, on the day the interest falls due, to the stock certificate holders direct, or through the Treasury Officer, as they may desire.
- (3) Stock certificates are not negotiable by endorsement, and are consequently of no value in the hands of a wrongful holder, and the risks arising from the possession or repeated transmission of negotiable securities are thereby avoided.
- (4) In the event of the loss of a stock certificate by theft, fire, etc., a fresh certificate will issue on satisfactory evidence of loss.

**229.** A stock certificate certifies that "A. B. is the registered proprietor of ₹00 of the 3½ per cent. loan of 190 , bearing interest from ". A holder wishing to convert his Government Promissory Notes into a stock certificate will receive a certificate of the loan to which the notes appertain, or, at his option, of any other loan to which they can be transferred under the conditions of Article 214.

#### Adjustment of Interest.

**230.** If a stock certificate of the loan to which the promissory notes appertain be applied for, interest due upon them must first of all be drawn before they are tendered for conversion. If, however, it be desired that stock of some other loan should be issued, the notes should be tendered for conversion with six months' interest due on them

except as provided for in the exception to clause (i) of Article 214. In this case interest will be adjusted as follows:—

(a) If the application is for stock certificates of the Loan of 1865—

and the pro. notes are of the loan of	and interest is due for the last full half-year ending	interest will be paid for that half-year only up to	and the stock certificate will bear interest from
1842-43 . . . . .	{ 31st Jan. . . . . 31st July . . . . .	31st Oct. (e) . . . . . 30th April (e) . . . . .	1st Nov. 1st May.
1854-55 . . . . .	{ 29th June . . . . . 29th Dec. . . . .	30th April (g) . . . . . 31st Oct. (g) . . . . .	1st May. 1st Nov.
1879 . . . . .	{ 15th Jan. . . . . 15th July . . . . .	31st Oct. (f) . . . . . 30th April (f) . . . . .	1st Nov. 1st May.
1900-01 . . . . .	{ 29th June . . . . . 29th Dec. . . . .	30th April (g) . . . . . 31st Oct. (g) . . . . .	1st May. 1st Nov.

(b) If the application is for stock certificates of the Loan of 1842-43—

1854-55 . . . . .	{ 29th June . . . . . 29th Dec. . . . .	31st Jan. (b) . . . . . 31st July (b) . . . . .	1st Feb. 1st Aug.
1865 . . . . .	{ 30th April . . . . . 31st Oct. . . . .	31st Jan. (e) . . . . . 31st July (e) . . . . .	1st Feb. 1st Aug.
1879 . . . . .	{ 15th Jan. . . . . 15th July . . . . .	31st July (k) . . . . . 31st Jan. (k) . . . . .	1st Aug. 1st Feb.
1900-01 . . . . .	{ 29th June . . . . . 29th Dec. . . . .	31st Jan. (b) . . . . . 31st July (b) . . . . .	1st Feb. 1st Aug.

(c) If the application is for stock certificates of the Loan of 1854-55—

1842-43 . . . . .	{ 31st Jan. . . . . 31st July . . . . .	30th Dec. (h) . . . . . 29th June (h) . . . . .	31st Dec. 30th June.
1865 . . . . .	{ 30th April . . . . . 31st Oct. . . . .	30th Dec. (c) . . . . . 29th June (c) . . . . .	31st Dec. 30th June.
1879 . . . . .	{ 15th Jan. . . . . 15th July . . . . .	30th Dec. (i) . . . . . 9th June (i) . . . . .	31st Dec. 30th June.

(d) If the application is for stock certificates of the Loan of 1879—

1842-43 . . . . .	{ 31st Jan. . . . . 31st July . . . . .	15th Jan. (j) . . . . . 15th July (j) . . . . .	16th Jan. 16th July.
1854-55 . . . . .	{ 29th June . . . . . 29th Dec. . . . .	15th Jan. (a) . . . . . 15th July (a) . . . . .	16th Jan. 16th July.
1865 . . . . .	{ 30th April . . . . . 31st Oct. . . . .	15th Jan. (d) . . . . . 15th July (d) . . . . .	16th Jan. 16th July.
1900-01 . . . . .	{ 29th June . . . . . 29th Dec. . . . .	15th Jan. (a) . . . . . 15th July (a) . . . . .	16th Jan. 16th July.

Interest on ₹100 at annas 4 pies 8 per month :—

	R	a.	p.
(a) $\frac{1}{30}$ month	0	2	5.86
(b) $1\frac{1}{30}$ "	0	4	9.86
(c) $1\frac{2}{30}$ "	0	9	2.13
(d) $2\frac{1}{30}$ "	0	11	8
(e) 3 "	0	14	0
(f) $3\frac{1}{30}$ "	1	0	4
(g) $4\frac{1}{30}$ "	1	2	9.86
(h) $4\frac{2}{30}$ "	1	7	2.13
(i) $5\frac{1}{30}$ "	1	9	6.13
(j) $5\frac{2}{30}$ "	1	9	8
(k) $\frac{1}{2}$ "	0	2	4

*N.B.*—In calculating interest for broken periods the Public Debt Office reckons a month to consist of 30 days.

**231.** Cancelled.

### Form of Application.

**232.** The applicant for a stock certificate, after drawing all interest due, must endorse the notes (or debentures) under his signature, "Pay to the Viceroy and Governor General of India in Council," and must make a list of them in Form No. 27.

**233.** The Treasury Officer is enjoined to give every assistance and instruction so that this form may be correctly prepared, and to see that due registry of all documents in support of title to the notes or debentures be certified on their reverse, as prescribed in Chapter 13. He must also satisfy himself that the person who presents the application is the person he represents himself to be.

**234.** (a) The Treasury Officer will now forward the application and the note (in halves) to the Secretary and Treasurer, Bank of Bengal, Public Debt Office, in a registered cover, insured as of the value of ₹100.

(b) He will also be the channel of, and should facilitate, any necessary correspondence between the Public Debt Office and the applicant so that any formal defects may be remedied, or objections raised by the Public Debt Office removed.

*NOTE.*—If there be any serious objection to any of the notes it will be better to return them to applicant for the necessary measures, and to submit a revised application for the remainder of the notes only.

**235.** (a) If the papers are correct, the Treasury Officer will, in due time, receive for delivery to the applicant :—

(1) The stock certificates applied for.

(2) An interest transfer receipt or pay order for the amount due on the conversion.

(b) The former he will enter in a register (Form 28) and deliver to applicant, taking his receipt in the proper column. The latter he will deal with under Article 237.

**Payment of Interest.**

236. The interest due on the stock certificates will be sent by the Public Debt Office to the Treasury, without further application, upon the due date, or it will be sent to the holder direct on his written application. It will be sent in the form of a warrant and made payable to the order of the registered proprietor.

237. The Treasury Officer will register the warrants which he receives in a register of Interest Orders (Form 29), and he will deliver them either to the holder in person, or to his attorney (Article 215), or to any one sent by either of these and bearing a written and signed request for the delivery. The signature of the recipient will be taken in the register, and payment will thereafter be made at the treasury in the usual way, as on an ordinary authorised pay order, the Treasury Officer being responsible, as in the case of all other payments, that the payment is made to the proper person.

238. In every case advice will have been received of the issue of the warrant, and these advices must be carefully kept as in the case of advices of bills.

239. The Treasury Officer is not required to advise the holder of the arrival of his interest warrant; the holder should know the dates on which to expect it. But if the holder leaves the interest order unapplied for eight months, then the Treasury Officer should return it (together with the next following one, which he will have had for two months) to the Public Debt Office, and mark them off in the register as thus returned. The Public Debt Office will retain them till they are claimed.

**Endorsement of Stock Certificates.**

240. The following form of endorsement on a stock certificate serves most of the ordinary purposes of the holder:—

Received in lieu of this stock certificate for £000, promissory notes (or debentures) and stock certificates as by following detail:—

Promissory Note, Debenture, or Stock Certificate.	Value of each.	Interest, where payable.
TOTAL		

Signed by holder, or his attorney,\*  
or his administrator or executor.\*

Signed in my presence.

Treasury Officer of

Date

\* In these cases the Treasury Officers must add the certificates required by Article 194.

241. (a) By means of the endorsement, the holder can—

- (1) If he wishes to sell his holding,—obtain promissory notes in his own name and endorse them in the usual way to the purchaser.
- (2) If he wishes to sell part of his holding,—do as above for part, and obtain for the balance a stock certificate in his own name.
- (3) If he wishes the payment of interest transferred to a new treasury,—apply for a stock certificate in the same terms as the one he holds, but with interest payable at another treasury.
- (4) If he wishes to sub-divide his holding, or re-convert it into promissory notes (or debentures),—apply for stock certificates or promissory notes (or debentures), as he requires.
- (5) If, being the administrator or executor of a holder's estate, he wishes to have the holding transferred to his own name as administrator or executor (or if he has the power, to his own or any other person's name, absolutely), he can obtain promissory notes and endorse them accordingly.

(b) He may also consolidate two or more stock certificates, by endorsing all of them in the above form, with the addition of the words in italics below:—

“Received in lieu of this stock certificate for ₹000, and of the stock certificates  
*No. for ₹000, and No. for ₹000 of the same loan.*  
 Total ₹000.”

242. The Treasury Officer will receive the stock certificates as above endorsed and forward them to the Public Debt Office for issue of the necessary certificates or notes, which the Public Debt Office will return to the Treasury Officer for delivery to applicant. The Treasury Officer will pass them through the register (Form 28), Article 235.

243. The Public Debt Office require certain fees for new promissory notes or debentures issued (see Chapter 13, Articles 206 and 212); but new stock certificates are issued without fee. When, however, non-transferable stock certificates are issued by the Bank of Bengal, Madras, or Bombay, in lieu of the whole or any portion of ordinary stock certificates, for transmission to the Bank of England for registration in its books, each non-transferable certificate so issued is charged at the rate of one rupee for every ₹5,000 or part of ₹5,000.

244. The Public Debt Office will advise Treasury Officers of the issue of any stock certificate of which interest is payable at their treasury, as also of the cancellation of any such stock certificate. The proper entry should be made in the register (Form 28), Article 235. These advices are independent of the letters forwarding stock certificates for delivery to the holders.

## Chapter 15.—Deposits.

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**Explanations.**

**245.** (a) Deposits proper are classified according to the department through which they are received. The usual classes are—

- Revenue deposits.
- Civil Court's deposits.
- Criminal Court's deposits.

