

# **PREAMBLE TO A.P. ACCOUNTS CODE**

The Andhra Pradesh Accounts Code comprises the Comptroller and Auditor-General's rules issued in the new Account Code (omitted certain portions which do not concern State transactions) together with "Local Rulings" relating to local variations in account procedure. The Comptroller and Auditor-General's Account Code is divided into four volumes, namely:—

Volume I—General Principles and Methods Accounts.

Volume II—Treasury Accounts

Volume III—Departmental Accounts, and

Volume IV—Accounts kept in Account Offices.

Volume IV of the Comptroller and Auditor-General's Account Code is not included in the Andhra Pradesh Accounts Code, as it contains only instructions regarding the maintenance of accounts in Account Offices. The Andhra Pradesh Accounts Code is therefore issued in three volumes, which correspond to the first three volumes of the Comptroller and Auditor-General's Accounts Code.

Volume I of the Code describes the functions of the Comptroller and Auditor-General of India in relation to Government accounts and the General outlines of the system of these accounts and also sets out the main directions issued by him with the approval of the President by virtue of the Provisions of Article 150 of the Constitution. The list of Major and Minor Heads of Account of Central and State receipts and disbursements, which forms an appendix to Volume I of the Comptroller and Auditor-General's Account Code, has been printed and issued by him separately for convenience of reference. Extracts from this list relating to State transactions have been printed as Appendix (1) to the Andhra Pradesh Budget Manual.

The Comptroller and Auditor-General has explained the general position in regard to accounting arrangements as follows—

"The instructions contained in this List and the directions contained in this volume should, unless the contrary intention has been expressed be considered as mandatory and binding on all concerned. Chapter 2 of this Volume while being descriptive of the accounting arrangements must be considered as prescribing a system of accounts the detailed directions concerning which are contained in the subsequent volumes of this Code. The Incidence Rules, which are included in this Volume (Appendix 3), based as they are on arrangements made between the different Governments by mutual agreement, do not fall strictly within the scope of the directions under Article 150 of the Constitution. It has been recognized, however, that one any arrangements of this nature has been accepted by the Governments concerned, it forms the basis of the proper accounting for the transactions to which it relates. It will not, therefore, be possible to make any modifications in such an arrangement without considering the consequential changes in the accounting arrangements. No Incidence Rule included in this Volume can thus be modified without the concurrence of the Comptroller and Auditor-General-cum-President".

Certain rules of the Comptroller and Auditor-General in Volume I vest power in the State Government to frame rules or to issue orders in regard to particular matter, e.g., Article 43 and the Note and Article 59. The rules and orders issued by the State Government on such subjects have been incorporated as "Local Rulings" under the relevant Articles. Similarly, certain rules of local interest which are not inconsistent with the basic principles laid down by the Comptroller and Auditor-General, have been included as "Local Ruling" in the relevant places for convenience of reference, e.g., the "Local Ruling" regarding classification in Chapter 3. The Rules of the Comptroller and Auditor-General have been printed in larger type than the "Local Ruling" in order to distinguish the two sets of rules from one another.

Volume II of the Code contains the directions of Comptroller and Auditor-General of India relating to the initial accounts kept by Treasuries and the forms in which Accounts are rendered by them to the Audit and Accounts Offices under his control. Similarly, Volume III contains the Comptroller and Auditor-General's directions regarding the initial and subsidiary accounts kept by Public Works and Forest Department Officers and the accounts submitted by these Officers to Audit and Account Offices.

The Comptroller and Auditor-General has explained the position in regard to these matters as follows:

“Article 150 of the Constitution confers on the Comptroller and Auditor-General-cum-President full powers to issue directions regarding the form in which the initial and subsidiary accounts in any department of the Central or a State Government should be kept and such power is obviously necessary in order to enable the Comptroller and Auditor-General to discharge his responsibility for keeping the accounts of the Central and State Governments under paragraph 11(1) of the Government of India (Audit and Accounts) Order, 1936 as adopted by the India (Provisional Constitution) Order, 947 read the Article 147 of the Constitution. Explicit provision has, nevertheless been made in the Initial and Subsidiary Accounts Rules made under paragraph 11(3) of the former Order conferring on the Comptroller and Auditor-General the power to prescribe the form in which initial accounts as well as subsidiary accounts should be rendered to the Audit and Account Offices under his control. The power vested in the Comptroller and Auditor-General-cum-President in Article 150 of the Constitution has been utilized initially for issuing the directions contained in Volumes II and III of the Code but any amendments or modifications of detail to these directions which may be necessary because of any changes made in the general accounts or for other reasons will be authorized by the Comptroller and Auditor-General by virtue of the power conferred upon him by the initial and Subsidiary Accounts Rules”.

The directions and “Local Rulings” in the Andhra Pradesh Accounts Code supersede instructions relating to accounts procedure in the Andhra Pradesh Treasury Code, the Andhra Pradesh Financial Code, and the Andhra Pradesh Public Works Accounts Code and the Andhra Pradesh Forest Department Account Code.

Amendments to the Comptroller and Auditor-General's rules included in the Andhra Pradesh Account Code can be made only by the Comptroller and Auditor-General with the approval where necessary, of the President. The Andhra Pradesh Government have power to alter the “Local Rulings” relating to matters in respect of which the Comptroller and Auditor-General's rules vest power in the State Government to frame rules. Any Officer who notices an error or omission in this Code should report it to the head of his department; if the head of the department considers that there is a real error or omission requiring amendment, he should submit suitable proposals to the Government in the Administrative department. Such proposals should be submitted through the Accountant- General, who will forward them with his comments to the Government in the administrative department. Such proposals should be submitted through the Accountant-General, who will forward them with his comments to the Government in the Administrative department. The administrative department will consult the Finance and Planning (Finance Wing) Department before the Comptroller and Auditor-General is addressed for approval to an amendment to any of the rules and before any order is issued amending any “Local Ruling”.

The Comptroller and Auditor-General has issued certain corrections to Volumes I and II of Account Code consequent on the constitutional changes. These amendments and corrections have been embodied in the Local Rulings and the main Articles in Volumes I and II of this edition.

Volume I of the A.P. Accounts Code gives a general description of the Andhra Pradesh Accounts Code. The Directions in Volumes II have been divided into two parts.

Part I sets out the scope of the Directions and defines certain terms used in this Volume.

Part II lays down the methods and principles according to which treasuries should keep their accounts and render them to the Audit and Account Officers.

The several Chapters in Part II have been so arranged as to distinguish from one another, (i) Direction of the Comptroller and Auditor-General regarding classification, which are, generally speaking, mandatory; (ii) Directions regarding the form of the accounts to be kept, which the Government; may modify in matters of detail in consultation with the Accountant-General; and (iii) Directions regarding the form of the Accounts Returns, in which changes required in view of the local conditions may be authorized by the Accountant-General.

Certain portions of Chapter III & IV in Volume II of the Comptroller and Auditor-General's Account Code do not apply to this State because the sub-treasuries in this State render classified accounts to the district treasury and the district to the Accountant-General "Local Rulings" to accord with the special procedure in this State have been incorporated in the relevant places. Those Articles of the Comptroller and Auditor General's Account Code which are wholly inapplicable to this State for the above reason have been omitted in order to avoid confusion, and the omissions have been indicated by asterisks.

In order to distinguish Forms prescribed in Volume II from those included in Volume III, the Forms in Volume II have been described as T.A. (as abbreviation for Treasury Accounts) Forms.

Modifications have been made in some of the Forms prescribed by the Comptroller and Auditor-General on account of local variations in accounts procedure. The forms prescribed by the Comptroller and Auditor-General have been given Arabic numbers, while those prescribed by the Government have been given Roman numbers and added at the end (i.e., after all the Forms prescribed by the Comptroller and Auditor-General). The distinguishing letters and numbers given to the Forms included in this Code will also be adopted for the purpose of preparing indents for the Forms.

Volume III of the A.P. Accounts Code contains Departmental Accounts. The Comptroller and Auditor-General's directions relating to Central transactions and those which have no application to this State have been omitted in the Andhra Pradesh Account Code, and the omissions have been indicated by asterisks. "Local Ruling" based on the provisions of the Andhra Pradesh Public Works Account Code and the Andhra Pradesh

Forest Department Account Code have been added where necessary with reference to local variations in regard to accounts procedure.

The rules laid down in this Volume in regard to transactions of the Public Works Department will apply to the Electricity Department also except where otherwise stated.

The Forms prescribed in this Volume have been grouped into two series, namely P.W.A. (an abbreviation for Public Works Accounts) and F.A. (an abbreviation for Forest Accounts) so that it may be determined readily to which department the particular form relates. In addition to the forms prescribed by the Comptroller and Auditor-General, some forms in the Andhra Pradesh Public Works Accounts Code and the Andhra Pradesh Forest Department Account Code have been included in this Volume in order to provide for local variations in accounts procedure, and these latter forms should be deemed to be forms prescribed by the Government in consultation with the Accountant-General. Modifications have been made in some of the Forms prescribed by the Comptroller and Auditor-General on account of local variations in accounts procedure. The Forms prescribed by the Comptroller and Auditor-General have been given Arabic numbers, and the Forms prescribed by the Government have been given Roman numbers. The distinguishing numbers and letters given to the Forms in this volume should also be adopted for the preparation of indents for the Forms.

---

---

The  
Andhra Pradesh  
**Accounts Code**  
Volume I

---

---

# THE ANDHRA PRADESH ACCOUNTS CODE

## VOLUME I

### CONTENTS

Article No.	Name	Page No.
	<a href="#">Definitions</a>	21
<b>CHAPTER 1</b>		
<b>Functions of the Comptroller and Auditor-General in relation to Accounts</b>		
1.	<a href="#">Comptroller and Auditor-General's duties and powers under the Constitution of India, and the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971</a>	22
2.	Deleted	25
3.	<a href="#">Articles of the Constitution to be kept in view in devising the form of accounts.</a>	25
4.	<a href="#">Special provision relating to Railways, Posts and Telegraphs and Defence Departments.</a>	25
5.	<a href="#">Appropriation Accounts.</a>	26
<b>CHAPTER 2</b>		
<b>General Outlines of the System of Accounts</b>		
7-8.	<a href="#">Consolidated Funds, Contingency Funds and Public Accounts of India and of the States</a>	26
9-12.	<a href="#">Account of the Central and State Governments with the Bank</a>	27
13.	<a href="#">Transactions of other Governments in State Treasuries</a>	29
14.	<a href="#">State transactions in Central Treasuries</a>	29
15.	<a href="#">General outlines of the System of Accounts</a>	29
16.	<a href="#">Accounts between different Account Circles</a>	32
17.	<a href="#">Authorities responsible for the preparation of Annual Accounts of the Central Government and State Governments</a>	33
18.	<a href="#">The Combined Finance and Revenue Accounts of the Central and the State Governments in India.</a>	34
19.	<a href="#">Proforma Accounts</a>	34
20.	<a href="#">Journal and Ledger</a>	35
<b>CHAPTER 3</b>		
<b>General Principles and Methods of Accounts</b>		
<b>General</b>		
21.	<a href="#">Period of Accounts</a>	36

Article No.	Name	Page No.
22.	<a href="#">Cash basis of Accounts</a>	36
23.	<a href="#">Currency in which Accounts are kept</a>	36
<b>Form of Accounts</b>		
24-26.	<a href="#">Main Divisions of Accounts</a>	38
27.	<a href="#">Major, Minor and Detailed heads</a>	40
28.	<a href="#">Classification of expenditure as “Charged” or as “Voted”</a>	40
<b>Classification of transactions in Accounts</b>		
29.	<a href="#">General limitations</a>	41
30.	<a href="#">General Principles of classification</a>	41
30-A.	<a href="#">General principles of allocation of expenditure between Capital and Revenue</a>	41
<b>Important general orders governing the classification of certain individual transactions</b>		
31.	<a href="#">Pay and allowances (Other than Travelling Allowances) of Govt. servants</a>	42
32.	<a href="#">Travelling expenses</a>	43
33.	<a href="#">Expenditure on Public Works</a>	43
34.	<a href="#">Contributions made by or to Government</a>	44
35.	<a href="#">Refunds of Revenue</a>	44
36.	<a href="#">Classification of transactions under “Civil Advances”</a>	44
37.	<a href="#">Classification of transaction under “Suspense”</a>	46
37-A.	<a href="#">Exchange in respect of transactions in England and the Mission Abroad</a>	46
<b>Important general orders governing classification of certain individual transactions</b>		
38.	<a href="#">Cost of acquisition of land</a>	47
39.	<a href="#">Sale proceeds of Government land and buildings</a>	47
40.	<a href="#">Municipal rates and taxes</a>	49
41.	<a href="#">Cost of Survey of India and other scientific parties accompanying a military expedition</a>	49
<b>General methods of Accounting</b>		
42.	<a href="#">Accounting for transactions pertaining to more than one major head of account</a>	50
43.	<a href="#">Record of capital expenditure in Accounts</a>	51
44.	<a href="#">Accounting for transactions relating to Scheduled areas</a>	51
45.	Deleted	51