(b) But other classes may be added under the orders of the Accountant General when necessary; the accounts are kept by separate items. Some deposits are classed as Personal Deposits, for which special forms are provided and the account kept of them is of the nature of a banking deposit account.

1. In provinces where all branches of the civil administration, revenue, criminal, and civil, are under the same officer, the system may be adopted of including all deposits of the district and subordinate courts in one register as *revenue* deposits; or the Treasury Officer may be directed to receive and keep accounts of all such deposits in exactly the same way as revenue deposits, but in separate registers and returns under the designation of "Civil Courts and Magistrates' deposits."

2. Military deposits are dealt with under special rules. But at stations where there is no branch of the Bank of Bengal, an officer commanding a regiment of Bengal Cavalry may, when the cash in his regimental chest reaches a large amount, lodge a part of it as an ordinary deposit in the treasury: it should be shown as a revenue deposit.

**Limitations.**

**246.** It is the business of the Treasury Officer to see that no item is credited as a deposit save under formal order of competent authority, and also, if the amount could be credited to some known head in the Government account, to make representations to the court or authority ordering its acceptance. No sums are to be credited in any deposit register which can be carried to any other head of account; for example, revenue paid to Government on account of a demand not yet due should at once be finally carried to the proper Budget head, and may not be placed in deposit.

NOTE.—Government Promissory Notes or other security deposits (not being cash) received from revenue farmers or other contractors are not revenue, and must on no account be credited as revenue.

**247.** The treatment of the following items as deposits is prohibited:—

(a) No pay, pension, or other allowance should be placed in deposit on the ground of the absence of the payee or for any other reason; in a district office pay should not be drawn till the claimant appears.

1. This prohibition does not extend to the balance of the cheque for payment of native military pensioners.

2. When a pension is granted to several persons jointly, it may not be drawn on the appearance of one claimant only, and payment of his reputed share made, the balance being placed in deposit.

(b) No fines should be placed in deposit on the ground that appeal is pending; they should be credited at once to Government, and refunded, if necessary, on order of the appellate court. But compensation fines (including costs in criminal cases) due to an injured party, and not to Government, should be kept in deposit in cases subject to appeal till the period allowed for presenting the appeal has elapsed or if an appeal be presented, till it is decided; and then, the fines should either be paid to the rightful claimant, if claimed, or continue in deposit till they lapse under the ordinary rule.

(c) Refunds, whether of stamp or of other receipts, can be drawn only on the appearance and on the receipt of the person entitled to them, after production of due authority; on no account may they be charged on the receipt of an official and lodged in deposit pending demand.

NOTE.—The following rules have been laid down for the payment of refunds of revenue credited or amounts deposited in cases where the amount involved does not exceed R100 :—

- (1) On receipt of a refund order passed by the Collector or other officer concerned, the Treasury Officer may at his discretion issue a notice (a) inviting the person to whom the refund is to be made to receive payment at the treasury, and (b) intimating that on failure to comply with the invitation within one month (or such longer period as may appear necessary) the amount of the refund will be remitted to the payee by postal money order at his expense.
- (2) When the payee appears in person at the treasury, the Treasury Officer should see that no avoidable delay occurs in getting the voucher for the refund signed by the payee who may then receive the payment personally or by a duly authorised agent or by money order at his own expense.
- (3) When a money order is issued under clause (b) of the notice referred to in rule 1, it shall be accompanied by a receipt in Form 13 or 31, as the case may be, of the Civil Account Code. The full amount of the refund and the deduction made therefrom on account of the money order fee should be clearly shown in such receipt. The amount of the money order should not be remitted in cash to the post office, but the Treasury Officer should send a money order form duly filled in together with a certificate that the amount of the order and the money order fee thereon have been credited to the Post Office in the treasury accounts by *per contra* transfer. The post office will accept the money order on the authority of the Treasury Officer's certificate.
- (4) The post office will get the receipt referred to in rule 3 signed by the payee, when the amount of the money order is paid to him and will then return the receipt to the Treasury Officer making the payment, who will dispose of it in the usual way. The Account Department will then accept such voucher as a valid receipt for the full amount of the refund entered therein.

248. (a) The net sale-proceeds of impounded cattle are to be kept in deposit for three months, and if no claim be made within that time, are to be credited to the proper account.

(b) The sale-proceeds of unclaimed property are not to be placed in deposit at all; under Act V of 1861, section 26, the property *itself* is to be kept for six months, but money realized by sale is at once (section 27) at the disposal of Government, and should be taken to credit of Law and Justice. Exception must, however, be made in the case of property left by persons dying intestate and without heirs, which civil courts will secure and hold for certain periods in accordance with the local law.

1. If unclaimed property be perishable and be sold because it cannot be kept, its proceeds should be held for six months in deposit, but the circumstances should be clearly stated under "Nature of deposit."

2. Money belonging to prisoners in jail should not be held for long terms by the Jail Department, but should be transferred at convenient intervals to the magistrate for deposit.

3. The Police Department should have no deposits; unclaimed property found by, or delivered up to, a police officer should be made over to the magistrate; proceeds of sales of old stores or other Government property should be paid into the treasury for credit to Government; no pay, reward, or other allowance payable to a police officer should be held undischarged.

249. The funds of *quasi*-public institutions, even when aided by Government as dispensaries are, may not be placed in deposit without special sanction of Government. Nor can any jewels or other property received for custody and restoration in kind be brought on the deposit register, though the value be stated in money.

NOTE.—A single exception is made in a case where a district officer has to receive from a Native State a sum of money to be paid out to certain claimants; if the money is paid in coin of a native mint, it may be credited in the deposit register at its reputed value: repayments, which will be in the same coin, being of course charged at the same value.

### Revenue Deposits—Repayments.

250. A person claiming refund of a deposit must produce an order of the court or authority which ordered acceptance of the deposit; this order the Treasury Office will compare with the entry in the register of receipts, and, if the balance be sufficient, he will take the payee's receipt, make payment, and record it at once, under his initials, both in the register of repayments, Form 30, from which a daily total is carried to the cash book and in that of receipts, noting in both also the date and amount of the repayment. If there be not a sufficient balance at credit of the particular item, the Treasury Officer will endorse this fact on the order and return it to the person presenting it.

NOTE.—When, at a treasury which banks with a branch bank, a deposit is repaid by an order on the bank, the entry in the register of receipts will be made when the order is issued and that in the register of repayments when the repayment is reported in the daily bank sheet.

### Form of Voucher.

251. In order to avoid the inconvenience and risk which accompany the payment of money upon proceedings recorded in the vernacular languages, and to ensure caution in the issue of such orders, the Government has directed that every order issued by a court or office for the payment of money from a Government treasury shall be in English, unless the presiding officer is unacquainted with that language. If the disbursing officer does not understand English, and the officer ordering the payment does, the order for payment shall be both in the vernacular and in English.

NOTE.—Form 31 has been prescribed for the repayment order and voucher for deposits repaid.

### Quarterly Certificate.

252. At the end of every quarter a certificate must be recorded on the extract register of receipts by every district officer not in personal

charge of the treasury, that he has personally carefully examined the register, and that the entries are made with the utmost care and regularity.

NOTE.—This examination is not intended to be mechanical, and to secure only that all necessary entries are made and initialled without fail at the time of the transaction, but also that no moneys are unnecessarily placed in deposit, or allowed to remain there without good cause.

### Clearance Register.

253. In April of each year, the outstanding balances in the Receipt Register of the second preceding year, which are not reported for lapse under Article 255, should be transferred to a Clearance Register in Form 32 with suitable changes in the headings, with a view to repayments during the next two years being recorded on it by the account office in the columns provided for the purpose. To this Clearance Register should also be transferred any items in the last preceding Clearance Register but one, that are for special reasons not allowed to lapse to Government under Article 255, while the bulk of the outstanding in it so lapse. Old items thus transferred from one Clearance Register to a second one should be carefully watched by the district officer, and must in ordinary course lapse at the end of the two years for which the latter is current. They cannot be allowed to be carried forward to a third Clearance Register without the special sanction of the Accountant General. In the district offices the repayment of items entered in a Clearance Register submitted to the account office should continue to be recorded in the original Receipt Registers. It is not intended that Clearance Registers should be used in district offices.

254. A certificate from the administrator of every personal ledger account (to the effect that the balance claimed by him is of a named amount, and detailing his outstanding cheques in order to explain the difference between his balance and that admitted by the Treasury Officer in his *plus* and *minus* memorandum) should be transmitted along with the Clearance Registers for other classes of deposits.

### Lapses—Annual Account.

255. Deposits not exceeding one rupee unclaimed for one whole account year, balances not exceeding one rupee of deposits partly repaid during the last year, and all balances unclaimed for more than three complete account years will, at the close of March in each year, be credited to Government by means of transfer entries in the Accountant General's office. Of deposits or balances thus lapsing, the Treasury Officer must submit to the Accountant General, immediately after 31st March, a list in Form 32-A.

NOTE.—Early in March the old registers of deposits should be taken up, and an extract made on ruled paper of those of each class which would, in ordinary course, whether from age or pettiness, lapse at the end of the month. This list should then be reviewed by the district officer, and any item, which in his opinion should not be so dealt with, should be struck out and *at the same time* (if it be an item lapsing from age) entered on the first page of the Clearance Registers for that class, full detail of the reasons why it is not to lapse being given in a covering memorandum. Similarly, if any item is repaid in the course of the month, it should be struck out of this list at the same time as the payment is entered in the registers of receipt and repayment. On the 31st March each of these

lists should be again checked with the register of receipts, wherein its item should be marked off as having lapsed and been credited on 31st March, and the total of the list should be deducted in the *plus* and *minus* memorandum from balance shown at credit of the particular class of deposits, the list itself, signed by the district officer, being forwarded to the Accountant General.

256. Deposits credited to Government under Article 255 cannot be repaid without the sanction of the Accountant General, but this sanction will be given as a matter of course on ascertaining that the item was really received, was carried to credit as lapsed, and is now claimed by the person who might have drawn it any time before the lapse. The amount of a lapsed deposit refunded will, however, be charged in the cash book as a refund and not debited to deposits. But the application for refund and the payment of the deposit should be recorded in the district register of receipts, so as to guard against a second repayment.

256A. The application for sanction will be made in Form 32-B. There must be a separate application for deposits repayable to each person, and it will be used as the voucher on which the payment is to be made and submitted to the Accountant General with the List of Payments in which it is charged.

### Civil and Criminal Courts' Deposits.

257. (a) There are two methods in which the accounts of civil court and of criminal court deposits may be kept.