<i>Article No.</i>	<i>Name</i>	<i>Page No.</i>
46.	<a href="#">Accounting for losses</a>	51
47.	<a href="#">Exhibition of recoveries in Government Accounts</a>	51
48.	<a href="#">Accounting for recoveries of overpayments</a>	51
49.	<a href="#">Accounts of commercial undertakings</a>	52
50.	<a href="#">Working Expenses of Commercial Departments</a>	52
51.	<a href="#">Transactions with other Governments and account circles</a>	52
52.	<a href="#">Rectification of misclassification</a>	52
53.	<a href="#">Writes-off from balanced heads to Government</a>	56
54.	<a href="#">Accounts to work from balance to balance</a>	57
<b>CHAPTER 4</b>		
<b>Directions regulating Inter-Departmental Transfers</b>		
55.	<a href="#">Introductory</a>	62
56.	<a href="#">Adjustments between Governments</a>	62
57.	Deleted	62
58.	<a href="#">Adjustments with outside bodies</a>	62
59-67.	<a href="#">Inter-departmental adjustments</a>	62
68-71.	<a href="#">General</a>	67
<b>CHAPTER 5</b>		
<b>Directions regulating the Exhibition of Recoveries of Expenditure in Government Accounts</b>		
72.	<a href="#">Introductory</a>	72
73.	<a href="#">Recoveries from private persons or bodies and Govts. outside India</a>	72
74.	<a href="#">Recoveries by one Government from another</a>	72
75.	<a href="#">Recoveries by one department from another department of the same Government</a>	73
76.	<a href="#">Receipts and recoveries on Capital Account</a>	73
77.	<a href="#">Settlement of doubts of disputes</a>	73
78.	Deleted	73
<b>CHAPTER 6</b>		
<b>Directions regulating the exhibition of Losses in Government Accounts</b>		
79.	<a href="#">Introductory</a>	
80.	<a href="#">Receipts</a>	74
81.	<a href="#">Buildings, lands, stores and equipment</a>	74
82.	<a href="#">Cash in hand, whether in treasuries or in departmental charge</a>	74



<i>Article No.</i>	<i>Name</i>	<i>Page No.</i>
83.	<a href="#">Irregular or unusual payments</a>	75
84.	<a href="#">Inevitable losses</a>	75
85.	<a href="#">Exhibition of Losses in Appropriation Accounts</a>	75
<b>APPENDICES</b>		
1.	Deleted.	
2.	<a href="#">List of Major and Minor heads of account of Central and State receipts and disbursements (Printed separately)</a>	75
3.	<a href="#">Principles and Rules regulating the distribution of certain charges and receipts between Governments</a>	76
<b>A - Introductory</b>		
<b>B - Pay, Allowances, Pensions, etc.</b>		
I.	<a href="#">Incidence of pay and allowances other than leave salaries</a>	76
II.	<a href="#">Incidence of leave salaries</a>	80
III.	<a href="#">Incidence of cost of passages</a>	89
IV.	<a href="#">Incidence of pensions</a>	91
V.	<a href="#">Incidence of charges for bonus in respect of Govt. servants who are employed on bonus terms and who serve under more than one Govt.</a>	102
VI.	<a href="#">Incidence of Government contribution to the Indian Civil Service</a>	102
VII.	<a href="#">Incidence of Government contribution to the Indian Civil Service (Non-European Members) Provident Fund</a>	103
VII-A.	<a href="#">Incidence of Family Pensions in respect of Armed Forces Officers and of Civil Officers serving with the Armed Forces</a>	103
<b>C - Other Charges</b>		
VIII.	<a href="#">Incidence of expenditure involved in audit and keeping accounts</a>	104
IX.	<a href="#">Incidence of grants of land and alienations</a>	105
X.	<a href="#">Incidence of the cost of police functions on railways including the cost of protecting railway bridges</a>	105
XI.	<a href="#">Incidence of the cost of (1) Forest surveys carried out by the Survey of India and (2) Forest maps prepared by that department</a>	106
XII.	<a href="#">Incidence of the charges relating to the maintenance and demarcation of and disputes over boundaries</a>	106
<b>D - Receipts</b>		
XIII.	<a href="#">Incidence of leave salary and pension contributions recovered in respect of Government servant lent on Foreign Service</a>	112

# The Andhra Pradesh Accounts Code

## Volume I

### GENERAL PRINCIPLES AND METHODS OF ACCOUNTS

**Definitions** :—In this Volume, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say,—

“*Accountant-General*” means the Head of an Office of Accounts Subordinate to the Comptroller and Auditor-General of India;

“*State Accountant-General*” means the Accountant-General who keeps the Accounts of the State;

“*Civil Accounts Officer*” means an Accounts Officer subordinate to the Comptroller and Auditor-General of India. The expression “Civil Accounts Officer” should also be constructed accordingly;

“*Comptroller and Auditor-General*” means the Comptroller and Auditor-General of India appointed under Article 148 of the Constitution of India;

“*The Constitution*” means the Constitution of India;

“*Consolidated Fund*” means the Consolidated Fund of India or of a State. referred to in clause (1) of Article 266 of the Constitution, or both, as the context may imply (See also Article 7);

“*Contingency Fund*” means the Contingency Fund of India established in pursuance of clause (1) of Article 267 of the Constitution or the Contingency Fund of a State established in pursuance of clause (2) of Article 267 of the Constitution, or both, as the context may imply (see also Art. 7-A);

“*Government*” means either the Central (Union) Government or a State Government, or both, as the context may imply;

“*Non-Civil Accounts Officer*” means an Accounts Officer of the Defence, Railways or Post and Telegraphs Department;

“*Public Account*” means the Public Account of India or the Public Account of a State referred to in clause (2) of Article 266 of the Constitution, or both, as the context may imply;

“*State*” except where it appears otherwise from the context, refers to a State included in the First Schedule to the Constitution;

“*Bank*” means the Reserve Bank of India or any of its offices or branches and includes any branch of the State Bank of India or Hyderabad acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act (Act No. 2 of 1934);

“*Treasury*” includes a Sub-treasury;

“*Chief Accounting Authority*” means the Secretary of a Ministry or Department of the Government of India in which the Departmentalized system of Accounting has been introduced and in the case of a Union Territory with separated accounts, its Chief Secretary/Chief Commissioner;

“*Controller General of Accounts*” means the Controller General of Accounts in the Ministry of Finance (Department of Expenditure), who inter alia, is responsible for prescribing the form of accounts of the Union and States, and to frame, or revise, Rules and Manuals relating thereto on behalf of the President of India in terms of Article 150 of the Constitution of India, on the advice of the Comptroller and Auditor-General of India;

“*Defence Department*” means the Department of the Central Government, whose expenditure is met from the Demands for Grants relating to Defence Services.

(Chapter containing definitions is substituted by G.O.Ms.No.187, F&PI, Dt. 25-7-1987)

## CHAPTER 1

### FUNCTIONS OF THE COMPTROLLER AND AUDITOR-GENERAL IN RELATION TO ACCOUNTS

#### **Comptroller and Auditor-General’s Duties and Powers under the Constitution of India and the Comptroller and Auditor-General’s (Duties, Powers and Conditions of Service) Act, 1971**

**Article 1.** The functions of the Comptroller and Auditor-General are derived mainly from the provisions of Articles 149 to 151 of the Constitution. Article 149 envisages an Act of Parliament to regulate the duties and powers of the Comptroller and Auditor-General. Parliament has enacted the Comptroller and Auditor-General’s (Duties, Powers and Conditions of Service) Act, 1971 (hereinafter called the Act) which came into force from 15th December, 1971.

The Act prescribes *inter alia* the duties and powers of the Comptroller and Auditor-General in relation to the accounts of the Union, the States, Union Territories and other authorities and bodies.

Till the Act came into force, Comptroller and Auditor-General, under the transitional provisions in Article 149 of the Constitution, continued to perform the duties and exercise powers in relation to the accounts of the Union and of the States as provided in the Audit and Accounts Order, 1939 as adapted. The Act has superseded the provisions of the said Order.

The relevant provisions of the Comptroller and Auditor-General’s (Duties, Powers and Conditions of Service) Act, 1971 (duly incorporating the amendment made in 1976), defining the duties and powers of the Comptroller and Auditor-General in relation to accounts are reproduced below. References therein to the ‘Act’ should be construed as references to the Comptroller and Auditor-General’s (Duties, Powers and Conditions of Service) Act, 1971

**Section 10.** (1) The Comptroller and Auditor-General shall be responsible:

(a) for compiling the accounts of the Union and of each State from the initial and subsidiary accounts rendered to the audit and accounts offices under his control the treasuries, offices or departments responsible for the keeping of such accounts; and

(b) for keeping such accounts in relation to any of the matters specified in clause (a) as may be necessary:

Provided that the President may, after consultation with the Comptroller and Auditor-General, by order, relieve him from the responsibility for compiling :—

(i) the said accounts of the Union (either at once or gradually by the issue of several orders); or

(ii) the accounts of any particular services or departments of the union:

Provided further that the Governor of a State with the previous approval of the President and after consultation with the Comptroller and Auditor-General, by order relieve him from the responsibility for compiling —

(i) the said Accounts of the State (either at once or gradually by the issue of several orders); or

(ii) the accounts of any particular services or departments of the State:

Provided also that the President may, after consultation with the Comptroller and Auditor-General, by order, relieve him from the responsibility for keeping the accounts of any particular class or character.

(2) Where under any arrangement, a person other than the Comptroller and Auditor-General has, before the commencement of this Act, been responsible —

(i) for compiling the accounts of any particular service or department of the Union or of State, or

(ii) for keeping the accounts any particular class or character, such arrangement shall notwithstanding anything contained in sub-section (1), continue to be in force unless after consultation with the Comptroller and Auditor-General, it is revoked in the case referred to in clause (i), by an order of the President or the Governor of the State, as the case may be, and in the case referred to in clause (ii) by an. order of the President.

**Section 11.** The Comptroller and Auditor-General shall, from the accounts compiled by him or by the Government or any other person responsible in that behalf prepare in each year accounts (including, in the case of accounts compiled by him, appropriation accounts) showing under the respective heads the annual receipts and disbursements for the purpose of the Union, of each State and of each Union Territory having a Legislative Assembly, and shall submit those accounts to the President or the Governor of a State or Administrator of the Union territory having a Legislative Assembly, and shall submit those accounts to the President or the Governor of a State or Administrator of the Union territory having a Legislative Assembly, as the case may be, on or before such dates as he may, with the concurrence of the Government concerned, determine:

Provided that the President may, after consultation with the Comptroller and Auditor-General, by order, relieve him from the responsibility for the preparation and

submission of the accounts relating to annual receipts and disbursement for the purpose of the Union or of a Union territory having a Legislative Assembly:

Provided further that the Governor of a State may, with the previous approval of the President and after consultation with the Comptroller and Auditor-General, by Order, relieve him from the responsibility for the preparation and submission of the accounts relating to annual receipts and disbursements for the purpose of the State.

**Section 12.** The Comptroller and Auditor-General shall, in so far as the accounts, for the compilation or keeping of which he is responsible, enable him so to do, give to the Union Government, to the State Governments or to the Governments of Union Territories having Legislative Assemblies, as the case may be, such information as they may, from time to time, require, and render such assistance in the preparation of their annual financial statements as they may reasonably ask for.

**Section 18.** (1) The Comptroller and Auditor-General shall connection with the performance of his duties under this Act have authority—

(a) to inspect any office of accounts under the control of the Union or of a State, including treasuries and such offices responsible for the keeping of initial or subsidiary accounts and submit accounts to him;

(b) to require that any accounts, books, papers and other documents which deal with or form the basis of or are otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may appoint for his inspection;

(c) to put such questions or make such observations as he may consider necessary, to the person in charge of the office and to call for such information as he may require for the preparation of any account or report which it is his duty to prepare.

(2) The person in charge of any office or department, the accounts of which have to be inspected and audited by the Comptroller and Auditor-General, shall afford all facilities for such inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.

**Section 21.** Any power exercisable by the Comptroller and Auditor-General under the provisions of this Act, or any other law may be exercised by such officer of his department as may be authorized by him in this behalf by general or special order:

Provided that except during the absence of the Comptroller and Auditor-General on leave or otherwise no officer shall be authorized to submit on behalf of the Comptroller and Auditor-General any report which the Comptroller and Auditor-General is required by the Constitution or the Government of Union Territories Act, 1963 (20 of 1963) to submit to the President or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be.

**Section 22.** (1) The Central Govt. may, after consulting with the Comptroller and Auditor-General, by notification in the Official Gazette, make rules for carrying out the provisions of this Act in so far as they relate to the maintenance of accounts.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely

(a) the matter in which initial and subsidiary accounts shall be kept by the treasuries, offices and departments rendering accounts to audit and accounts offices;

(b) the manner in which the accounts of the Union or of a State or of any particular service of department or of any particular class or character, in respect of which the Comptroller and Auditor-General has been relieved from the responsibility of compiling or keeping the accounts, shall be compiled or kept.

(c) the manner in which the accounts of stores and stock shall be kept in any office or department of the union or of a state, as the case may be;

(d) any other matter which is required to be, or may be, prescribed by rules.

(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the successive sessions aforesaid both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to validity of anything previously done under that rule.

**Article 2.** Deleted.

#### **Articles of the Constitution to be kept in view in devising the form of Accounts**

**Article 3.** According to Article 50 of the Constitution, the form in which the accounts of the Union and of the States shall be kept is to be prescribed by the President on the advice of the Comptroller and Auditor-General of India. This function is exercised by the Comptroller and Auditor-General of Accounts, Ministry of Finance (Department of Expenditure) on behalf of the President of India.

*Note* :—Every year, from the accounts compiled by the authorities authorized to maintain the accounts of Central Government, State Governments and Union Territory Governments, accounts showing under respective heads the annual receipt and disbursements for the purpose of Union, of each State, and of each Union Territory having a Legislative Assembly- (including Appropriation Accounts) are to be prepared and got certified by the Comptroller and Auditor- General of India. The report of the Comptroller and Auditor-General relating to these accounts shall be submitted to the President or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, who shall cause them to be laid before the Houses of Parliament, Legislatures of the States and of Union Territories respectively.

#### **Special Provision relating to Railways, Posts and Telegraphs and Defence Departments**

**Article 4.** For the sake of Convenience, the form of accounts (including appropriation accounts) relating to Railways, Posts and Telegraphs Dept. and Defence Dept. may be determined by the Departmental Accounting Authorities within such range and covering such aspects as may be prescribed by the Central Govt. in the ministry of Finance (Dept. of Expenditure) Controller General of Accounts, on the advice of the Comptroller and Auditor-General of India. The provisions of Article 150 of the Constitution will be deemed to have been satisfied in the forms so determined are not questioned by the Controller General of Accounts and the Comptroller and Auditor-General of India.

### **Appropriation Accounts**

**Article 5.** The forms of Appropriation Accounts which the Comptroller and Auditor-General is required to prepare under Section- 11 of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service), Act, 1971 is not dealt with in this Code. The instructions relating to the preparation of such Accounts by the Accountants-General are included in the Manual of Standing Orders (Technical) issued by the authority of the Comptroller and Auditor-General. The object of these accounts is to relate expenditure brought into account during a financial year to the several items specified in the Schedules to the Appropriation Acts, passed under Articles 114 to 116 or Articles 204-206 of the Constitution. As no special process of accounting is involved in the preparation of Appropriation accounts they should be regarded as Complementary to the accounts of annual receipts and disbursements referred to in Section 11 of Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971.

---

## **CHAPTER 2**

### **GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS**

#### **Consolidated Funds, Contingency Funds & Public Accounts of India and of the States**

**Article 7.** The Central Government and the State Governments have separate Consolidated Funds of their own, entitled the Consolidated Fund of India' and 'the Consolidated Fund of the State', respectively, into which the revenues received by the Central (including union territories) State Governments, loans raised by that Government by the issue of treasury bills, loans or ways and means advances, and moneys received by that Government in repayment of loans are credited, and from which the expenditure of that Government when so authorized by the appropriate Legislature is met. The Central Government and the State Governments have also separate Public Account entitled 'the Public Account of India' and 'the Public Account of the State', respectively, into which all other public moneys received by or on behalf of the Central (including union territories)/State Governments are credited and from which disbursements are made in accordance with the prescribed rules. The procedure to be followed for the payment into and the withdrawal, transfer or disbursement of moneys from, the Consolidated Fund and the Public Account and for the custody of moneys standing in that Fund and account is regulated by law made by the appropriate Legislature and pending such registration, by the rules made by the President or the Governor of the State, as the case may be, under Article 283 of the Constitution. The President and the Governors of the States have authorized under this Article the continuance of the rules in force before the commencement of the relevant provisions of the Constitution. These rules include provisions to secure that all public moneys received on account of the Central Government or of the State shall, with such exceptions as may be specified in them, be paid into the Consolidated Fund or the Public Account of India of the State concerned, as the case may be.

**Article 7-A.** The Central Government and each State Government have or may

have a separate Contingency Fund, entitled 'the Contingency Fund of India' and 'the Contingency Fund of the State', respectively. The Fund will be at the disposal of the President or the Governor of the State to enable advances to be made by him for meeting unforeseen expenditure, pending authorization of such expenditure by Parliament or the State Legislature under appropriations made by law. The procedure to be followed for the custody of, payment of moneys into and the withdrawal of moneys from such Fund is regulated by law made by the appropriate Legislature and pending such legislation by the rules made by the President or the Governor of the State.

*Note* :—Though the transactions of the Railway Department form part of the Consolidated Fund, the Contingency Fund and the Public Account of India, they are nevertheless taken against the Railway Fund which has been created proforma in the books of the Reserve Bank of India.

**Article 8.** Save as may be specifically provided in any case, cash balances in the separate 'Consolidated Funds or Contingency Funds and Public Accounts of India and States' are either held in a Government treasury or kept with the Bank.

#### **Account of the Central and State Governments with the Bank**

**Article 9.** The Central Government and each of the State Government have made separate agreement with the Reserve Bank of India by virtue of which the general banking business of these Governments in which business is (included the receipt, collection, payment and remittance of moneys on behalf of Government) is carried on and transacted by the Bank in accordance with and subject to the provisions of the agreement and of the Reserve Bank of India Act, 1934, and in accordance with and subject to which orders as may from time to time be given to the Bank by the Central Government or the State Government, as the case may be. Central or State Government business is transacted at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed. The Central Government as a general rule, operates on every office and branch of the Reserve Bank of India and on every branch of the State Bank of India throughout India acting as the agent of the Reserve Bank. The operations of each State are confined to the offices and branches of the two Banks which have been designated as falling within the area of that particular State. The receipt and payment of moneys on behalf of a State outside its jurisdiction are ordinarily arranged through the Accountant-General of the State in which the transactions take place.

*Note* :—The Government of Jammu and Kashmir State have not so far entered into agreement with the Reserve Bank of India for the conduct of their general banking business by the Bank.

[The agreement between the Governor of the State of Andhra Pradesh and the Reserve Bank of India is printed as Appendix I to the Andhra Pradesh Treasury Code, Volume II].

[In the State of Andhra Pradesh there are Treasury Pay Offices of the State Bank of India, Hyderabad at certain district headquarters. A Treasury Pay Office transacts the cash business of the District Treasury at the place — see Instruction I under Treasury Rule 3 in Part I, Volume I of the Andhra Pradesh Treasury Code].

**Article 10.** Each office or Branch of the Reserve Bank keeps two separate account of cash transactions undertaken by it on behalf of Government one for the transactions of the Central Government and the other for the transactions of the State Government within whose area it is situated. All transactions which cannot be debited or credited directly to the account of the Central Government with the Bank are taken to



the account of the Government of the State in which they occur so that this account will include as well the transactions relating to other States. Separate statements of transactions in their Central and State Government account.> together with all supporting vouchers, etc., are transmitted by each office and branch of the Bank daily to the Treasury Officer or to the Accountant-General, as the case may be. At the close of each month the balances of the two accounts are transferred to the Central Accounts Section of the Reserve Bank at Nagpur.

*Note* :—The transactions of Railways at offices and branches of the Reserve Bank are distinguished from other Central transactions in the initial accounts and are classified by each Railway separately. These transactions are taken against the Railway Fund in the books of the Reserve Bank direct and do not therefore pass through the Treasury Accounts or consequently through the accounts of the Civil Accountant-General. Each office and branch of the Bank furnishes the Accounts Officer of each Railway separately every day with a copy of the daily reroll relating to the transactions of that Railway together with the requisite vouchers.

**Article 11.** Each branch of the State Bank of India transacting Government business as agent of the Reserve Bank classifies the daily receipts and disbursements on behalf of Government in two groups, Central and State, the latter embracing transactions not only on behalf of the State in which the Bank is situated but also on behalf of other States. Separate statements of transactions of the Central Government and of those taken against the provincial account are forwarded by each branch daily with supporting vouchers to the local Treasury Officer or the Accountant-General, as the case may be. The totals of such transactions are also reported by the Bank at the close of each day to the Central Accounts Section of the Reserve Bank through the Central Accounts Office of the State Bank.

*Note* :—The procedure prescribed in the note under Article 10 is followed in respect of Railway transactions taking place at the branches of the State Bank of India.

[In the State of Andhra Pradesh there are Treasury Pay Offices of the State Bank of India at certain district headquarters. A Treasury Pay Office transacts the cash business of the District Treasury at the place see instruction I under Treasury Rule 3 in Part I, Volume I of the Andhra Pradesh Treasury Code.]

**Article 12.** Complete accounts of the Central Government and of each of the State Governments with the Bank are maintained by the Central Accounts Section of the Reserve Bank which also acts as General Clearing House for the adjustment of transaction between different Governments. All adjustments to be made between the account of the Central Government and that of States or between the accounts of different States as well as all payments which one of these Governments had to make to another are advised by the Accounts Officer authorized in this behalf to the Central Accounts Section of the Reserve Bank, which will pass the necessary entries in the accounts of the Government concerned maintained in the books of the Bank. Details of transfer effected in its books against the balance of the State Government or of the Central Government, as the case may be, on account of adjustments advised by different Account Offices are communicated by the Central Accounts Section of the Reserve Bank to the Accountants-General concerned at the close of each day. At the close of the accounts of each month a statement of closing balance of each Government on the book of the Bank after taking into account all cash transactions in all the offices, branches and agencies of the Bank

and the adjusting transactions on its own books is forwarded by the Central Accounts Section to the Accountant-General concerned.

### **Transactions of other Governments in State Treasuries**

**Article 13.** Cash balances held in a State Treasury form part of the Consolidated Fund, the Contingency Fund (if one has been established) and the Public Account of the State to which the Treasury belongs. The Treasury Rules of each State Government issued under Article 283 of the Constitution, provide that moneys may be received and payments may be made on behalf of the Central Government and other State Governments by a State Treasury situated at a place where the treasury business is not conducted by the Bank, such receipts and payments being taken in the first instance the cash balance of the State concerned. On receipt of intimation of such transactions through the monthly Treasury Account or otherwise the Accountant-General makes the requisite adjustments through the Central Accounts Section of the Reserve Bank against the balances of the Central Government or other State Governments held by the Bank. Moneys paid or received in the office of the Accountant-General on behalf of another State and book entries made in the offices of the Accountant-General affecting the accounts of another State or the Central Government will likewise be adjusted by the Accountant-General through the Central Accounts Section of the Reserve Bank against the balances of the Central or State Govt., as the case may be. But see the Note below and Article 16 (2).

*Note* :—As the general banking business of the State of Jammu and Kashmir is not at present conducted for them by the Reserve Bank of India (See note under Article 9) the settlement of transactions between the State and other States/the Centre is effected in cash or by Bank drafts in accordance with the instructions contained in separate orders.

### **State Transactions in Central Treasuries**

**Article 14.** Cash balances held in the Treasuries of the Central Government form part of the Consolidated Fund, Contingency Fund and the Public Account of India. Transactions on behalf of State Governments arising in these treasuries are taken against Central balances in the first instance and are subsequently adjusted by the Accountant-General against the balances of the State concerned through the Central Accounts Section of the Reserve Bank. But see the Note under Article 13.