(b) In the first of these, each deposit is separately paid into and drawn from the treasury, upon documents passed by the presiding officer and setting forth the particulars necessary for the entries in the receipt register. In this case the registers of receipt and repayment are kept and the monthly and annual returns and lapsed lists submitted by the Treasury Officer in the manner above prescribed for revenue deposits, although the sets of registers and returns must all be kept separate from those of the revenue deposits. For these no further instructions are necessary.

NOTE.—This method is not desirable if the judge or magistrate is a separate officer from the district officer, and has to keep a separate set of deposit accounts for his own purposes.

258. According to the other method, the civil courts and magistrates merely bank with the treasury, remitting without detail their gross deposit receipts for credit in a personal ledger, and making repayments by cheques on the treasury which are taken to debit of the same personal account. These personal ledgers, and the corresponding accounts and returns, must be kept by Treasury Officers, in the form prescribed for personal deposits, but quite separate from those of personal deposits proper; and they will be designated as civil court or criminal court deposits.

NOTE.—The Treasury Officer, in sending as his vouchers the paid orders of the civil court, should attach them to a covering list showing the number and amount of each.

259. The object and effect of this arrangement is simply to relieve the Treasury Officers of responsibility for the *details* of the deposit transactions, not to abolish detailed record, but to confine it to the departmental office in which registers of receipts and payments must

be kept up in the same form; and be worked on the same principle, as above prescribed for the Treasury Officer's accounts of revenue deposits. The civil court or magistrate in this case is responsible for the monthly detailed returns despatched to the Accountant General (although the vouchers are sent by the Treasury Officer), for the quarterly certificate, and for the Clearance Registers and statement of lapses,—*vide* Articles 252 to 256.

**260.** The civil court or magistrate will incorporate with his own accounts and returns the deposit items of his subordinate courts, as a Treasury Officer does those of subordinate treasuries. It may, however, be arranged that some subordinate courts should keep independent accounts and submit their returns direct to the Accountant General. Separate accounts will, of course, be kept for, and separate returns submitted by, the several Small Cause Courts.

**NOTE 1.**—Each transaction of receipt or payment of a civil and criminal court deposit must be initialled by—

- (a) the Judge or Magistrate; or
- (b) in the case of a High or Chief Court or a Judicial Commissioner's Court, by any gazetted officer of the court;
- (c) in the case of a Small Cause Court, unless otherwise ordered by the local Government or Administration, by a Registrar appointed under section 13 of the Presidency Small Cause Courts Act, 1882 (XV of 1882), or under section 12 of the Provincial Small Cause Courts Act, 1887 (IX of 1887).

**NOTE 2.**—The *plus* and *minus* memorandum of the balance of deposits should be stated by the Judge or Magistrate upon the register of receipts transmitted to the Accountant General.

**261.** In civil courts where numerous petty sums are received from suitors for immediate disbursement in full (as for diet, postage, etc.), the detailed control might, with the approbation of the chief judicial authorities, be left with the receiving court.

1. The receiving court, however, should record and deal with these petty deposits with the same care and formality as others. It should enter all in detail in a register of deposit receipts of the ordinary form, labelled "Sheriff's petty accounts," and repayment would be recorded in the similar separate register of repayments, both to be handled and attested like the general register. From these two separate registers daily totals would be carried into the general registers (though, of course, without numbers) and also into a register of the personal ledger form in which a daily balance would be struck; monthly totals of receipts and of payments on Sheriff's petty accounts would be noted on the extracts from the general registers submitted to the Accountant General, and lapses periodically reported.

2. The detailed instructions regarding these petty deposits would be prescribed, wherever the system was permitted, by the chief judicial authority and the Accountant General in communication.

### Agreement with Treasury.

**262.** When the different civil courts of a district bank with the civil treasury, the Treasury Officer may, if it facilitates the comparison of the accounts, open a personal ledger account for each court, even though the deposit transactions of the subordinate courts be brought by a superior court in detail on its own registers.

**263.** (a) To prevent disagreement between the deposit figures reported to the Accountant General by civil courts and by Treasury Officers, it is necessary to arrange that the former shall report only completed transactions. A civil court does not usually receive money,

but gives the intending depositor an order to the Treasury Officer to accept it; and so, though recording the issue of this order in a court register with sufficient detail, it will not bring the item on the deposit register till the Treasury Officer advises receipt. Similarly, it will ascertain from the treasury at the close of the month which of its payment warrants have been cashed, and detail at foot of its extract register of repayments the warrants which are unpaid, deducting their total from the total of the extract.

(b) The Treasury Officer will furnish the court with a daily advice list of the sums received and paid, or advise the receipts and payments in a pass book as may be laid down by the Accountant General.

1. When it is inconvenient for a depositor to proceed to the treasury with the court's order to lodge his deposit, it may be received by the court, and by it afterwards forwarded to the treasury. Courts in the same town with a treasury or sub-treasury should make remittances daily; if at a greater distance, they should remit frequently at fixed intervals. Similarly, when it is inconvenient for a claimant to proceed to the treasury there to obtain repayment of a deposit, the Judge may pay him in cash, provided that there are in the court funds sufficient whether of current deposit receipts or of the office permanent advance.

2. In these cases, however, the gross receipts and payments taking place at the court must be shown as remitted to and from the treasury, and the payment be supported by the paid orders. If the receipts are in excess of the payments, the excess will be remitted in cash to the treasury; and if the payments are in excess of the receipts, the treasury will pay the excess to the court, which will thus recoup the permanent advance account.

3. No permanent advance should be given and held apart specially for the repayment of deposits; the office permanent advance may be augmented sufficiently.

264. When the list of lapses is made up by the Judge or Magistrate, notice of the amount must be sent to the Treasury Officer to enable him to deduct the amount in the personal ledger.

### Deposits for Loan.

265. Whenever it is necessary to open a new loan, a notification is inserted by Government in all Gazettes, and a general letter in the following terms is circulated to Treasury Officers; the deposits on rejected tenders are returned to the depositors on surrender of the original deposit receipt, while those on accepted tenders are either so returned, or credited to the Government of India. The rules in this chapter do not further refer to these deposits.

"All sums tendered at Government treasuries as deposits on account of the loan advertised are to be accepted; a receipt should be given in the following form:—

#### DEPOSIT ON ACCOUNT $3\frac{1}{2}$ PER CENT. LOAN.

"Received from (name of depositor with address in full) the sum of R \_\_\_\_\_  
as a deposit on account of the  $3\frac{1}{2}$  per cent. Loan advertised in the *Gazette of India Extraordinary* of \_\_\_\_\_ 190 ."

\_\_\_\_\_ 190 . }  
\_\_\_\_\_ Treasury. }

\_\_\_\_\_  
Officer in charge of Treasury.

"These deposits must be entered in a register and carried to a separate sub-head in the cash account, viz., 'Deposits for Loan.' As soon as it is quite certain that no more can be received in time for tenders to reach Calcutta on the forenoon of the day fixed for the opening of the tenders, a copy of the register should be despatched to Comptroller General, Calcutta. The list should therefore reach Calcutta before noon of the day referred to."

“ The list should be in the following form :—

DEPOSITS FOR LOAN, 190 .

No. of Deposit.	Name and address of depositor.	Amount.

“ Orders respecting the disposal of deposits, the receipt of instalments of the loan, and the issue of promissory notes are communicated to Treasury Officers from time to time as may be necessary.”

Chapter 16.—Local, Municipal, and Cantonment Funds.

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**Explanation.**

266. A local fund is thus defined in the Civil Service Regulations: "Revenue derived from special sources and devoted to special objects, and not to the general purposes of the administration, whether Imperial or Provincial, forms a local fund." The transactions of local funds are not included in the public accounts.

NOTE.—No new fund should be created without a clear necessity and without the approval of the Government of India in the Finance Department.

267 to 269. Cancelled.

**Local Funds.**

270. The transactions of all local funds of which the Local Government desires that there shall be a separate balance will be entered in separate columns in the treasury registers, which allow one column for every such fund in the district. Unless the funds are very few in number, it is most convenient to have registers and totals for municipal and cantonment funds separate from those of other funds.

271. The account of a local fund at the treasury is ordinarily a pure banking account, money being paid in and drawn out without specification of the nature of receipt or expenditure.

The Treasury Officer need only see that the voucher for payment is in proper form and signed by the proper officer and that the amount does not exceed the amount at credit of the banking account. In the case of some local funds, however, the procedure of paying in and drawing money is the same as in the case of Government accounts and the same forms of vouchers are used. In such cases the Treasury Officer should scrutinise and pass the vouchers in the same way as he does in respect of claims on Government and should also see that the amount demanded is at the credit of the fund.

1. If the charges of any local fund are drawn from the treasury on detailed bills the gross amount should be charged in the accounts, the deductions on account of income tax, fund subscription, etc., being credited by transfer in distinct entries. (Vide Chapter 18—Article 317, Note 2.)

2. Cheques may not be drawn on a Government treasury or on a branch bank used as a treasury for sums below ₹10.

272. In those cases in which local funds, other than municipal and cantonment funds, merely bank with the treasury and are not controlled by the account department, the transactions may be recorded in the form used for personal deposits, but must be kept quite distinct, and

must pass into the cash account as excluded local funds, and not as personal deposits.

1. Municipalities are ordinarily obliged to place their funds in a Government treasury or a bank or branch bank used as a Government treasury, if there is one in or near the municipality.

2. Service stamps may not be used by a local fund officer, or any Government officer acting in a capacity connected with a local fund, incorporated or excluded, such as President or Secretary of a Local Fund Committee, but service labels may be used on the correspondence of a public officer acting as such, even though the correspondence may relate to the affairs of a local fund. The term local fund as used in this rule is intended to include municipalities and other similar bodies or institutions.

3. Telegraphic messages, the charges for which are to be borne by local funds, should be classed as Private and not as State.

4. Cheques may not be drawn on a Government treasury or branch bank used as a treasury for sums below R10.

### Cantonment Funds.

273. The transactions of cantonment funds are accounted for in the same way as those of other local funds and an annual consolidated account, in duplicate, is submitted by the cantonment authorities to the Examiner or Inspector of Local Fund Accounts.

### Plus and Minus Memorandum.

274. A *plus* and *minus* memorandum should be appended to the monthly accounts showing for each local and municipal fund the balance at the beginning of the month, the amounts received and credited during the month, and those paid out during the month, and deducing the balance at the end of the month. In the case of local funds, which have a provincial balance only, the balance column should not be filled up.