### **General Outlines of the System of Accounts**

**Article 15.** The general outlines of the system of accounts of the Central and State Governments, briefly stated, are as follows :—

(a) All receipts in India on behalf of the Central and State Governments are paid into a Treasury or the Bank. Except as provided in clause (b) below, the initial accounts of such receipts are maintained at the Treasury;

(b) Receipts realized in the Railway, Defence, Posts and Telegraphs, Public Works, Forest and any other departments which may be authorized in this behalf are paid into a Treasury or the Bank in lump and are accounted for at the Treasury merely as receipts on behalf of such departments. The detailed accounts of such receipts are kept by the departmental officers concerned.

(c) Payments in India on behalf of the Central and State Governments are ordinarily made either at a Treasury or the Bank; some department's officers are, however, authorized to withdraw sums in lump from a Treasury or the Bank for making payments. In the former case, the initial accounts of payments are kept at the Treasury. In the latter case, such accounts are maintained by the departmental officer concerned;

The accounts referred to in this clause do not relate to the accounts maintained by Government Servant in respect of expenditure incurred from permanent advances.

(d) At the beginning of each month each Accountant-General receives from the Treasuries under his jurisdiction monthly accounts supported by the requisite schedules, vouchers, etc., in respect of the transactions which took place in the Treasury during the previous month. All State and those Central Treasuries, which render accounts to State Accountants-General, submit a double set of accounts, one for transactions of the State Governments and the other for transactions of the Central Government. Central Treasuries, which render accounts to the Accountant-General, Central Revenues, furnish however only a single account, in which any transactions on behalf of State Governments are accounted for under the appropriate Remittance head pending adjustment against the balances of the State concerned.

[In the State of Andhra Pradesh the monthly accounts sent by Treasuries to the Accountant- General classified accounts]

(e) Officers of the Civil Departments who pay their receipts into the Consolidated Fund or the Public Account or withdraw moneys for expenditure there from or from the Contingency Fund in lump, submit detailed any accounts of their transactions to the respective Account Officers. Some Departmental Officers are required to render to the Account officer compiled accounts with suitable abstracts of their transactions classified under prescribed heads of accounts;

(f) From the accounts furnished by Treasuries and Civil Departmental Officers, departmental classified abstracts are compiled by the Civil Account Officers showing the monthly receipts and payments pertaining to each department for the whole account circle classified under the relevant major, minor and detailed heads. Separate classified abstracts are maintained for each department, each group of small departments or each major head or group of major heads of account not relating to any particular department or departments according to local convenience. This transaction is adjustable against a department or against a major head not relating to any particular department which are intimated to the Civil Account Officer by another Account Officer as well as all book adjustments against a departmental or other major head which are initiated in the Account Office itself are also incorporated in the relevant Departmental Classified Abstracts so that the latter may include monthly all transactions of whatever nature connected with the receipts and payments pertaining to each department or major head of account. From these classified abstracts, separate Departmental Consolidated Abstracts showing the progressive totals month by month under major/minor and detailed heads of revenue receipts and service payments are compiled. Separate Consolidated Abstracts are maintained for each department or major head of account or for a group of departments or major heads of account as may be found convenient.

The Departmental Classified Abstracts and the Departmental Consolidated Abstracts for the Central Departments are compiled separately from those for Departments of the State Government.

(g) The transactions relating to Debt and Remittances heads appearing in the Treasury Cash Accounts and lists of payments, and in the Departmental and other Abstracts are collected for the whole circle of account under each head of account from month to month in a Detail Book. From the figures in the Detail Book, the Consolidated Abstract of Debt and Remittance transactions is prepared showing the progressive totals month by month under each such major and detailed heads as may be found necessary.

Separate Detail Book and Consolidated Abstracts are compiled for Central and State transactions.

(h) The final stage of compilation is the preparation of the Abstract of Major head totals showing the receipts and disbursements by major heads during and to end of the Departmental Consolidated Abstracts and the Consolidated Abstracts of Debt and Remittance transactions. From these Consolidated Abstracts are also compiled the monthly and the annual accounts of the Central and State Governments.

The cash balance of each Government in the books of the Accountants-General at the close of the month will then be reconciled with the balances shown in the Cash Accounts recorded by Treasury Officers and with the statements of closing balance received from the Central Accounts Section of the Reserve Bank.

(i) Departmental officers of the Posts and Telegraphs and Railway Departments submit accounts of their transaction to the respective Posts and Telegraphs and Railway Account Officers. The Posts and Telegraphs and Railway Account Officers render their monthly accounts to the Accountant-General, Posts and Telegraphs and the Railway Board, respectively and the latter two consolidate the accounts of the entire transactions of these two departments. The accounts of Defence Services as a whole are compiled by the Controller-General of Defence Accounts on the basis of particulars of receipts and disbursements furnished by the various Defence Account Officers.

(j) A copy of the monthly accounts of each State Government is submitted to it by Accountant-General concerned. The Accountant-General, Central Revenues, received from each Civil Account Office an abstract of the account of the transactions of the Central Government compiled by it for each month and these accounts together with the accounts for the month prepared in his office are consolidated into a single monthly account for submission to the Central Government. The Accountant-General, Posts and Telegraphs and the Railway Board submit the consolidated monthly accounts of their respective departments separately to the Central Government.

(k) Each Civil Account Officer works out the progressive figures during the year of the Central and State accounts of his circle. On closing the accounts for March (Final), the Central and State accounts of each circle for transactions of the whole year are submitted by each Civil Account Officer to the Comptroller and Auditor-General.

(l) The consolidated annual accounts of the Posts and Telegraphs, Railways and Defence Services are submitted to the Comptroller and Auditor-General by the Accountant-General, Posts and Telegraphs, the Railway Board and the Comptroller General of Defence Accounts respectively.

### Accounts between Different Account Circles

**Article 16.** (1) Subject to any general or special orders issued by Governments after consultation with the Comptroller and Auditor-General transactions in one account circle which are adjustable in the accounts of another circle are passed on month by month to the latter for adjustment through one or the other of the following accounts :—

- (i) Exchange Accounts,
- (ii) The Central Adjusting Accounts,
- (iii) Settlement Accounts.

(2) All transactions arising in the accounts of a Defence or Posts and Telegraphs Account Officer which are adjustable in the books of a Civil or a Non-Civil Account Officer (other than a Railway Account Officer) are passed on through the Exchange Accounts. If any such transaction has to be adjusted against the balance of a State Government, the money settlement in respect of it is effected by the Accountant-General of the State to whom the transaction is passed, Civil Account Officers utilized the media of Exchange Accounts for passing on transactions of the Central Government which are adjustable on the books of other Account Officers excepting Railway Account Officers. Book transactions arising in the Central Section of the accounts of a Civil Account Officer which are adjustable in the Accounts of a Province kept by another Account Officer are also passed on through Exchange Accounts so that the latter Account Officer may adjust the transaction against the balance of the State.

[The general procedure relating to Exchange Accounts is described in Chapters 7 and 10 of Volume IV of the Comptroller and Auditor-General's Account Code].

(3) The Central Adjusting Account is operated upon by a *Defence / Posts and Telegraphs* Account Officer who has not been authorized to exchange account direct with a *Posts and Telegraphs / Defence* Account Officer.

[The procedure to be followed in operating on this account is set out in Chapter 15 of Volume IV of the Comptroller and Auditor-General's Account Code].

(4) Transactions initially taken against the balance of a State which are eventually adjustable against the balance of another State are passed on to the Accountant-General of the latter State through the Settlement Accounts and the money Settlement between the two States in respect of such transactions is effected by the Accountant-General of the former State through the Central Accounts Section of the Reserve Bank. Transactions appearing in the books of Civil Account Officers which are adjustable against Railways as well as transactions arising in the accounts of Railways which are adjustable in the Books of Civil Defence and Posts and Telegraphs Account Officers are also settled through the machinery of the Central Accounts Sections of the Reserve Bank and the accounts through which such transactions are passed on to or by Railway Account Officers fall under the category of the Settlement Account.

[The procedure connected with the adjustment of transactions passed through the Settlement Accounts is described in Chapter 8 of the Volume IV of the Comptroller and Auditor-General's Account Code].

(5) In respect of transactions originating in their accounts which are adjustable against the balances of a State Government, the Accountant-General, Central Revenues,

the Deputy Director of Audit, Commerce, Steel and Mines and Deputy Directors of Audit, Food Rehabilitation Supply, Commerce, Steel and Mines effect the necessary money settlement through the Central Accounts Section of Reserve Bank, the transactions being passed by them through the head "Adjusting Account between Central Government". Transactions pertaining to State Governments are also settled direct with the Bank through the head "Adjusting Account between Central and State Governments". An account of the transactions passed through this head is furnished by these Account Officers to the State Accountant-General or Comptroller concerned for final adjustment. This account falls under the category of Settlements Accounts mentioned in clause (4) above.

(6) Transactions of the Central and State Governments in the United Kingdom except those representing genuine sterling assets and liabilities of the Central Government are passed on to India monthly through the Account Current between England and India for adjustment under appropriate heads of accounts in the books of the various Account Offices in India.

[The detailed procedure which is followed in Account Offices in regard to the adjustment of these transactions is described in Chapter 16 of Volume IV of the Comptroller and Auditor-General's Account Code].

(7) The monthly Central and State accounts of each account circle thus include not only the receipts and disbursement of the circle but also in the receipts and expenditure in the United Kingdom and all credits and debits passed on to it for adjustment by other account circle in India.

*Note* —The term "Account Current" may be used in a general sense to include the different classes or accounts mentioned in this Article as well as the Accounts with Governments of other countries. An account Current purports to be an extract from the books of the officer who dispatches it, and to show the amounts he has passed to debit or credit of the other party of the account with any necessary explanations of the credits, and with documents supporting the debits.

#### **Authorities Responsible for the Preparation of Annual Accounts of the Central Government and State Government**

**Article 17.** (i) The annual accounts (including Appropriation Accounts) of the Central Government and of each State Government shall be prepared in the form prescribed by the President on the advice of the Comptroller and Auditor-General of India under Article 150 of the Constitution of India. These accounts shall be submitted to the Parliament and to the respective State Legislature on or before such dates as may be determined with the concurrence of the Government concerned.

(ii) The Annual Accounts (including Appropriation Accounts) in respect of State Governments are prepared by the concerned Accountant-General and submitted to the Comptroller and Auditor-General of India for approval and transmission to the Governor of the State concerned along with his report thereon in terms of Article 151 (2) of the Constitution and Section 11 of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature.

(iii) Appropriation Accounts of Central Ministries (other than Ministry of Railways) and or Central Civil Departments shall be prepared by the respective Ministries and

Departments under the guidance and supervision of the Controller General of Accounts, and signed by their Chief Accounting Authority. Union Government Appropriation Accounts by condensing and consolidating the aforesaid (Civil) required to be submitted to Parliament shall be prepared by the Controller General of Accounts Appropriation Accounts. Appropriation Accounts pertaining to Department of Posts and Telegraphs, Railways and Defence shall be prepared and signed by the Secretaries to the Government of India in the Ministries of Communications, Railways and Financial Adviser, Ministry of Finance (Defence) respectively,

(iv) Annual Accounts of the Government of India as a whole (including transactions of Departments of Posts and Telegraphs, Defence and Railways and Transactions under Public Accounts of India and Union Territory Governments) showing under the respective heads the annual receipts and disbursement for the purpose of the Union, shall be prepared by the Controller General of Accounts.

(v) The Accounts mentioned in (iii) and (iv) above, shall be prepared by the respective authorities on dates mutually agreed upon with the Comptroller and Auditor-General of India in the form prescribed by the President on the advice of the Comptroller and Auditor-General and sent to the latter for recording his certificates. The Certified Annual Accounts and the Reports relating to the accounts shall be submitted by the Comptroller and Auditor-General to the President in accordance with provisions of Section 11 of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 and clause (1) of Article 151 of the Constitution of India.

(Substituted by G.O. Ms. NO. 187, Fin. & Plg., Dt. 25-7-87)

### **The Combined Finance and Revenue Accounts of the Central and State Governments in India**

**Article 18.** The Comptroller and Auditor-General of India also submits to the President a Financial Statement incorporating a summary of the accounts of the Central Government and of all the States for the last preceding financial year. This General Financial Statement which is called the Combined Finance and Revenue Accounts of the Central and State Governments in India presents the transactions of all the Governments side by side classified under the several major and minor heads of accounts classification, thus incidentally enabling a comparison to be made for statistical or their purpose of the receipts and expenditure of the several Governments pertaining to each branch of administration or to activities of a similar nature.

[Substituted by G.O. Ms. No. 187, Fin. & Plg., Dt. 25-7-1987]

[See also Chapter 21 of Volume IV of the Comptroller & Auditor-General's Account Code].

### **Proforma Accounts**

**Article 19.** The operations of some departments of Government some times include undertakings of a commercial or a quasi-commercial character, e.g., an industrial factory or a store. Even though these may be maintained almost entirely for the benefit of the departments, it is still necessary that the financial results of the undertaking should be expressed in the normal commercial form so that the cost of the service or undertaking may be accurately known. This implies the maintenance of suitable Capital, Manufac-

turing, Trading and Profit and Loss accounts and as the Government system of accounts, being on a purely cash basis, is unsuitable for such commercial accounts, these are usually kept on a proforma basis outside the general accounts of Government. The actual transactions entering these proforma accounts except those adjusted on a liability basis find a place primarily in the regular accounts and the commercial accounts are additional as well as separate. These proforma accounts are maintained by the departmental authorities themselves in such form as may be agreed upon between the Comptroller and Auditor-General and the Government concerned.

Certain proforma accounts relating to Irrigation, Navigation, Embankments and Drainage Projects and Government Residential Buildings are required to be prepared by Civil Account Officers. Proforma accounts are also sometimes required to be prepared for transactions which do not relate to commercial or quasi-commercial undertakings of Government, e.g., transactions of the Famine Relief Fund. The form in which any proforma accounts are prepared in account offices is determined by the Comptroller and Auditor-General in consultation with the Government concerned.

### **Local Ruling under Article 19**

In the State of Andhra Pradesh Proforma accounts (i.e., manufacturing, trading, profit and loss, etc.), accounts are maintained outside the regular Government accounts for the following concerns :—

1. Industrial Trust Fund.
3. Electricity Schemes.
4. Fish-curing yards.
5. Public Works Workshops.
6. Transactions relating to Government steamers plying in Godavari and Krishna canals.
7. Fruit preservation Factory, Anantarajapeta, Cuddapah District.

### **Journal and Ledger**

**Article 20.** The accounts of Government are based in the main on the single entry system and the double entry system is applied only in regard to the maintenance of a set of technical accounts called the Journal and Ledger. The main purpose of the Journal and Ledger is to bring out by a scientific method the balances of accounts in regard to which Government acts as a banker or remitter or borrower or lender. Though such balances are worked out in the regular Government accounts, their accuracy can be guaranteed only by a periodical verification with the balance brought out in the double entry accounts. State Accountants-General maintain separate Journals and Ledgers for transactions of the Central Government and of the State Government. The Comptroller and Auditor-General also maintains a Journal and Ledger for Central Transactions which is posted from the final accounts of each year received from all Account Officers in India.

---



## CHAPTER 3

### GENERAL PRINCIPLES AND METHODS OF ACCOUNTS

#### *GENERAL*

##### **Period of Accounts**

**Article 21.** The annual accounts of the Central, State and Union Territory Governments which the Comptroller and Auditor-General is required to render shall record transactions which take place during a financial year running from the 1st April to 31st March. Similarly the annual General Financial Statement (the Combined Finance and Revenue Accounts of the Central Asia State Governments in India) which the Comptroller and Auditor-General prepares shall record the transactions of the Central, State and Union Territory Governments for the same period.

*Note* :—The Government accounts of a year may be kept open for a certain period in the following year for completion of the various accounting processes inter alia in respect of the transactions of March, for the carrying out of certain interdepartmental adjustments, and for the closing of the accounts of several Provident Funds and Suspense heads. Adjustments may also be made after the close of the year owing to mispostings and misclassifications coming to notice after the 31st March. An actual transaction taking place after 31st March should not however be treated as pertaining to the previous financial year even though the accounts for that year may be open for the purposes mentioned above.

##### **Cash basis of Accounts**

**Article 22.** With the exception of such book adjustments as may be authorized by any rules included in this Code or by any general or special order issued by Government after consultation with the Comptroller and Auditor-General, the transactions in Govt. accounts shall represent the actual cash receipts and disbursements during a financial year as distinguished from amounts due to or by Government during the same period.

##### **Currency in which Accounts are kept**

**Article 23.** The accounts of Government kept in India shall be maintained in Indian currency. With the exception of transactions representing certain genuine sterling assets and liabilities of the Central Government, all transactions of the Central and State Governments taking place in the United Kingdom shall be passed on monthly to India through the Account Cm-rent between England and India and brought to account finally in the Indian books after they have been converted into Indian Currency according to the procedure prescribed in Chapters 16 and 17 Volume IV of Central Account Code. Transactions of a genuine sterling character, e.g., those of the Central Government under certain Debt, Deposits, Advances, Suspense and Remittance heads the balances of which are kept in sterling shall be accounted for finally in the books of the High Commissioner for India in London. In the Annual Finance Accounts of the Central Government these transactions shall be combined with the connected Indian transactions and exhibited in rupees, whereas in the Combined Finance and Revenue Accounts of the Central and State Governments they shall be shown both in rupees and in sterling.

## ***FORM OF ACCOUNTS***

### **Main Divisions of Accounts**

**Article 24.** The Govt. Accounts shall be kept in the following three parts :—

Part I Consolidated Fund of India or of the State/Union Territory concerned.

Part II Contingency Fund of India or of the State/Union Territory concerned.

Part III Public Account of India or of the State/Union Territory concerned.

(G.O. Ms. No. 187, Fin. & Plg. (Accts. II) Dept., Dt. 25-7-1987)

In Part I of the Account, there shall be two main divisions, namely:-

- |                                       |                                                                                                                                                 |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Revenue                           | [Consisting of Sections for ‘Receipts Heads (Revenue Account)’ and ‘Expenditure Heads (Revenue Account)’].                                      |
| (2) Capital, Public Debt, Loans etc., | [Consisting of Sections for ‘Receipt Heads (Capital – Account)’ Expenditure Heads (Capital Account)’ and Public Debt, Loans and Advances etc.,] |

The first division shall deal with the proceeds of taxation and other receipts classed as revenue, and the expenditure met there from. The section ‘Receipts Heads. (Capital Account)’ in the second division shall deal with receipts of a capital nature which cannot be applied as a set-off to Capital Expenditure.

The section ‘Expenditure Heads (Capital Account)’ in the second division shall deal with expenditure met usually from borrowed funds with the object either of increasing concrete assets of a material and permanent character or of reducing recurring liabilities. It also includes receipts of a Capital nature intended to be applied as set-off to Capital Expenditure.

The section “Public Debt” and “Loans and Advances” etc., of the Second division shall comprise, loans raised and their repayments by Government such as Internal Debt, External Debt to the Central Government and Loans and Advances made (and their recoveries) by Governments. The section also includes certain special types of heads for transactions relating to ‘Transfers from the Consolidated Fund to the Contingency Fund’ and ‘Inter State Settlement’.

In Part II of the Account, shall be recorded the transactions connected with the Contingency Fund set up by the Government of India or of a State or Union Territory Governments under Article 267 of the Constitution/Section 48 of the Government of Union Territories Act, 1963.

In Part III of the Account, the transactions relating to Debt (other than those included in Part I). ‘Deposits’, ‘Advances’, ‘Remittances’ and ‘Suspenses’ shall be recorded. The transactions under ‘Debt, Deposit and Advances’ in this part are such in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to ‘Remittances’ and ‘Suspense’ in this part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests, accounts between different accounting circles, etc., The initial debits or

credits to these heads will be cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

**Article 25.** (a) Within each of the divisions/sections mentioned in the preceding Articles the transactions shall be grouped into sectors such as “General Services”, “Social and Community Services”, “Economic Services” etc., under which specific functions and services are grouped. The Sectors are sub-divided into Major Heads of Account. In some cases the Sectors are, in addition, sub-divided into sub-sectors before division into Major Heads of Account. The Sectors shall be distinguished by a series of letters of the Alphabet separately for the ‘Revenue Receipts Section’, the ‘Revenue Expenditure Section’ and for the Sectors included in the remaining Sections/Divisions.

(b) Each Major Head is allotted a code number which consists of a three digit Arabic number code. The first digit indicates whether a particular Major Head pertains to the Revenue Receipts Section/Revenue Expenditure Section/Capital Receipts Sections! Capital Expenditure Section Public Debt and Loans and Advances etc., Section, or to the Public Account. The next two digits indicate the Major Heads. The digits indicating the Major Heads would remain the same for the Major Head denoting the same function occurring in the several sections included in the Consolidated Fund.

(c) Under this scheme of codification the ‘Receipt Major Heads’ are assigned the block of consecutive serial numbers 020 to 199, and ‘Expenditure major heads on Revenue Account’ from 211 to 399. The only Capital receipt major head has been assigned the Code No. 400. ‘Expenditure major heads on Capital Account’ are assigned the Code Numbers from 411 to 599, while major heads under ‘Public Debt’ are assigned the Code numbers from 601 to 610. The Major Heads under “Loans or Advances”, “Inter-State Settlement” and ‘Transfers to the Contingency Fund’ are assigned the Code numbers from 611 to 799. The only major head ‘Contingency Fund’ in Part II - Contingency Fund is assigned the Code Number 800. The major heads in the Public Account are assigned the Code numbers from 801 to 899. The significance and the mode of operation of this scheme of codification would be clear from the following examples, taking the major heads for the functions ‘Medical’ in the Section ‘Social and Community Services’ and “Agriculture” in the sector “Economic Services” These major heads will have the Code number as indicated below :-

<i>Receipts</i>	<i>Major Head (Rev.Account)</i>	<i>Expenditure</i>	<i>Major Head (Rev.Account)</i>	<i>Capital Head</i>	<i>Major Head</i>	<i>Loan</i>	<i>Major</i>
080	Medical	280	Medical	480	Capital Outlay on Medical	680	Loans for Medical
105	Agriculture	305	Agriculture	505	Capital Outlay on Agriculture	705	Loans for Agriculture

From these examples it will be clear that the Code numbers relating to a Major Head in respect of the same function falling under the four sections mentioned above, which are arranged consecutively, differ from one another by 200 in the ascending order. This is to ensure easy correlations of the receipts/expenditure relating to the same function occurring in these four sections.

(d) As exceptions to this general principle assigning Code numbers there are a few cases of Major Heads for the same function which are not existing in all the four sections. In other words Major Heads of the same description would appear only in the relevant Sections.

The various Sections/Sectors/Sub-Sectors, classified under the different divisions shall be as given in Annexure A to this chapter.

**Article 26.** (a) The main unit of classification in accounts shall be the major head which shall be divided into minor heads, each of which shall have a number of subordinate heads, generally known as sub-heads. The sub-heads are further divided into 'detailed' heads. Some times major heads are also divided into 'sub-major heads' before their further division into minor heads.

The Sectors, Major Heads, Minor Heads, Sub-heads and Detailed Heads together constitute a five-tier arrangement of the classification structure of Government Accounts.

The detailed classification of account heads in Government Accounts upto the stage of the minor heads (the third tier) shall be such as given in the 'List of Major and Minor Heads of Account of Central and States' 'Receipts and Disbursements' - Appendix 2 to Account Code Vol. I. In all accounts records the Major and Minor Heads shall be arranged in the exact order shown in the list of Major and Minor Heads of account. The classification prescribed (including the Code Number assigned upto the Major Heads) should strictly be followed. Complete uniformity including nomenclature is essential in classification upto the stage of the minor head.

(b) The major heads of account falling within the sectors and sections "Revenue receipts" "Expenditure met from Revenue" "Capital expenditure" and "Public Debt". "Loans and advances" etc., in the "Consolidated Fund" generally correspond to "functions" of Governments, such as the different services like "agriculture", "Defence" etc., provided by Government, while the minor heads subordinate to them identify the "Programmes" undertaken to achieve the objectives of the function represented by the major head. A programme may consist of a number of schemes or activities and these generally, correspond to "Sub-heads" (the fourth tier of classification) below the minor and represented by the programmes. In certain cases, especially in regard to non-developmental expenditure of an administrative nature, the sub-heads denote the components of a programme, such as "organizations" or the different "wings of administration". A schemes, activities or organizations under various programmes differ from State to State and Centre, a uniform classification by "Sub-heads" for all the Governments has not been prescribed. The Central and State Governments, and the Accountants-General may determine the sub-heads below the minor head, to meet the local or special requirements of each Government. In determining the sub-heads, the following guiding principles should be observed:

(i) Homogeneous Scheme under a programme, especially those involving small outlays should be grouped into suitable sub-heads.

(ii) The Sub-heads should not be multiplied unnecessarily. New ones are to be opened only when necessary.

(iii) In certain cases the grounds for opening specific sub-heads below the minor heads have been indicated in the "General Directions" to the "List of Major and

Minor Heads of Accounts” and in the various “Notes” below the major heads in the list. These directions should be followed wherever necessary.