### Verification of Balances.

275. At the end of the year the Treasury Officer should verify the balances at credit of each fund, in communication with the Accountant General on the one side, and the officer or committee administering the fund on the other. The balance on the Accountant General's books is the balance acknowledged by the Government, and the Treasury Officer should follow it, and not the local accounts, as his standard.

## Chapter 17.—Sanction; Powers of Governments.

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### Classification of Charges.

276. Service payments on Government account are divided, so far as regards the sanction necessary to support them, into two main classes, Imperial and Provincial, the particulars of the division varying in the different provinces.

### Secretary of State's Sanction.

277. I. An audit officer, before admitting in audit any charge against the public revenues which requires the sanction of the Secretary of State in Council, must satisfy himself that that sanction has been accorded either by general or by special order of the Secretary of State in Council. The cases in which the audit officer is to regard that sanction as necessary are stated in the following rules: for the admission of any charges which are not stated in these rules to require the sanction of the Secretary of State in Council, the authority of the Government of India, or, in classes of cases in which the Government of India have delegated their powers to Local Governments, of the Local Government, should be regarded as sufficient.

II. In these rules the word "salary" includes all payments to officers from general revenues or from local funds administered by Government, whether in the nature of fixed allowances or of fees, rewards (except language rewards, other than those which take the form of monthly allowances) or honoraria; but it does not include exchange compensation allowance, travelling or conveyance allowances, house-rent allowance or grant of free quarters, allowances to civil surgeons for charge of railway employes, office allowances, and hill allowances governed by authorised hill allowance codes.

NOTE.—In the case of single fees, rewards, or honoraria granted from general revenues or local funds administered by Government, for work outside an officer's ordinary duties, the sanction of the Secretary of State in Council is required only to payments in excess of R1,000.

III. The sanction of the Secretary of State in Council is required—

(1) To any expenditure (except in cases in which authority is granted to the Government of India by this resolution) which is—

(a) of an unusual nature; or

(b) devoted to objects outside the ordinary work of administration; or

(c) likely to involve at a later date expenditure beyond the powers of sanction of the Government of India.

- (2) To the creation of any new permanent appointment, which would ordinarily be held by a gazetted civil officer recruited in England, and to the raising of the pay of such an appointment.

NOTE.—The word “pay” in this clause has the meaning assigned to it in Chapter II of the Civil Service Regulations. The Government of India are empowered to grant local or other special allowances to an officer of the above class, provided that his salary is not thereby raised to an amount in excess of R750 a month.

- (3) (a) To the creation of a permanent appointment, not of the class specified in II (2), of which the salary exceeds R500 a month.

(b) To the raising of the salary of an officer, or of a sanctioned permanent appointment, not of the class specified in II (2), to an amount in excess of R750 a month, or to the increase of a salary which is already in excess of that amount.

NOTE.—In the case of incremental pay, the test for the application of this rule is the maximum pay attainable.  
Despatch from the Secretary of State, No. 88 (Financial), dated 28th July 1906.

- (4) (a) To the temporary appointment or deputation of an officer on a salary exceeding R50,000 a year (R4,166 $\frac{2}{3}$  a month), unless such officer has a lien on an appointment carrying a salary of equal or higher value fixed by statute.

(b) To a temporary appointment or deputation carrying a salary of more than R500, but less than R4,166 $\frac{2}{3}$  a month, when such appointment or deputation is expected to last, or does last, for more than two years. But in this case previous sanction is not required.

(c) To the grant of extra remuneration to an officer for specially meritorious work not falling outside the course of his ordinary duties, if the amount of the honorarium exceeds three months' pay of the officer, or if it raises his salary for the year in which it is granted above R9,000.

(5) To revisions of permanent establishment which involve additional expenditure of more than R50,000 a year. In the case of establishments, such as process-serving establishments, the scale and remuneration of which are determined by Courts of Law under rules having the force of law, the sanction of the Secretary of State in Council is not required under this clause unless the net extra expenditure involved, after allowing for the receipt of fees, exceeds R50,000 a year.

(6) To all orders involving expenditure for which the Civil Service Regulations or other authorised code specially declare that the sanction of the Secretary of State in Council is necessary.

- (7) To the grant of any pension or gratuity that is not admissible under the provisions of the Civil Service Regulations, the Indian Army Regulations, or any other authorised code, or under any general authority conferred on the Government of India by a despatch of the Secretary of State in Council, such as his despatches sanctioning the grant, subject to specified conditions and limits, of pensions in respect of services rendered during the Mutiny, compassionate gratuities to the families of Government servants left in indigent circumstances, pensions or gratuities to persons injured (or to the families of persons killed) during, or in consequence of service rendered to the State, political pensions or gratuities, and other pensions and gratuities to persons who have rendered exceptional service to the Government.

NOTE.—“The Government of India may subject to the limit of R1,000 incur non-recurring expenditure on behalf of political pensioners without reference to the Secretary of State in Council.”

- (8) To the grant, on political considerations, of (a) land either free of revenue or on favourable terms, or (b) of assignments of land revenue, if the value of the land or land revenue exceeds R1,000 a year. Grants of either kind on other than political considerations are subject to the statutory rules published by the Government of India under the authority of the Secretary of State in their Finance and Commerce Department Resolution of the 20th February 1894, No. 933, and Finance Department Resolution of the 31st October 1910, No. 5751-Ex.
- (9) To any expenditure on the erection or alteration of a church, or grant-in-aid towards erection or alteration of a church not wholly constructed out of public funds, in excess of the amount admissible under the rules in the Public Works Department Code.
- (10) To any cash grant to a charitable or religious institution (not being a grant for a church under the Public Works Department Code), which exceeds R10,000 a year if recurring or R50,000 if non-recurring; and to any grant to a charitable or religious institution outside India.

NOTE.—Institutions designed for medical relief are included in the category of charitable institutions.

- (11) To expenditure on State ceremonies and assemblies and on the entertainment, at the public charge, of distinguished visitors to India, when the outlay is estimated to exceed R1,00,000.
- (12) To grants to Local Governments having regular Provincial settlements, other than the following:—
- (i) non-recurring grants made—
- (a) to restore Provincial balances to the prescribed minimum when they have been depleted owing to calamities such as famine or plague;

- (b) to enable Provincial Governments to restore the normal scale of expenditure on civil works or other services, when it has been specially reduced in consequence of calamities such as famine or plague;
  - (c) towards defraying the cost of schemes (costing not more than ten lakhs excluding, or 12½ lakhs including, provision for establishment, tools and plant), when the expenditure would ordinarily be met by local bodies, though passed *pro forma* through the Provincial accounts; and
  - (d) for Provincial objects of secondary importance, of which the cost is within the limits mentioned in (c);
- (ii) compensatory assignments, whether recurring or non-recurring, made in connection with—
- (e) erroneous credits of Provincial revenue in the Imperial section of the accounts;
  - (f) expenditure undertaken from Provincial revenues on behalf of the Imperial Government; and
  - (g) transfer of liabilities arising from changes in the method of classification of receipts or charges, or from other causes.
- (13) To expenditure for the direct benefit of Native States which is estimated to exceed ₹10,000 a year on any one project, or ₹50,000 if non-recurring.
  - (14) To a loan to a Native State in excess of ₹5,00,000, or to a series of separate loans granted at short intervals to an amount exceeding ₹5,00,000.
  - (15) To expenditure on providing any addition to the list of "the special saloon carriages reserved for the use of officials" contained in the enclosure to the Secretary of State's despatch No. 58 (Railway), dated the 15th July 1910.
  - (16) To the increase of the contract grant of the head of a province.
  - (17) To the expenditure of public money on the purchase or maintenance of a motor car for the use of an official.
  - (18) To the revision in any important respect of any of the existing provincial settlements.

IV. In applying these rules, audit officers may assume that all the provisions of the Civil Service Regulations, the India Army Regulations, the Public Works Department Code, the State Railway Codes, the Forest Code, and any other authorised code, have received the sanction of the

Rule V of the Resolution of the Government of India in the Finance Department, No. 916-Ex., dated 4th March 1893.

Secretary of State in Council in all cases in which that sanction is necessary. They may, therefore, admit, without requiring the sanction of the Secretary of State in Council, any pensions, acting allowances, or other allowances which are admissible under the rules of those codes. Any allowances which are in excess of those admissible under those codes will require the sanction of the Secretary of State in Council if they come within the terms of Rule III above.

V. Audit officers may also assume that any general sanctions issued before 1889 (such, for example, as the orders granting personal allowances to military officers in the police in some provinces, and the rules under which rewards are granted to officers for passing language examinations) had duly received the sanction of the Secretary of State in Council when that is necessary, although under the procedure in force up to that year the orders were communicated to audit officers, on the authority of the Government of India only.

VI. The following rules are special for railways and other public works, excluding military works to which Rule VII below applies:—

- (1) No outlay shall ordinarily be charged to loan funds without the sanction of the Secretary of State in Council; but this rule shall not apply to—
- (a) irrigation projects of which the estimated cost does not exceed R10,00,000 excluding provision for establishment, tools and plant, or R12,50,000 inclusive of those charges;
  - (b) capital expenditure on lines under construction—
    - (i) included in a railway programme sanctioned by the Secretary of State in Council. In such cases, the sanction of the programme by the Secretary of State in Council will be a sufficient sanction for such works included in it as require his sanction;
    - (ii) which are short additions to, or extensions of, existing lines required to supply needful conveniences for a traffic already established, or local feeder lines not likely to form a portion of any scheme of through communication, provided that the estimated cost in each case does not exceed 12½ lakhs;
  - (c) capital expenditure on open lines of railway—
    - (i) on a work or group of works included in a railway programme sanctioned by the Secretary of State in Council. In such cases the sanction of the programme by the Secretary of State in Council will be a sufficient sanction for all works included in it;
    - (ii) on a work or group of works, not included in a sanctioned railway programme, of which the estimated cost does not exceed R20,00,000.

NOTE.—The Government of India may not sanction expenditure from loan funds on irrigation works and railways in excess of the limits of the Public Works programme sanctioned for each year by the Secretary of State in Council.

- (2) The sanction of the Secretary of State in Council is required to any work charged to Revenue [other than railways which will be dealt with as under clause (1) above] of which the estimate of cost exceeds R16,00,000 when provision for establishment, tools and plant is not included, and R20,00,000 when it is included.

NOTE.—This rule does not apply to cases in which a work, though subsidised by lump sum grant from Government, is undertaken by, and on the responsibility of, a local body.