(c) A “detailed head”, which constitutes the fifth and the last tier of classification in Government accounts, is termed as an object classification. On the expenditure side of the accounts, particularly in respect of the heads of account within the Consolidated Fund the detailed heads, are primarily meant for itemized control over expenditure and indicate the nature of expenditure on a scheme or activity or organization in terms of inputs such as ‘salaries’, ‘office expenses’, ‘grant in-aid’, ‘Loans’, ‘investments’ etc. They also constitute the primary units of appropriation for the purpose of the Demands for Grants of Governments. A list of “Standard detailed heads’ comprising the common items of expenditure in the activities of Government which can be uniformly adopted by all the Government - Central, State or Union Territories - is given in Annexure ‘B’ to this Chapter. The detailed heads shown in this list may be adopted by all the Governments, and such additional detailed heads as may be found necessary to cover the specific types of expenditure in certain departments, may also be opened. Care should however be taken to ensure that detailed heads are not proliferated unnecessarily.

### **Major, Minor and Detailed heads**

**Article 27.** The introduction of any new major head or minor head, as well as the abolition or change of nomenclature of any of the existing heads, shall require the approval of the Comptroller and Auditor-General who will obtain the approval of the President where necessary. The Accountants-General shall have discretion to open all the prescribed detailed heads and to open any new detailed head where absolutely necessary, bearing in mind the principles enunciated in Article 26(c) above. In addition, the following principles should be observed.

(a) A sub-head or a detailed head which is placed under a particular minor head by the Comptroller and Auditor-General either through directions in the List of Major and Minor Heads or elsewhere should not be placed under another minor head.

(b) The sub-heads subordinate to a minor head of expenditure should be so arranged in accounts as to exhibit separately the expenditure under each unit of appropriation as prescribed from time to time by Government.

### **Classification of Expenditure as “Charged” or as “Voted”**

**Article 28.** Expenditure which under the provisions of the Constitution is subject to the vote of the Legislature shall be shown in the accounts separately from expenditure which is “Charged” on the Consolidated Fund of India or of a State, Union Territory. The expression “charged” or “voted” shall be appended to the heads concerned to distinguish the two categories of expenditure.

## **CLASSIFICATION OF TRANSACTIONS IN A CCOUNTS**

### **General Limitations**

**Article 29.** Under Article 150 of the Constitution the accounts of the Union and of the States shall be kept in such form as the Comptroller and Auditor-General may with the approval of the President prescribe. The word “Form” used in Article 150 has a comprehensive meaning so as to include the prescription not only for the broad form in which the accounts are to be kept but also the appropriate heads under which certain transactions or classes of transactions have to be entered. Accordingly the Comptroller

and Auditor-General with the approval of the President, is the authority to determine the classification of any transaction or class of transactions in Government accounts.

Provision made in the estimates of receipts and expenditure framed by Government or in any other appropriation should ordinarily conform to the rules of classification prescribed in this Code. Where there is divergence the corresponding receipt or expenditure shall be brought to account under the appropriate Major or Minor Head or other unit of classification as determined by the Comptroller and Auditor-General with the approval of the President.

### **General Principles of Classification**

**Article 30.** As a general rule, the classification of transactions in Government accounts, shall have closer reference 'to the function, programme and activity of the Government and the object to the revenue or expenditure, rather than the department in which the revenue or expenditure occurs. For example, expenditure incurred by the Public Works Department on the construction of a Hospital shall be debited as expenditure under the major head "280 Medical" or "480. Capital Outlay on Medical" as the case may be, and not to the major head for "Public Works". This principle is however, subject to such exceptions as may be authorized specially in any individual case or a class of cases e.g., receipts representing 'Interest' are shown under "049. Interest Receipts" and expenditure on other maintenance and Repairs of Non-residential Buildings under the administrative control of the P.W.D. are shown under the Major head "259. Public Works" irrespective of the functions to which they relate.

### **General Principles of Expenditure Between Capital and Revenue**

**Article 30-A.** The guiding principles of allocation of expenditure between Capital and Revenue are as under :—

(1) Expenditure of a capital nature shall broadly be defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character or of extinguishing or reducing recurring liabilities.

(2) It is inherent in the definition of capital expenditure that the assets produced should belong to the authority incurring the expenditure. Expenditure by Govt. on Grants-in-aid to local bodies or institutions cannot legitimately be considered as capital expenditure.

(3) Expenditure on a temporary asset cannot ordinarily be considered as expenditure of a capital nature.

(4) Expenditure of a capital nature shall be distinguished from Revenue expenditure both in the Budget Estimates and in Government accounts, subject to the principles laid down in Article 43.

(5) Capital should bear all charges for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service. It should also bear charges for such further additions and improvements as it may be sanctioned under rules made by competent authority.

(6) Subject to (7) below, revenue should bear all subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also on such renewals and replacements and such additions, improvement of extensions as under rules made by Government are debitable to the revenue account.

(7) In the case of works of renewal and replacement which partake both of a capital and revenue nature, the allocation of expenditure should be regulated by the broad principle that Revenue should pay or provide a fund for the adequate replacement of all wastage or depreciation of property originally provided out of capital grants and that only the cost of genuine improvements, whether determined by prescribed rules or formula or under special orders of Government may debited to Capital.

### **IMPORTANT GENERAL ORDERS GOVERNING CLASSIFICATION**

#### **Pay and Allowances (Other than Travelling Allowances) of Government Servants**

**Article 31.** (1) Following the principles in Article 30, the Pay and Allowances of Government servants shall be classified in accounts as part of the scheme, activity or organizations (sub-head) under a programme (Minor Head) below a function (major/submajor head) to which the service of the Government servant closely relate. Where however, it is not possible to classify *ab initio* the pay and allowances of Government servant or servants under a single sub-head, because of the overlapping nature of the duties of such Government servants which extend to several activities, programmes, functions etc., the charges may be classified initially as part of the scheme or activity or organization which the major portion of the work of the Government servants relate. A suitable *pro-rata* allocation of such expenditure should however be made in all such cases as far as possible.

(2) The transit pay and allowances of a Government Servant proceeding to join an office whether on first appointment or on transfer, either permanently or as temporary measure, or on reversion from one department to another, should, in the absence of special orders to contrary be debited to the office to which he is proceeding.

**Note 1.** The transit pay and allowances both ways, of officers of the Defence or Railway Department lent to Civil Departments or vice versa, are debitable to the borrowing Department. This principle shall apply even in cases where the Government servant takes leave either before joining the borrowing Department or before rejoining the lending Department and shall hold good in respect of joining time admissible under the Service Rules applicable to him. Cases of permanent transfers between the Civil and the Defence or Railway Departments shall, however, be governed by the substantive rule in clause (2) above.

For purposes of this note, officers of the Indian Medical Service in civil employment should be regarded in all cases as lent to the Civil Department.

**Note 2.** The transit pay and allowances, both ways, of a Government servant transferred from one Government, to another or to foreign service will be adjusted in such manner as may be mutually agreed upon by the Government concerned or as may be laid down in the appropriate Service Rules. See also Section 1 in Appendix 3.

**Note 3.** The transit pay and allowances both in respect of the forward and the return journeys of Government servants transferred to or from Mission and offices abroad will be borne by the Ministry which plans the transfer of the official. However, the transit pay and allowances of the officers belonging to Indian Foreign Service (A) and Indian Foreign Service (B) in respect of their return journey from abroad shall be debited to the budget grant of the Ministry of External Affairs or the Ministry of Commerce and Industry, where the official reports for duty.

### Travelling Expenses

**Article 32.** Travelling allowances of Government Servants shall be debited in accounts, as part of the scheme/activity or organization, under a programme or function of Government in connection with which the expenditure on the travel on duty of the Government servant is closely connected. The principle is however, subject to such exceptions as may be specially authorized in this behalf by the Government in consultation with the Comptroller and Auditor-General.

### Expenditure on Public Works

**Article 33.** Expenditure on Public Works where the works are under the administrative control of the P.W.D. shall be classified in accounts, according to the following principles —

(i) Expenditure on the construction of Government non-residential buildings, for administrative and office purposes “and other buildings which exclusively relate to functions under General Services” as distinct from that of the construction of buildings for functional purposes like Schools, Colleges, Hospitals, etc., will be accounted for under the major head “259. Public Works” or “459. Capital Outlay on Public Works” as the case may be;

(ii) Expenditure on the construction of buildings for purely functional purposes, such as those for Schools, Colleges, Hospitals, etc., will be accounted for under the relevant major heads closely connected with the functions, such as “277. Education/477. Capital Outlay on Education, Art and Culture” “280. Medical/480. Capital Outlay on Medical” etc., as the case may be;

(iii) Expenditure on maintenance and repairs of all Government non-residential buildings whether for administrative office or functional purposes - will however, be accounted for under the major head “259. Public Works”;

(iv) Expenditure on Government residential buildings will be accounted for under the major head “283. Housing/483. Capital Outlay on Housing” in the revenue or capital section as the case may be, in the sector “Social and Community Services”;

(v) Expenditure on roads and bridges, being in the nature of communication services, will be accounted for under the major head “337. Roads and Bridges/537. Capital Outlay on Roads and Bridges” in the revenue or capital sections as the case may be in the sub-section “Transport and Communications” of the sector “Economic Services”.

**Note 1:** — Where the buildings etc., are not under the administrative control of the P.W.D. it is open to Govt. to prescribe that expenditure on construction and repairs upto certain monetary limits, may be incurred by the Civil departments (i.e., departments other than the Public Works Department) concerned. In such cases, where the expenditure can be identified with the programme (Minor Head) relating to the function (Major Head) it should be accounted for under the detailed head “Works” below the minor head. Where the minor head is not identifiable, it should be classified under the residuary minor head “Other expenditure” of the relevant major head.

**Note 2:** — Expenditure on the staff-quarters (construction as well as maintenance) forming part of a scheme or project such as those of Doctors or Nurses in a Hospital, will normally be accounted for as expenditure of the programme under the relevant functional Major head (‘Medical’ in the example cited above) and not under the Major head ‘Housing’. If however Government



finds it difficult for administrative reasons, to follow this principle, in the case of maintenance expenditure, the expenditure on maintenance may be debited to “259. Public Works”. As a corollary, the rent receipts will go to “083 Housing” in such cases.

### **Contributions made by or to Government**

**Article 34.** (a) Contributions made by the Central or the State Governments to Zilla Parishads, Municipalities, etc., or vice versa shall be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus, a grant for the construction of a school shall be debited to “277. Education” grant for construction of a drainage system to “282. Public Health. Sanitation and Water Supply” and a grant for the constructions of a road to “337. Roads and Bridges” and a grant given for general purposes. such as a grant to make good a deficit or as compensation for revenue resumed, shall be classified under “284. Urban Development” and “363. Compensation and assignments to Local Bodies and Panchayati Raj Institutions” respectively.

*Note 1:* —If the financial assistance given by the Central or State Government to a local body does not take the form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or a part of the cost of a work constructed by that department on behalf of the local body concerned, the contribution thus made should be debited as expenditure under the detailed head ‘Contribution’ below the relevant minor/major head corresponding to the programme/function closely connected with the object of the assistance.

*Note 2 :*—Contribution paid by a local body or private party with the express object of meeting the whole or a part of the cost of construction by the Public Works Department of a specific work which is eventually to be the property of Government should be credited as revenue receipts of the Government relevant to the function/programme closely connected with the object for which the contribution is made.

(b) Article 282 of the Constitution provides that the Union or a State may make any grants for any public purpose, notwithstanding that the purpose is not one with respect to which Parliament or the Legislature of the State, as the case may be, may make laws. The word ‘grant’ used here should be taken to mean not merely ‘grant-in-aid’ but also other direct expenditure.

### **Refunds of Revenue**

**Article 35.** Refunds of revenue, shall as a general rule be taken in reduction of the revenue receipts. In so far as the sector “A. Tax Revenue” is concerned the refunds shall be accounted for under a distinct sub-head below the relevant minor heads under the major/sub-major heads in that sector, so that the net collection of each tax/duty (accounted for under the minor heads) can be readily ascertained from the accounts.

The refunds of revenue relating to the sectors “B. Non-tax Revenue” and “C. Grants-in-aid and contributions” may be accounted for under a separate minor head “Deduct-Refunds” under the major/sub-major heads falling in these sectors, in case it is not practicable to exhibit such refunds as sub-heads below the programme minor heads themselves.

### **Classification of Transactions under “Civil Advances”**

**Article 36.** (a) Moneys advanced for miscellaneous purposes under special authority and recoverable in cash and sums overpaid on vouchers other than those for

service payments shall be adjusted under the head '850. Civil Advances'. Payments made on account of Government expenditure should not be held under "Civil Advances" on the ground that further proceedings in audit are necessary for their final admission. This head shall cover items which are from their inception debts due to Government recoverable either in cash or by deduction from Pay and Allowances. Pay and Allowances of any kind in respect of an assignable period paid before they are due shall be debited to the same head as and when paid after they are due.

(b) (i) Advances of Pay and Travelling Allowance on transfer should be debited to the final head of account and not to "Civil Advances" subject to (ii) below. The debit should be borne by department which makes the advances. The recovery of Pay and Travelling Allowance advances on transfer, will, irrespective of the year of recovery, be treated as minus expenditure. The recoveries will be accounted for under the head of account to which the expenditure of the department to which the Government servant is transferred is debited.

(ii) However, in the case of transfer of a Government servant from one Government to another or within the Central Government to or from the Railways/Posts and Telegraphs/Defence Departments, the debit representing the advance of Pay/Travelling Allowance on transfer will be dealt with as per the principles indicated below:—

(a) In the case of a transfer from a lending Government/Department to a borrowing Government/Department the debit will be passed on to the borrowing Government/Department for adjustment to the appropriate final head of account in the books of the borrowing Government/Department, and recoveries of such advances affected in that Government/Department will be adjusted as minus expenditure.

(b) In the case of re-transfer of the Government servant to the lending Government/Department, the debit on account of "Advance of Pay" may be passed on by the borrowing Government/Department to the lending Government/Department while the debit on account of "Advance of Travelling Allowance" should be finally adjusted in the books of the borrowing Government/Department itself, since final Travelling Allowance in which the advance is to be adjusted is to be borne by the borrowing Government/Department in accordance with the principles of incidence of such changes laid down in Appendix 3-B- 1 (ii) of Central Account Code.

(c) Advances for law suits shall be debited to the functional expenditure head concerned. Refunds of amounts remaining unspent out of these advances shall be dealt with as cash recoveries; and adjusted in accounts, in accordance with the provisions in Article 22 of Vol. IV of Central Account Code.

#### **Article 22 of the Comptroller and Auditor-General's account Code, Volume IV:**

**22.** The recoveries of overpayments shall be posted direct under the receipt or service head concerned in the Compilation Book in the following manner:

(a) Recoveries relating to overpayments of the current year—

The recoveries whether made in cash or from payment vouchers shall be taken as a reduction of expenditure by posting these as minus expenditure in the Compilation Book itself under the head previously overcharged, and

## (b) Recoveries relating to overpayments of a previous year—

There shall be credited to the departmental receipt head concerned as receipt of the department or in the case of Departments not having corresponding receipt head to the major head “65 - other Administrative Services” direct if made in cash or through part (3) of the Abstract (like deductions on account of General Provident Fund etc.) if made from payment vouchers.

(G.O. Ms. No. 187, Fin. & Plg. Dt. 25-7-1987)

In cases where full particulars are not available to determine the correct classification, for the purpose of direct postings, the items shall, in the first instance, be classified under a suitable detailed head e.g., ‘Objection Book Suspense-Receipt’ under the minor head “Suspense Account” Civil below the major head “Suspense Accounts” in the Deposit Section of the Accounts. This suspense head shall be cleared on receipt of the necessary particulars.

**Note** :—If a recovery representing an over payment of the current year is made by short payment of an item debitible to the same detailed head, no separate adjustment is necessary.

### Classification of Transactions under “Suspense”

**Article 37.** Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reason may be held temporarily under the head “858. Suspense Account” in the sector “Deposit section” of the accounts. A service receipt of which full particulars are not given must not be taken to the head “Suspense Account” but should be credited to the minor head “Other Receipts” under the revenue head to which it appears to belong pending eventual transfer to the credit of a proper head on receipt of detailed particulars. The charges under the head “Suspense Account” will consist not only of items for which full particulars have not been given which will enable the Audit Office properly classify them, but also charges written back on disallowance from Exchange Accounts or charges disallowed from the Inward Settlement Account, which are not susceptible of final adjustment against some other head. If, however, the only point of doubt in respect of any charge is whether it should be treated as Central Charge or as pertaining to a State, it should not be debited to “Suspense” but should be taken to a proper service head of account, and shown as appertaining to the Government which actually incurred the expenditure pending final decision of the question of which Government should bear the charge.

(G.O. Ms. No. 187, Fin. & Plg., Dt. 25-7-1987)

**Note** :—No sums shall ordinarily be credited to Government by debit to suspense head; credit must follow and not precede actual realization.

### Exchange in Respect of Transactions in England and the Mission Abroad

**Article 37-A.** Net gain or loss by exchange in respect of Government transactions taking place in U.K. and in the Embassies and Missions abroad shall be uniformly adjusted in the books of the Central Government under the head “068/268 Miscellaneous General Services - Gain/Loss by exchange.”

**IMPORTANT SPECIAL ORDERS GOVERNING CLASSIFICATION OF  
CERTAIN INDIVIDUAL TRANSACTIONS**

**Cost of acquisition of land**

**Article 38.** Cost of land acquired for any specific work or a project shall be recorded as part of the cost of the works or of the project under the relevant functional major/minor head. The expenditure on acquisition of land by the Public Works Department for general purposes shall be recorded under the head “259. Public Works Other Expenditure” 459. Capital Outlay on Public Works - Acquisition of Lands” as the case may be.

**Sale-proceeds of Government Land and Buildings**

**Article 39.** The classification of the sale-proceeds of Government land and buildings shall be regulated in accordance with schedules given below

**SCHEDULE I  
Sale-proceeds of land, etc.**

	(1)	<i>Heads to which creditable</i> (2)
(i)	When the cost of the land was originally debited to, or remains at the debit of, the Capital account of any project or undertaking for which regular Capital and Revenue accounts are kept or was originally met from the revenue account of such PROJECTS or undertaking.	The Capital or Revenue account of the project, as the case may be, according to the allocation rules applicable to the Dept. concerned.
In the case of land acquired by Government on payment of companies Railway, or of Government land made over to such Railways by other Government Departments or Railways, where the cost was originally debited to “350-Subsidised Companies-Land” the sale proceeds are creditable to “150-Subsidised Companies” on the receipts side.		
(ii)	When the cost was originally debited to a Capital expenditure head outside the Revenue Accounts, even though no regular Capital and Revenue accounts are kept for the work covered by the Capital expenditure.	The Capital expenditure head, originally debited.
(iii)	When the cost was originally debited, within the Revenue Section of accounts, to any service or revenue department for which no Capital and Revenue accounts are kept.	The receipt head relating to the Department concerned, or in the case of department not having corresponding receipt head “068 Miscellaneous General Services - Sale of land and Property”.
(iv)	When the cost was not so debited :—	
	(a) the rights of the Government in agricultural land not covered by clause (b);	“105. Agriculture - Other receipts”.

	(1)	(2)
(b)	Nazul lands in the Uttar Pradesh, the Punjab and the Madhya Pradesh or elsewhere the lands in the Punjab equipped at the cost of State revenues for resale for building purposes:	“068. Miscellaneous General Service - Sale of Land and Property”.
(c)	In all other cases :—	
	(i) If sold in the Public Works Department:	The functional receipt major head concerned or the head “059-Public Works”.
	(ii) If sold in the Defence Department:	The major heads “069-Defence Services Army” 070-Defence Services - Navy or “071 - Defence Service - Air Force” as the case may be.
	(iii) If sold by the Civil agency:	The functional receipt major head concerned or “068 - Miscellaneous General Services”.

## SCHEDULE II

### Sale-proceeds of buildings (including the actual area occupied by or auxiliary to a building)

	(1)	<i>Heads to which creditable</i> (2)
(i)	When the cost of the building was originally debited to, or remains at the debit of, the Capital Account of a project or undertaking for which regular Capital and Revenue Accounts are kept or was originally met from the Revenue account of such project or undertaking.	The Capital or Revenue account of the project, as the case may be, according to the allocation rules applicable to the Department concerned.
(ii)	When the cost of the building was originally debited to a Capital expenditure head outside the Revenue account, even though no regular Capital & Revenue Accounts are kept for the work covered by the Capital expenditure.	The Capital expenditure head originally debited.
(iii)	When the sale affects Irrigation, Navigation, Embankment and Drainage works for which Capital Accounts are not kept.	“1 33. Irrigation, Navigation, Drainage and Flood control Projects - B. Irrigation Projects (Non-Commercial) or D. Navigation Projects (Non-Commercial) or F. Drainage Projects (Non-Commercial) or G. Flood Control and Anti-sea Erosion Projects”, as the case may be.

	(1)	<i>Heads to which creditable</i> (2)
(iv)	When the sale is of building the cost of which was originally debited, within the revenue section of the accounts, to any service or revenue department for which no capital and revenue accounts are kept.	“The receipt head relating to the function to which the cost of the building was initially debited or in cases where there is no corresponding receipt head, to the head “068 - Miscellaneous General Services - Sale of land and property”.
(v)	In all other cases:	
	(i) If sold in the Public Works Department.	The functional receipt major head concerned or the head 059-Public Works”.
	(ii) If sold in the Defence Dept.	The major heads “069-Defence Services - Army” - “070-Defence Services - Navy” or “071-Defence Services - Air Force” as the case may be.
	(iii) If sold by civil agency.	The functional receipt major head concerned or “068-Miscellaneous General Services”.

### Municipal rates and taxes

**Article 40.** Municipal rates and taxes on Government buildings shall be adjusted as follows:-

(a) As a general rule, municipal rates and taxes on a non-residential building utilized for functional purposes, such as for Schools, Colleges or Hospitals, if paid by the relevant departments dealing with those functions, would be adjusted in accounts as part of the sub-heads/minor heads concerned relating to the function, under the detailed head “Rent, Rates and Taxes”. Where however, the whole or a part of the tax is paid by the Public Works Department in administrative control of the building, the payments may be debited to the maintenance estimates of the building concerned viz., “259. Public Works-Maintenance and Repairs in terms of Article 33 (iii).

(b) Taxes on non-residential buildings occupied by Department other than the Defence Department, if paid by a department nominated by Government in this behalf and not passed on to the occupying departments shall be debited to “265. Other Administrative Services - Other expenditure”.

(c) Taxes on residential buildings, if payable Government shall be debited to the maintenance estimates of the buildings under the head “283. Housing - C - Government Residential Buildings - Maintenance and Repairs or “259. Public Works”, in case the Government has decided to debit maintenance expenditure to this head’.

**Note** :—In cases where the whole or any portion of the taxes which by local rule or custom are ordinarily leviable from the tenant, is paid by a department of the Government such payments are treated as part of the Contingent expenditure of the department.

(d) Taxes both on residential or non-residential buildings owned/or occupied by the defence department shall be debited to the Defence Services Estimates.

### Cost of Survey of India and other Scientific Parties accompanying a military expedition

**Article 41.** The cost of Survey of India and other scientific parties which may accompany a military expedition shall be adjusted as follows:—

(i) All extra expenditure connected with Survey of India unit which would not have been incurred but for field operations shall be borne by the Defence Estimates, provided the Survey of India unit accompanied the expedition at the request of the Defence Department.

(ii) The cost of the pay, allowances, and contingencies of other scientific parties shall be borne by the respective Civil Departments concerned, while the expenditure incurred on special transport arrangements made by the Defence Services shall be debited to the Defence Estimates.

These rules shall not, however, apply to the classification of the cost of units of the Survey of India or of other scientific parties mobilized for service with the Army on general mobilization. The whole cost of these units except (in the case of the Survey of India) that of the initial supply of all technical equipment material and stores; shall be debited to the Defence Estimates under Special Rules.

### ***LOCAL RULING***

#### **Cost of Management of Andhra Pradesh Government Life Insurance Fund**

The cost on account of the pay and allowances of the officers and the staff and Class IV employees of the Andhra Pradesh Government Life Insurance Department and other charges representing management expenses, which are initially debited to the Government account under "M.H. 288-Social Security and Welfare - E. Other Social Security and Welfare Programmes - 05-Insurance Schemes - S.H. (01) Andhra Pradesh Government Life Insurance Department" shall finally be transferred at the end of each financial year to the Fund Accounts under M.H. 811 - Insurance and Pension Funds - 05. State Government Insurance Fund - S.H. (01) Andhra Pradesh State Life Insurance Fund".