- (3) When the estimate for construction of a work either from loan funds or from revenue has been sanctioned by the Secretary of State in Council, the Government of India can ordinarily sanction outlay in excess of the original sanctioned estimate up to an amount of 10 per cent. in excess of the estimate, provided that the excess is not more than ₹12,50,000 including establishment, tools and plant. In the case of estimates for new railway projects, however, the limits are 25 per cent. or ₹50,00,000 over the amounts reported to and approved by the Secretary of State in Council. But any excess over a revised estimate sanctioned by the Secretary of State in Council can be sanctioned only by him.
- (4) For the purpose of determining whether the sanction of the Secretary of State in Council is necessary under clauses (2) and (3) of this rule, a group of works which form one project shall be considered as one work and the necessity for obtaining sanction to a project is not avoided by reason of the fact that the cost of each particular work in the project is within the powers of sanction of the Government of India.

NOTE.—The foregoing clause does not apply in the case of railway or irrigation project the construction estimates of which have been closed and further capital outlay on which is being incurred under the rules for open capital expenditure.

- (5) Provided that the estimated cost does not exceed 100 lakhs, the Government of India can sanction the construction of a railway by a branch line company domiciled in India, with rupee capital, on general branch line terms which have been previously approved by the Secretary of State in Council, and without a firm guarantee.
- (6) As regards non-pensionable establishments on State railways, the Government of India exercise full powers in regard to—
- (a) creation of appointments and increases and alterations in scales;
- (b) acting and travelling allowances, bonuses, gratuities, etc.

VII. The following rules are special to military expenditure:—

- (1) The sanction of the Secretary of State in Council is required to any military work of which the estimate of cost, including provision for establishment, tools and plant, exceeds ₹1,50,000.
- (2) All new measures involving expenditure chargeable to heads Army, Marine, Military Works, or Special Defences, the total initial cost of which, plus one year's recurring expenditure, is estimated to exceed ₹50,000, shall be submitted to the Secretary of State in an annual schedule.

(3) Expenditure on such measures shall not be incurred (a) in the case of measures which are beyond the powers of the Government of India as defined in the foregoing sections of this resolution, until the specific sanction of the Secretary of State in Council has been received; (b) in the case of measures which are within the powers of the Government of India as defined in the foregoing sections of this resolution, until the measures have been submitted to the Secretary of State in an annual schedule.

As an exception to this rule expenditure of the kind referred to in clause (b) may be incurred without previous reference to the Secretary of State, and in anticipation of its inclusion in the next annual schedule, provided that it can be met from savings or lapses in the sanctioned schedule allotment of the year. When expenditure is so incurred, a report should be made to the Secretary of State.

(4) Except with the previous sanction of the Secretary of State in Council, the total expenditure on schedule measures in any year shall not exceed the total sum allotted for such measures in the budget of the year.

NOTE.—Subject to compliance with the requirements of clause (2) above, the Government of India may vary the allocation of the total schedule allotment of the year between the different measures included in the schedule without reference to the Secretary of State or may apply a portion of the total allotment to the prosecution of measures which are included in the schedule, but for which no actual provision has been made.

VIII. Any objection raised under these rules to any order issued by the Government of India will be reported to the Secretary of State for information if the objection is overruled by the Government of India, and for the required sanction if the objection is not overruled.

*The following are the Statutory Rules referred to in Rule III (8) of the Resolution:—*

The following provisions and restrictions are prescribed by the Secretary of State in Council in exercise of the power reserved to him by Statute 22 and 23 Vict., Cap. 41, section 1, and shall apply to all concessions, grants, leases, and contracts (except such as may be made under any special legislative sanction) made or entered into by the Government of India, or by a Local Government or Administration or other authority in India, to or with any person, firm, company, syndicate, municipality, or other public body who or which has applied for the same for mining, milling or any other industrial or manufacturing purposes or for the purpose of any railway, tramway, waterworks or other undertaking of a like nature not being for ordinary agricultural or settlement purposes or for the purpose of securing the exploitation of forest produce from State forests:—

I. No concession, grant, or lease of land, of mineral or forest rights, of right to water power, or of right of way or other easement, or of any privilege in respect of land, of mineral or forest rights, of right to water power, or of an easement, and

no contract involving the execution or maintenance by Government of works,

shall be made or entered into by the Government of India to, with, or in favour of any person, firm, syndicate, company, municipality, or other public body for any of the purposes abovementioned without the express sanction of the Secretary of State in Council,—

if such concession, grant, lease, or contract—

- (a) is intended to endure for a period exceeding ten years, and is not accompanied by an unconditional power of revocation or cancelment by the Government of India at any time during such period on the expiry of six months' notice to that effect, and imposes on the revenues of India an annual liability in excess of fifty thousand rupees; or
- (b) imposes on such revenues a charge or expenditure or liability to damages in excess of twelve lakhs of rupees; or
- (c) involves the cession of property or rights of which the estimated value exceeds twelve lakhs of rupees.

II. No concession, grant, or lease of land, of mineral or forest rights, of right to water power, or of right of way or other easement, or of any privilege in respect of land, of mineral or forest rights, of right to water power, or of an easement, and

no contract involving the execution or maintenance by Government of works,

shall be made or entered into by any Local Government or Administration or other authority in India to, with, or in favour of any person, firm, company, syndicate, municipality, or other public body for any of the purposes abovementioned without the express sanction of the Government of India and of the Secretary of State in Council,—

if such concession, grant, lease, or contract—

- (a) is intended to endure for a period exceeding ten years and is not accompanied by an unconditional power of revocation or cancelment by the Government of India at any time during such period on the expiry of six months' notice to that effect, and imposes on the revenues of India an annual liability in excess of fifty thousand rupees; or
- (b) imposes on such revenues a charge or expenditure or liability to damages in excess of twelve lakhs of rupees; or
- (c) involves the cession of property or rights of which the estimated value exceeds twelve lakhs of rupees.

III. No such concession, grant, lease or contract shall be made by any Local Government or Administration or other authority in India to, with, or in favour of any person, firm, company, municipality, or other public body for any of the purposes abovementioned without the express sanction of the Government of India,—

if such concession, grant, lease, or contract—

- (a) is intended to endure for a period exceeding five years, and is not accompanied by an unconditional power of revocation by the Government at any time during such period on the expiry of six months' notice to that effect, and imposes

- on the revenues of India an annual liability in excess of five thousand rupees; or
- (b) imposes on such revenues a charge or expenditure or liability to damages in excess of one lakh of rupees; or
  - (c) involves the cession of property or rights of which the estimated value exceeds one lakh of rupees.

IV. No such concession, grant, lease, or contract shall be made by any Local Government or Administration or other authority in India to, with, or in favour of any joint stock company, except with the sanction of the Government of India, and subject to these rules so far as the same may be applicable.

V. No transfer of any such concession, grant, lease, or contract or of any part thereof, or any interest therein, or any under-letting, shall be recognized as valid except it be made with the express assent of—

- (a) the Secretary of State in Council in cases falling within Rule I or II;
- (b) the Government of India in cases falling within Rule III; and
- (c) the Local Government or Administration in any other cases; with the proviso that a transfer or under-letting to a company will in all cases require the sanction of the Government of India.

And the Secretary of State in Council and the Government of India as the case may be, may in his or their absolute discretion refuse such assent.

VI. In every writing intended to express any concession, grant, lease, or contract which falls within these rules it shall be expressly declared that such concession, grant, lease, or contract is granted or made subject to them.

VII. When the assent of the Secretary of State in Council is rendered by these rules necessary to the validity of any concession, grant, lease, or contract or to the transfer thereof, it shall be signified under the hand of an Under-Secretary of State; and when the assent of the Government of India is so required it shall be signified under the hand of a Secretary of that Government.

VIII. The foregoing rules I to VII inclusive shall not apply to any concession, grant, lease, or contract for any of the purposes mentioned in Rule I, if made under any special rules issued or approved by the Secretary of State in Council.

#### *Supplementary Rules.*

*Rule A.*—In cases where it is considered expedient to grant concessions or to make agreements, such as those contemplated in the Statutory Rules, the deed of concession, or the agreement, if the rights under it are transferable, must be so framed that it will be beyond the power of the grantees or contractees to transfer their rights, or any part of them, except with the sanction of the Government of India, or of Local Governments and Administrations in cases coming within their cognizance.

*B.*—All such concession and agreements will further be subject to any special provisions made by Government to meet particular cases or particular classes of cases.

*C.*—Before any concession or agreement of the class referred to is submitted for the approval of the Government of India, its terms should be considered in the Judicial Department of the Local Government, and by the highest legal adviser to that Government.

*D.*—The foregoing Rules shall not apply to any concession, grant, lease, or contract for any of the purposes mentioned in the Statutory Rules, if made under any special rules issued or approved by the Secretary of State in Council.

### Imperial Charges.

278. (a) As regards Imperial charges, the general rule is that, without the previous consent of the Government of India, a Local Government has no authority to sanction, even provisionally, any charges of a permanent nature, nor any charge involving a debit against next year's grant. It may sanction—

- (1) Revision of establishment [subject to Provincial Rules 4 (3a), (4), (5) and last half of (9) given in Article 283] provided that any additional expense involved be met either by an equivalent reduction in the same department or by a permanent reduction of fixed expense in some other department, charged to the same major head.
- (2) Increases in non-gazetted establishments without equivalent reduction, if there be sufficient Budget provision under the same head of charge from savings of other than gazetted officers' salaries: Provided further that the aggregate of the increases sanctioned under all heads does not exceed R3,000 in any year; and that no appointment of which the salary exceed R50 a month, and no addition to the pay and allowances of any appointment if they exceed, or would after the addition exceed R50 a month, may be sanctioned without reference to the Government of India in the Financial Department.
- (3) Fixed recurring charges of a contingent character which under the ordinary rules of audit require the sanction of Local Governments up to a limit of R200 a year in each case.

(b) All increases of establishment sanctioned under this rule should be reported to the Financial Department of the Government of India in annual statements. The sanctions may be held to have been confirmed unless exception is taken to any of them by the Financial Department on a review of the statements.

NOTE.—(i) The officers mentioned below exercise the powers referred to in clause (1) in respect of appointments which do not, or would not after the alteration, exceed R50 a month:—

Agent to Governor General in Rajputana, Central India, Baluchistan, Chief Commissioner, Ajmer-Merwara; Residents, Hyderabad and Mysore.

(ii) These officers are also authorised to sanction temporary appointments and deputations, subject to the conditions (1) that no net increase of expenditure is involved and (2) that only appointments the pay of which does not, or would not after the alteration, exceed R50, are dealt with.

(iii) The Agent to the Governor General and Chief Commissioner, North-West Frontier Province, is competent to sanction revisions and readjustments of all establishments, subject to Provincial Rule 4, and to the condition that the expense which any revision may entail must be met by an immediate equivalent reduction of permanent expenditure in some establishment under his control.

(iv) The following officers are authorised to exercise the powers referred to in clause (3) above :—

The Agent to the Governor General and Chief Commissioner, North-West Frontier Province.

The Agent to the Governor General, Rajputana.

The Agent to the Governor General, Central India.

The Agent to the Governor General, Baluchistan.

The Chief Commissioner, Ajmer-Merwara.

The Resident, Hyderabad.

The Resident, Mysore and Chief Commissioner of Coorg.

(v) The Inspector General of Forests, the Agricultural Adviser to the Government of India and Director of Agricultural Research Institute, Pusa, and the Director General of Observatories can sanction (i) revision of permanent establishment involving no extra expenditure, (ii) new appointments not exceeding R50 a month within budget provision, subject to the restriction imposed by Article 278 of the Civil Account Code.

(vi) Local Governments may sanction non-recurring archaeological expenditure which can be met by re-appropriation and recurring expenditure up to a limit of R50 a year.

### Imperial and Provincial Charges.

**278A.** (a) Local Governments (including Chief Commissioners) may also, subject to the provisos stated below, without reference of each case to the Government of India, sanction expenditure, whether Local, Provincial or Imperial, on objects customarily recognized as fit objects for the expenditure of public money, in cases in which a reference to the Government of India has hitherto been required either (a) by the terms of any rule or order, or (b) because the conditions or limitations prescribed in any rule or order are not completely fulfilled, or (c) because there is no rule or order authorising the expenditure: Provided that—

- (1) the sanction relates only to a single payment and does not cover any recurring payment;

*NOTE.*—This does not prohibit a payment calculated at so much per day or per month (e.g., joining time over 30 days), but merely excludes periodical payments running into future dates.

- (2) the sanction does not involve the setting aside of any existing rule of the Government of India as distinguished from the granting of an exemption from its operation, justified by special circumstances; and that it does not establish a new rule or practice involving expenditure;
- (3) the total amount payable under the sanction does not exceed R1,000 in any case if charged wholly or partly to Provincial or Local, and R500 if charged wholly to Imperial;
- (4) the expenditure is within the power of the Government of India to sanction, and does not require a reference to the Secretary of State.

*NOTE 1.*—The powers of a Local Government has been delegated to the Railway Board for the purposes of this article.

NOTE 2.—A Local Government may, subject to the restrictions imposed by Article 277, sanction expenditure under the head "35—Famine Relief" notwithstanding the classification of such expenditure as Imperial or as partly Imperial and partly Provincial, the powers of the Local Government to control and sanction such expenditure being in all respects the same as in the case of Provincial expenditure.

(b) Each sanction given under the powers conferred in this article must quote the article for the information of the Account Officer concerned. The authority must not be delegated. It applies to all payments in the Civil Department and to all payments under the Civil Service Regulations in the Public Works Department.

279. (1) A Local Government has power to write off finally the irrecoverable value of stores or public money lost by fraud or the negligence of individuals or other cause, but must report such losses to the Government of India, when the loss exceeds ₹10,000 and falls upon Imperial revenues. Sanction to such writes-off should be communicated to the Accountant General who will scrutinise each case and bring to notice any defect of system which appears to require attention.

NOTE.—This power may be delegated to Commissioners of Divisions, Heads of Departments, the Chief Justices of High Courts, the Chief Judges of Chief Courts and the Judicial Commissioner, Central Provinces, up to ₹200 in each case, provided that the loss does not disclose (1) a defect of system, the amendment of which requires the orders of Government, or (2) serious negligence on the part of some individual officer or officers which might possibly call for disciplinary action requiring the orders of higher authority.

The Board of Revenue, Madras, Commissioners of Divisions and Heads of Departments in Bengal and Burma, the Revenue Commissioner and the Administrative Medical Officer in Baluchistan and the Secretary to the Agent to the Governor General, Baluchistan, are also authorised to write-off up to ₹500 subject to the same conditions.

(2) The Surveyor General of India, the Inspector General of Forests, the Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa, and the Director General of Observatories exercise the powers of a Local Government in regard to writing off the value of stores or money lost by fraud, etc., if the loss does not exceed ₹500, in cases of fraud and ₹1,000 in case of loss or destruction of stores. A report should be made to the Government of India if the loss discloses (1) a defect of system, the amendment of which requires their orders, or (2) serious negligence on the part of some individual officer or officers which might possibly call for disciplinary action requiring the orders of higher authority.

279A. Local Governments, including Chief Commissioners and Departments of the Government of India, have power of remitting, in the case of officers serving under them and without reference to the Government of India in the Finance Department, all disallowances by Audit Officers so far as they affect payments made more than six months before the date when they were challenged, provided they consider the amount to have been drawn by the officer, under a reasonable belief on his part that he was entitled to it. In the case of disallowances of payments made within six months from the date of payment they have similar powers to sanction remissions on the following conditions:—

- (1) That the amount challenged was drawn by the officer under reasonable belief on his part that he was entitled to it.

- (2) That the amount challenged was not an overdrawal occasioned by delay in notifying an officer's promotion or reversion.
- (3) That the overdrawal does not evidence some defect in the system which should receive the notice of the Government of India.
- (4) That the overdrawal has not—
  - (a) had the effect of raising an officer's emoluments in such a manner as to increase his salary beyond ₹9,000 per annum;
  - (b) involved other expenditure which under any specific rule requires the sanction of the Secretary of State.

The Audit Officer should bring to the notice of the Government of India cases in which he thinks that the intention of the rule is being misapplied.

In cases when the above conditions are not fulfilled the sanction of the Government of India in the Finance Department must be obtained.

**280.** A Local Government may dispose of escheated estates or property not exceeding ₹1,000 in value without previous reference to the Government of India, subject, however, to the submission of an annual statement showing the cases so disposed of.

**281.** A Department of the Government of India has the same power of sanctioning increase or revision of establishment as a Local Government (Article 278); otherwise, without the consent of the Financial Department previously recorded, no order sanctioning expenditure of money is ordinarily issued by any Department of the Government of India; and if, under emergent circumstances, it be necessary to issue such an order without such previous consent, the order is immediately communicated to the Financial Department. An Accountant General will obey such an order without question, though he will at once report it to the Financial Department, in case, by some oversight, it may not have been communicated in due course. Any Department of the Government of India may also sanction contingent expenditure up to a limit of ₹1,000 in each case, unless there is something novel, doubtful, or irregular in the character of the expenditure.

1. The Inspector General of Forests, the Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa, and the Director General of Observatories are authorised to sanction contingent charges within budget limits up to ₹1,000 in each case unless there is something novel, doubtful or irregular in the case.

2. Orders issued under Code rules, or under other regulation or well recognized custom, or in conformity with a sanctioned scale of charge (neither adding to it nor modifying it), are issued direct to the Account Department by Secretariats of the Government of India, without communication to the Financial Department.

3. Pensions and gratuities however are an exception; the orders granting them are sent to Financial Department for registration and despatch to the Accountant General except in the following cases :—

- (a) Orders passed by the Foreign and Revenue Departments, for the continuance of political pensions to the heirs of deceased pensioners or pensions in lieu of lapsed jagirs up to a limit of ₹5,000 a year, provided there is no departure from recognised rules or practice.
- (b) Pensions and gratuities granted by the Public Works and Army Departments under Appendix I, Civil Service Regulations.

(c) Pensions of non-gazetted officers sanctioned by the officer having authority to fill up the appointment vacated by the retiring officer.

282. All Departments of the Government of India have power to sanction transfers of grants between detailed heads under the same major head in the sanctioned estimates of their own offices and of any Imperial Department directly administered by them. This authority is subject to the conditions that transfers from savings under salaries of gazetted officers will not be made in any case, and that savings under "Establishment" will be utilized only for the purposes stated in Article 278(2), and not appropriated to contingencies or other charges.

1. Under this rule the Foreign Department has the power, subject to the limitations mentioned above, to transfer savings in the sanctioned grants of one Political Agency to meet unavoidable expenditure in another Agency for which no Budget provision exists, so long as the total of the sanctioned estimates of all the Political Agencies under the direct control of that Department is not exceeded.

2. The Agent to the Governor General, Rajputana, and Chief Commissioner, Ajmer-Merwara, the Agent to the Governor General, Central India, the Resident in Mysore and Chief Commissioner of Coorg and the Resident at Hyderabad, exercise these powers mentioned in the same way as a Department of the Government of India.

3. The Chief Commissioner, Ajmer-Merwara, is authorized to re-appropriate from one head of expenditure to another, within the limits of budget grants, subject to the conditions—

(i) that transfers from savings under "Salaries and Establishment" will be utilised only to meet establishment charges and not appropriated to contingencies or other charges;

(ii) that budget provision made for a special purpose, *e.g.*, a new road, shall not be diverted to meet any other expenditure without the sanction of the Government of India.

4. In the absence of any special orders and subject to the condition that transfers from savings under salaries of gazetted officers and establishment will not be made in any case, the following Heads of Departments under the Government of India have power to sanction transfers of grants between detailed heads under the same major head in the sanctioned estimates of their own offices and of any department directly administered by them :—

- (1) Director General, Indian Medical Service.
- (2) Sanitary Commissioner.
- (3) Superintendent, Port Blair.
- (4) Director, Criminal Investigation Department.
- (5) Director General of Archaeology.
- (6) Surveyor General of India.
- (7) Inspector General of Forests.
- (8) Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa.
- (9) Director General of Observatories.
- (10) Director, Botanical Survey of India.
- (11) Railway Board.
- (12) Controller of Printing, Stationery and Stamps.
- (13) Director General of Posts and Telegraphs.
- (14) Chief Inspector of Explosives.
- (15) Director General of Commercial Intelligence.
- (16) Director, Geological Survey.
- (17) Chief Inspector of Mines in India.
- (18) Inspector General, Imperial Service Troops.
- (19) Commandant, Imperial Cadet Corps.
- (20) Comptroller and Auditor General.
- (21) Head Commissioner of Paper Currency.
- (22) Commissioner, Northern India Salt Revenue.

5. Local Governments and the Local Administrations named in the footnote are authorised to delegate to Boards of Revenue, Financial Commissioners and such other officers subordinate to them as have been declared to be Heads of Departments, the power of making re-appropriations in connection with the budget grants of the branches of the administration which they control. Such re-appropriations shall be of a routine character only and shall be made from one minor head to another within the same major head. The power shall be exercised subject to the following conditions:—

- (1) That savings under Salaries and Establishment shall not be re-appropriated to other classes of expenditure.
- (2) The savings on non-recurring expenditure under "Supplies and Services," Contingencies" and other detailed heads shall not be re-appropriated in order to provide for additional recurring expenditure under "Salaries, Establishment" or on any other account; and
- (3) That it will be open to the Government of India and Local Governments to require in any time of financial pressure, that the exercise by Heads of Departments of their powers of re-appropriation shall be suspended.

These orders do not involve the curtailment of any more extended powers that may have been already delegated with sanction of the Government of India to any authorities subordinate to Local Governments and Administrations.

**282A.** Local Governments and Administrations may, subject to any restrictions they desire to impose, delegate to such officers subordinate to them as they may select for this purpose the authority to vary details (namely the rates of pay of particular posts, the number of hands employed and the period of employment) of any temporary establishments employed under such officers. The authority may be delegated in respect of all temporary establishments whether entertained for full periods of one year or for longer or shorter periods.

The delegation of such authority shall, however, be subject to the following conditions:—

- (a) That the cost of a temporary establishment shall not be raised beyond the total amount sanctioned for the establishment by the authority which sanctioned its employment.
- (b) That, where the authority which sanctioned the employment of the temporary establishment is the Local Government or Administration, the pay of no post shall be raised above such a maximum as the Local Government or Administration may by general or special order fix for this purpose.
- (c) That in other cases, the pay of no post shall be raised above the limit of sanction enjoyed by the authority which sanctioned the employment of the temporary establishment.

### Provincial Charges.

**283.** The following are extracts from the rules and conditions regulating the administration by Local Governments of Provincial Revenues and Expenditure (Financial Department Resolution No. 3531-A., dated 11th August 1897):—

3. Subject to the limitations hereinafter stated, Local Governments exercise, in respect of Provincial revenue and expenditure, all the financial powers of sanction and control which were exercised, before the introduction of the system of Provincial finance,

Chief Commissioner, Central Provinces; Agent to the Governor General and Chief Commissioner, Baluchistan and North West Frontier; Chief Commissioner, Ajmer-Merwara; Chief Commissioner, Coorg.

by the Government of India. In the case of revenue and expenditure classified under heads which are divided between Imperial and Provincial in fixed proportions, those powers are exercised by the Local Governments in respect of the Imperial portion also. The financial powers vested in Local Governments as above are necessarily limited to those possessed by the Government of India. In all matters of grave financial importance and in certain minor matters the orders of the Secretary of State are required; and, although some of the limitations rendered necessary by this restriction on the powers of the Government of India are included in the subsequent paragraphs of this Resolution, it should be understood that all orders which are now in force or which may hereafter be issued, which have the effect of requiring the sanction of the Secretary of State in connection with any matter affecting revenue or expenditure, necessarily prevent the Local Governments from issuing, without a reference to the Government of India, final orders in regard to such matter.

4. Without the previous sanction of the Government of India—

- (1) No additional taxation may be imposed, and no change made in any existing system of revenue management.
- (2) No new general service or duty may be undertaken; whenever a Local Government proposes to undertake any such new service or duty, it must satisfy the Government of India that it can provide the funds for it, temporarily if the service or duty is temporary, and permanently if it is permanent.
- (3) (a) No permanent appointment may be created with a pay of more than R250 a month, and no addition may be made to the pay and allowances of any officer if they exceed, or would, after the addition, exceed, R250 a month.  
(b) No temporary appointment or deputation involving the payment of more than R250 a month may be sanctioned for a period exceeding six months.
- (4) No permanent appointment of which the pay and allowances are more than R250 a month may be abolished; and the pay and allowances of no such appointment may be reduced.
- (5) No class or grade of officers may be created or abolished; and the pay of no class or grade of officers may be raised or reduced.

NOTE.—This rule is not applicable to ministerial establishment.

- (6) The rates of duty on spirits and drugs should not be altered in any case in which the alteration is likely to affect the excise arrangements of neighbouring provinces: and in particular the sanction of the Governor General in Council must be obtained to any alteration in the rates of duty in any district which borders on another province.
- (7) For the same reason, the rates of discount upon the retail of stamps and court-fees labels must not be altered.
- (8) No addition may be made to the pay or allowances of any individual officer, or class of officers, that may lead to increase in the emoluments of any public servants doing duty in the same province, whose pay and allowances are not charged under one of the transferred heads of service. The Government of India reserves the right to forbid alterations in rates of pay or allowances, which, in its opinion, would produce inconvenience in other provinces.
- (9) No item, hitherto credited to general revenue, Imperial or Provincial, may be alienated to form an asset of any local or special fund.
- (10) Though grants, subventions or assignments from Provincial Revenues to Local or Municipal bodies may be made by Local Governments out of funds which are at their disposal, yet there is no obligation on the State to continue them after the expiration of the quinquennial period of the settlement; and they will not ordinarily be included in the estimate of the Provincial Expenditure to be made for the next settlement.
- (11) No money may be removed from the public treasury for investment or deposit elsewhere; the Government of India, which is responsible for the provision of ways and means for the public service in all departments, must always retain, as at present, in its own hands, absolute and unconditional control over all money in the public treasury: a Local Government may not withdraw such money except for expenditure upon the public service. The order applies to local fund balances as much as to provincial funds. The principle is that no funds contributed from the public revenues or raised by general taxation, such as the district cess funds and the like, shall be invested without the consent of the Government of India; these orders do not apply to municipal or port funds, nor to trust or endowment funds, of any kind. The principles which should guide Local Governments in sanctioning the

investment of funds which are derived from local or special taxation are laid down in Government of India, F. D. No. 2312A., dated 1st May 1901.

- (12) No alteration must be made in the form or procedure of the public accounts; in particular Local Governments may not issue orders directing the division of a charge between two or more heads of account; the Comptroller General ordinarily decides the proper classification of an item in the accounts.
- (13) No services previously rendered to other departments at the charge of the departments made over to the control of the Local Governments may be diminished, and no services previously rendered to these departments at the charge of other departments may be increased.
- (14) No line of through communication may be abandoned or allowed to fall out of repair.

11. It is a general condition, precedent to the delegation of all authority to disburse public money, that it shall be *bona fide* for a public object; nothing must be carried out by means of the public funds for the advantage of any individual or body of private persons unless in accordance with some declared or established rule or principle recognised by the Government of India. Nor can expenditure of public money be sanctioned upon objects which are not in the category of recognised objects of expenditure from the revenues of the State. It is the duty of every Audit Officer, at all times, to challenge any infringement of these principles; and every Local Government must submit, for the orders of the Government of India, any representation made to it by any Audit Officer in accordance with this rule which it does not promptly accept.

12. All standing orders and rules of the Supreme Government are to be observed, including, in particular, the rules in the Civil Service Regulations, the Code of the Public Works Department, and the Civil Account Code.

13. Local Governments must exercise the powers vested in them by this Resolution subject to the ordinary rules of the Budget system.

14. The settlement for each Province is a consolidated one, and is not a collection of separate settlements for each Provincial head. The Local Governments and Administrations will be expected to maintain all the Provincial services in a state of administrative efficiency, providing any increased expenditure necessary for the purpose either from savings in expenditure to be effected by economical administration of the Provincial Services, or from development of revenues.

15. The financial powers vested in Local Governments by this Resolution are subject to the general supervision and control of the Government of India, and His Excellency the Governor General in Council expressly reserves the right of issuing instructions to the Local Governments on general or particular matters affecting the transferred revenues and services, when such interference with the discretion ordinarily vested in them seems to him expedient.

284. Applications for increases of salaries and other permanent charges should be first considered in the department of the Local Government concerned and should then be forwarded to the Financial Department of the Local Government for sanction and for the issue of the necessary orders.

285. If an order be sent to the Accountant General direct from any other department, his duty is the same as in the analogous case with the Government of India; he will not refuse obedience, but will report to the Financial Department of the Local Government that such an order has been issued, and request that it may be communicated to him by the Financial Department in ordinary course.

#### Local Fund Charges.

286. Local bodies to whom the administration of local or municipal funds has been committed are competent,—subject to the general restrictions imposed by the Legislature or to such special reservations as the Government of India may lay down in any case (*e.g.*, that referred to

in paragraph 22 of Home Department Resolution of the 18th May 1882), or with reference to any particular class of appointments,—to create, as well as to abolish, without reference to higher authority, all appointments the pay of which is chargeable to such local or municipal funds.

287. As regards appointments payable from local funds administered by Local Governments and not by local bodies, the restrictions applicable to appointments payable from Imperial or Provincial revenues are enforced. If the sanction required by this rule has not been obtained in the case of any existing appointment, the sanction of the Government of India should be obtained whenever there is a change of incumbents.

288. Cancelled.

### If Government exceeds Powers.

289. If an Account Officer considers that any expenditure sanctioned by the Government of India requires the sanction of the Secretary of State, he will not disallow the charge, but will place it under objection and submit a report with a statement of reasons to the Government of India, Finance Department.

290. It is usually found convenient for a Local Government, before passing orders, to obtain the advice of the Local Accountant General as to any particular application of financial rules or orders concerning which there may be doubt. Also, whenever an Accountant General is of opinion that any proceeding of a Local Government transgresses any such rule or order, it is his duty respectfully to advise the Local Government accordingly. In either case the Local Government may follow or disregard the advice of the Accountant General, as may seem to it right.

291. But if the Accountant General does not finally acquiesce in the correctness of the decision of the Local Government, it is his duty respectfully to request the Local Government to submit the question for the orders of the Supreme Government. The Supreme Government does not usually receive any communication upon such matters from an Accountant General, except through the Local Government; but a Local Government must not withhold any such representation made by an Accountant General unless it yields thereto.

### Date of Effect of Sanction.

292. Unless otherwise expressly ruled or unless the contrary appears from the context, a sanction of the Secretary of State takes effect from the date of receipt of the orders by the Government of India, and a sanction of the Government of India or of a Local Government or other authority has effect from the date of the orders conveying the sanction.

### Lapse of Sanction.

293. A sanction for any fresh charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed.

NOTE.—This article does not apply to a case where an allowance sanctioned for an appointment or a class of officers has not been drawn by a particular incumbent of the appointment or a particular set of officers, nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by proper authority.

294. On the expiration of the period for which the pay and allowances of an officer in an appointment have been sanctioned by the Government of India, no further payment should be made except under the orders of that Government.

NOTE.—A Local Government has no power to sanction payment to an officer after the lapse of any sanction which may have been accorded by the Government of India.

### Budget and Sanction.

295. Subject to the rule laid down in Article 158, a Local Government or Administration can sanction re-appropriations—

- (a) between the Provincial grants included in its estimates, whether under a wholly Provincial or a divided head, provided that the aggregate grant for Provincial expenditure is not exceeded;
- (b) between the Imperial grants included in its estimates under—
  - (1) Divided heads.
  - (2) Wholly Imperial heads included in the groups “Direct demands on the Revenue,” “Interest,” and “Miscellaneous Civil Charges,” and the head 23.—Ecclesiastical, provided that the total of the Imperial grants for these heads is not exceeded.

NOTE.—The Agent to the Governor General in Baluchistan, and the Chief Commissioner, North-West Frontier Province, exercise the powers described in clauses (a) and (b) (1) of this article in respect of Imperial and quasi-Provincial heads of service under the quasi-Provincial settlements concluded with them.

296. In any case in which reference to the Government of India is necessary under the preceding rule, application for sanction may be made at the end of the year in a consolidated statement if the excess is only trifling or if the excess could not be foreseen before the close of the year. In all other cases application for additional grants must be made and sanction must be obtained before any expenditure not provided for in the estimates is incurred.

NOTE.—In the cases referred to in the second sentence of Article 296, the applications for additional grants as well as for re-appropriations of existing grants should always be submitted in time to admit of orders on them being passed before the close of the year. After the year has closed no additional grants or re-appropriations can be sanctioned.

297. Applications under Article 296 for *previous* sanction to additional grants required by the Civil Account and Currency Departments should be submitted by the Accountants General to the Comptroller and Auditor General, who should obtain the sanction of the Government of India when necessary. But such excesses will, of course, be included in the consolidated statement required by Article 298.

298. (a) Each Accountant General and Comptroller should submit, on the 20th December each year, to the Government of India, through

the Local Government concerned, a statement in Form 33 showing the aggregate Budget grants and actuals for—

- (1) Imperial,
- (2) Provincial.

This form should, if there be any excess expenditure to which sanction is required, be accompanied by a consolidated statement (Form 34) showing the excess expenditure for each major head in the Civil Department only, reference being made in the consolidated statement to the relative paragraphs of the appropriation report, in explanation of the excesses.

(b) Should there be any excesses in the statement which are not referred to in the appropriation report, owing to their having come to notice as the result of journal entries made after the closing of the final accounts for March, brief explanations of the cause of the excesses and of their omission from the appropriation report should be attached to the statement. The Local Government should communicate to the Audit Office their orders on these statements not later than the 15th of January. The Account Officers should communicate these orders to the Comptroller General for the purposes of the general appropriation report, so as to reach him before the close of January.

(c) The above procedure should also be adopted by the Comptroller, India Treasuries, for the expenditure incurred by the Administrations and Departments immediately under the Government of India and coming under his audit. The statement of excess expenditure should, however, in this instance, be prepared and forwarded to the Finance Department in Form 34A, showing separately against each major head for the Foreign Department as a whole and for each province or Imperial Department under the direct administration of any other Civil Department of the Government of India as indicated in Annexure A, the actual expenditure incurred and the excess, if any, requiring the sanction of the Government of India in the Department of Finance. Any expenditure which does not come under the direct administration of any single Department of the Government of India, should be entered in Form 34A, so that the total of each major head may work up to the total shown in the books of the Comptroller, India Treasuries.

299. Similar statements of excess expenditure in the Public Works Department, Military, Marine (Imperial) and Post Office Departments are to be prepared by the Chief Account Officers of those Departments and submitted to the Finance Department through the Administrative Departments concerned.

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## ANNEXURE A.

(See Article 298.)

*List of the Provinces, Political Agencies, and Departments, etc., under the Government of India.*

Department of the Government of India.	Province, Agency or Department.	Local Government or other controlling authority.	REMARKS.
Foreign Department.	1. AJMER-MERWARA . . . . .	Chief Commissioner	The Agent to the Governor General in Rajputana is <i>ex officio</i> Chief Commissioner.
	Commissioner of Ajmer.	.....	
	2. BALUCHISTAN . . . . .	Governor General's Agent in Baluchistan.	Residency of the 1st Class.  } Political Agencies.
	Baluchistan Agency	.....	
	Political Agent, Kalat Quetta	.....	
	and Peshin.	.....	
	Political Agent, Loralai	.....	
	Political Agent, Zhob . Political Assistant, Chageh. Political Agent, Sibi .	..... ..... .....	
	3. CENTRAL INDIA . . . . .	Governor General's Agent in Central India.	Residency of the 1st Class. Residency of the 2nd Class.  } Political Agencies.
	Central India (Indore) Agency.	.....	
	Indore . . . . . } Gwalior . . . . . }	.....	
	Baghelkhand . . . . . }	.....	
	Bhopal . . . . . }	.....	
	Bhopawar . . . . . }	.....	
	Bundelkhand . . . . . }	.....	
	Malwa . . . . . }	.....	
	Goona (Assistancy) . . . . .	.....	Held <i>ex officio</i> by the Commandant, C. I. Horse, at Goona.
4. PERSIAN GULF . . . . .	Political Resident in the Persian Gulf.	Resident of the 2nd Class.  Consulate.	
Bushireh † . . . . .	.....		
Kerman . . . . .	.....		

Department of the Government of India.	Province, Agency or Department.	Local Government or other controlling authority.	REMARKS.
Foreign Department— <i>contd.</i>	4. PERSIAN GULF— <i>contd.</i>		
	Kermanshaw . . . . .	.....	Vice-Consulate.
	Arabistan . . . . .	} .....	Ditto.
	Bunder Abbas . . . . .		
	Koweit . . . . .	.....	Political Agency.
	Bahrein . . . . .	.....	Political Assistancy.
	Maskat . . . . .	.....	Political Agency.
	5. RAJPUTANA	Governor General's Agent in Rajputana.	
	Rajputana Agency . . . . .	.....	Residency of the 1st Class.
	Jaipur . . . . .	} .....	Residencies of the 2nd Class.
	Mewar . . . . .		
	Western Rajputana States . . . . .		
	Alwar . . . . .	} .....	Political Agencies.
	Bikaner . . . . .		
	Eastern Rajputana States . . . . .	.....	
	Haraoti and Toork . . . . .	.....	Assistancy.
	Kotah and Jhallawar . . . . .	.....	
	Mewar . . . . .	.....	Ditto.
	Kherwara . . . . .	.....	Ditto.
	Kotra . . . . .	.....	
	6. TURKISH ARABIA	Political Resident in Turkish Arabia.	
	Baghdad . . . . .	.....	Residency of the 2nd Class.
	7. KASHMIR (a)		
	Kashmir . . . . .	Resident in Kashmir	Residency of the 2nd Class.
	Dir, Swat and Chitral . . . . .	} .....	Political Agencies.
	Gilgit . . . . .		
	8. SINGLE CHARGES		
Hyderabad . . . . .	Resident at Hyderabad.	Residency of the 1st Class.	
Mysore . . . . .	Resident in Mysore		
Baroda (b) . . . . .	Resident at Baroda . . . . .	Residency of the 2nd Class.	
Khorasan . . . . .	His Britannic Majesty's Consul and Agent to the Governor General in Khorasan.	Consulate.	
Seistan and Kain . . . . .	His Britannic Majesty's Consul.	Ditto.	
Nepal . . . . .	Resident in Nepal.		
Imperial Service Troops . . . . .	Inspector General, Imperial Service Troops.		
Tarbat-i-Haidari . . . . .	His Britannic Majesty's Consul.	Consulate.	
Imperial Cadet Corps . . . . .	Commandant.		
Bam . . . . .	His Britannic Majesty's Vice Consul.	Vice-Consulate.	

(a) Under the audit of the Accountant General, Punjab.

(b) Under the audit of the Accountant General, Bombay.

Department of the Government of India.	Province, Agency or Department.	Local Government or other controlling authority.	REMARKS.
Foreign Department— <i>concl'd.</i>	8. SINGLE CHARGES— <i>cont'd.</i>		
	Kabul . . . . .	.....	Native Officer's special charge.
	Political Officer in charge of the ex-Amir. Political Officer with Sardar Ayub Khan.	} ..... }	Held by officers who are ordinarily of the grade of Political Agent.
Home Department.	Coorg . . . . .	Chief Commissioner of Coorg.	
	Port Blair . . . . .	Superintendent, Port Blair, and Chief Commissioner, Andamans.	
	Central Criminal Intelligence Department.	Director, Criminal Intelligence Department.	
	Administrator General, Bengal.	Administrator General.	
Education Department.	Archæological Survey	Archæological Surveyor, United Provinces and Punjab.	
		Archæological Surveyor, Bombay.	
		Archæological Surveyor, Bengal and Assam.	
		Government Epigraphist, Madras.	
		Archæological Surveyor, N.-W. F. Province and Baluchistan.	
Revenue and Agriculture Department.	Imperial Library . . . . .	Librarian.	
	Survey of India . . . . .	Surveyor General.	
	Board of Scientific Advice .	Secretary.	
	Botanical Survey . . . . .	Director, Botanical Survey.	

\* Under the audit of the Accountant General, Punjab.

Department of the Government of India.	Province, Agency or Department.	Local Government or other controlling authority.	REMARKS.	
Revenue and Agriculture Department— <i>contd.</i>	Meteorological Department	Meteorological Reporter to the Government of India.		
	Agricultural Department .	Agricultural Adviser to the Government of India and Director of the Agricultural Research Institute, Pusa.		
	Agricultural Chemist . Cryptogamic Botanist . Biological and Economic Botanist. Enomologist Agricultural Bacteriologist. Experimental farm at Pusa.	} Ditto.		
	Finance Department.		Comptroller General's Office.	Comptroller General.
Currency Office, Calcutta .			Ditto.	
Calcutta Mint . . .			Mint Master.	
Commerce and Industry Department.	Northern India Salt Revenue Department.	Commissioner, Northern India Salt Revenue.		
	Stationery and Printing Department.	Controller of Stationery, Printing and Stamps.		
	Government Printing Office.	Ditto.		
	Geological Survey . . .	Director, Geological Survey.		
	Mines Inspecting Department.	Chief Inspector of Mines.		
	Bureau of Commercial Intelligence.	Director General of Commercial Intelligence.		
	Reporter on Economic Products.	Reporter on Economic Products.		
	Chief Inspector of Explosives.	Chief Inspector of Explosives.		