(Memo No. 92383/ Fin. (Accts) Dept. 66-3, Dt. 5-1-1968)

### ***GENERAL METHODS OF ACCOUNTING***

#### **Accounting for transactions Pertaining to more than one major head of account**

**Article 42.** For the sake of convenience or for other special reasons, receipts or charges pertaining to more than one head of account may be booked in the first instance under one of the head concerned, but the portion creditable to the other head or heads involved should be transferred from the former head to the latter before the accounts of the year are closed. A few cases in which this procedure is authorized are cited below :—

(1) Where the charges for the supply of water from Irrigation canals are consolidated with the Land Revenue demand the consolidated rates are in the first instance credited to the head "029. Land Revenue" and an approximate amount calculated as the share due to Irrigation is transferred to Irrigation Revenue head.

(2) Charges for collection of corporation tax are accounted for under the head "220 - Collection of Taxes on Income and Expenditure - Collection Charges - Income Tax" in the first instance, the amount debitible to the head "Collection Charges - Corporation Tax" being transferred latter from the former head to the latter.

(3) Interest paid by Government on loans is taken initially under the head "249 - Interest Payments" and necessary transfers from this head are made subsequently in

respect of amounts debitible to Commercial Departments, by credit to “049 Interest Receipts”.

(4) The Establishment and Tools and Plant charges of Public Works Division are in the first place booked under a single major head subject to final apportionment among the several major heads concerned.

(5) The charges relating to the audit of the transactions of the Posts and Telegraphs, Railways and the Salt Organization of the Ministry of Commerce and Industry, are recorded initially under the head “216 - Audit” and are transferred subsequently to the accounts of the respective departments.

### **Record of Capital Expenditure in accounts**

**Article 43.** The following principles shall govern the record of capital expenditure in accounts:

(i) The Central Government and the State Governments should prescribe definite criteria for classifying an item of expenditure as pertaining to ‘Revenue’ or ‘Capital’ taking into account the nature and the magnitude of the expenditure involved. The source of financing (whether revenue budget or capital budget) should follow this classification.

ii) All items of expenditure to be met from revenue according to the criteria indicated in (i) above should be initially and finally debited to ‘Revenue’ and it is not permissible to debit such expenditure temporarily to a capital head, pending its write back to revenue over a period of years.

(iii) The detailed rules by which allocation of expenditure between Capital and Revenue in commercial departments and undertakings should be determined, shall be such as may be made by Government, after consultation with the Comptroller and Auditor-General.

### **Accounting for transactions relating to Scheduled Areas**

**Article 44.** Receipts and expenditure pertaining to Scheduled Areas in a State, vide Article 244 (1) of the Constitution, shall be accounted for under the same major and minor heads under which corresponding receipts and expenditure pertaining to other areas of the State are accounted for, but the receipts and expenditure of the former kind may be shown in the accounts separately from the latter if Government so desires.

**Article 45.** *[Deleted]*

### **Accounting for losses**

**Article 46.** Losses of Public money, stores or other property of Government shall be accounted for in accordance with the rules in Chapter 6.

### **Exhibition of recoveries in Government Accounts**

**Article 47.** The rules to regulate the exhibition of recoveries in Government Accounts are contained in Chapter 5.

### **Accounts for recoveries of overpayments**

**Article 48.** Recoveries of overpayments shall be adjusted in the accounts in accordance with the procedure set Out in Article 22 of Volume IV of Central Account Code.



### **Accounts of Commercial Undertakings**

**Article 49.** Where any undertakings of Government are conducted on commercial lines, the essential formalities of commercial accounts should, if Government so desires, be strictly observed. In such cases separate commercial accounts of the undertakings shall be kept outside the regular Government accounts. Gross receipts and expenditure of commercial undertakings shall be accounted for under the appropriate major and minor heads in the same way as ordinary receipts and expenditure of Government. The heads of accounts, should, as far as possible, be common to the Government accounts, and the General Ledger maintained at the undertaking and should be selected with due regard to the principles of Governmental and commercial accounting so that the monthly classified account of income and expenditure of the undertaking may be prepared readily from the General Ledger maintained at the undertaking.

### **Working expenses of commercial departments**

**Article 50.** As a general rule all expenditure pertaining to any department, including commercial department, should be recorded on the expenditure side of the account only.

### **Transactions with other Governments and Account Circles**

**Article 51:** Subject to any general or special orders issued by Government after consultation with the Comptroller and Auditor-General, the methods by which transactions between different account circles as well as between different Governments including Government of other countries are settled, shall be as described in relevant Chapters of Volume IV of Central Account Code.

### **Rectification of misclassification**

**Article 52.** The procedure to be followed in rectifying misclassifications in accounts shall be as prescribed in Chapter 19 of Volume IV of Central Account Code.

### *Chapter 19*

### **Transfer Entries of the Comptroller and Audit-General's Account Code, Volume IV Object of Transfer Entries**

**247.** Transfer entries, which are entries intended to transfer an item from one head of account to another, are necessary :—

- (a) in order to correct an error of classification in the original accounts;
- (b) in order to adjust, by debit or credit to its proper head, an item outstanding under a debt, deposit or remittance head;
- (c) in order to adjust inter-departmental and other transactions which do not involve the receipt or payment of cash.

1. Another type of case in which transfer entries are necessary occurs when it is found more convenient to classify items pertaining to more than one head of account under a single head of account in the first instance than to classify them under each head of account from the beginning, for example when a definite proportion of any receipt or charge is taken to a separate head, it is often convenient to make the distribution upon the totals of the Departmental Abstract or the Detail Book.

### General Rules

**248.** Transfer entries should be prepared in Form 50. On one side of every transfer entry, there should be only one major head to which there may be a debit or credit to sundry heads or vice versa; debit should not be taken against sundry head by credit to sundry heads. A .fortiori, the same entry should to contain independent corrections of two major heads: it may not debit A by credit to B, and again C by credit to D.

In a transfer entry all particulars explaining both the nature of the adjustment and (if it is a correcting transfer) the grounds of the correction must be clearly stated.

**249.** A list of adjustments which have to be made periodically should be maintained in order to ensure that they are regularly made. These adjustments should, as a rule, be made monthly. If this is found inconvenient and if the Accountant-General considers that there are sufficient grounds for postponing any adjustments, they may be made quarterly. Unforeseen adjustments should, however, be made as soon as the necessity for them arises.

**250.** Save as may be authorized by the Comptroller and Auditor-General or by Government consultation with Comptroller and Auditor-General, annual and half-yearly transfers should, as a rule be avoided. Cases in which such transfers are authorized will be found in the manuals of the Account Officers concerned.

### Correction of Accounts

**251.** (a) If an item which properly belong to a Revenue or Expenditure head is wrongly classified under another Revenue or Expenditure head in the accounts of the same Government, the error may be corrected at any time before the accounts of the year are closed, in the manner directed in Article 246; but after the accounts are closed, no correction is admissible it being sufficient to make a suitable note of the error against the original entry. If however, the error affects the receipts and disbursements of another Government, or the transactions of a Commercial Department it should be corrected by transfer in all cases as soon as the error is discovered. The procedure to be observed for the correction of errors in the accounts of works in the Public Works Department shall be laid down in Articles 149 and 200(a) of Volume III of Central Account Code.

(b) An error which affects a debt, deposit or remittance head must be corrected by transfer, however old and small it may be. If the accounts of the year in which the error took place are not closed the correction should be made by the removal of the item from the head under which it was wrongly taken to that to which it properly belongs. If the accounts of the year in which the error took place are closed, then the following procedure should be followed in the cases referred to:

(1) an item taken to one debt, deposit or remittance head instead of another—the correction should be made by transfer from the one to the other.

(2) an item credited to a debt, deposit or remittance head instead of to a revenue head, or debited to a debt, deposit or remittance head instead of to an expenditure head - the correction should be made by transfer to the head under which it should originally have appeared:

(3) an item credited to a revenue head instead of to a debt, deposit or remittance head, -the corrections should be made by debiting refunds and crediting the proper head.

(4) an item debited to an expenditure head instead of to a debt, deposit or remittance head, - correction should be made debiting the proper head and crediting the relevant receipt head (vide Article 22).

**Note 1** —After the accounts of the year are closed, corrections of transfers affecting capital major heads, unless they affect the account of different Governments, should usually be affected without financial adjustment by alteration of progressive figures without passing the debit and credit entries through the accounts of the year's financial transactions. This would prevent unnecessary inflation of the current year's accounts and the voting of grants of doubtful propriety which the inclusion of the correcting entries in the current accounts would otherwise involve.

**Note 2** :—Errors in the accounts of Divisional Officers of the Public Works Departments shall be governed by the rule in Article 200 of Volume III of Central Account Code.

### Outline of Procedure

**252.** A correction by a transfer entry may be proposed by any section of an Account Office; it should be accepted by the other section concerned if the entry has been drawn up according to rule and necessary particulars are furnished. Original vouchers and other documents in support of the entry should be recorded in the section which originally dealt with them and not sent to the other section concerned along with the transfer entry.

**253.** A transfer entry Number Book in Form 51 should be maintained in each audit or accounts section in which should be entered in brief but clear detail the particulars of each transfer originating in that section, it being sufficient to fill in columns 1 and 2 only in respect of transfer entries received from other sections. The transfer entry Number Book for Central transactions should be kept separate from that for State transactions. The entries proposed by the several sections should be numbered serially by each, a distinctive letter being used by each section and these numbers entered in their respective Number Books. The number to be given to an entry received from another section should be expressed as a fraction, the numerator of which will denote the number as given by the originating section and the denominator will show the number assigned to the entry in the Number Book of the receiving section.

**Note:-** The provisions of this Article may be relaxed, at the discretion of the Head of an Accounts Office, when, in view of the large number of transfer entries received from other sections, it is considered more economical, only with reference to the entries so received and not those originating in the receiving section itself, to maintain a simple 'Index of Transfer Entries' showing the General Number as allotted by the receiving section and the sectional number of the originating section, in the following form which can be drawn up in manuscript.

Index of transfer Entries for the month of 199

General No.	Sectional Number and distinctive letter	General No.	Sectional Number and distinctive letter

**254.** (a) The addition or deduction which should be posted in Departmental Abstracts or the Detail Books on account of the transfer entries should be worked out from

the separate transfer entries of all sections in accordance with the procedure described in the succeeding Articles. This procedure shall consist mainly of the preparation of an abstract known as the Combined Transfer Ledger and Abstract (Form 52) showing the debits and credits to be made under each detailed head affected by the entries of the month, the totals of the debits and credits of the month necessarily being equal. The Combined Transfer Ledger and Abstract for Central transactions should be kept separate from that for State transactions;

(b) In the case of revenue and expenditure heads, it is the net outcome of the transfer entries against each, i.e., the balance of the head, in the Combined Transfer Ledger and Abstract (Form 52), which should appear as a debit or credit in the Abstract but in the case of debt, deposit or remittance heads, the gross credit and the gross debit should both appear in the Abstract, - the former in the receipt part and the latter in the disbursement part, as these heads have corresponding accounts of both sides.

1. When large transfers are made from one debt, deposit or remittance head to another in order to correct the original classification in accounts the correction should, wherever possible be made by a deduct entry against the original debit or credit, so as to prevent exaggeration of the transactions in the accounts. The same principle shall apply also to transfer of balances from one account circle to another within the accounts of the Central Government.

When, however, such a transfer affects a debt, deposit or remittance head for which grants are obtained, it should be adjusted, irrespective of the amount involved, on the following principles

(a) When the correction is in rectification of a misclassification of the same year,— by deduct entry against the original debit or credit, as the case may be;

(b) When the correction is in rectification of a misclassification of the previous year,— by plus credit or minus credit under the concerned, without affecting the debits for the year; provided that in either case, if the correction involves the transfer of balances from one account circle to another within the accounts of the Central Government, the adjustment in both circles must be made without any reservation within the same official year.

**255.** The transfer entries, after being noted in the Number Book, should be posted individually into the left hand columns of the Combined Transfer Ledger and Abstract, against the respective heads affected. The column for “Number” of the entry and that for the “District or Department” which provides for the name of the District or Department in whose accounts the original error appeared should be filled in at the same time.

**256.** From the right hand money columns of the Combined Transfers Ledger and Abstract, the figures should be posted under appropriate heads in the Departmental Abstract or the Detail Book, immediately under the total of cash transactions. The debits to a revenue head, and the credits to an expenditure head should appear in the “Deduct” line, but all other entries (with the exception of the kind mentioned in Rule I to Article 254) are entries of addition and should appear in the “add” line.

**257.** A note of a correction effecting district figures relating to revenue and expenditure heads should be made against the original entry in the Departmental Abstract

of the month in which the error occurred. Where the Compilation Book of revenue and service transactions takes the place of the Departmental Abstract, a note should be made similarly in that Book. Transfers affecting a debt, deposit or remittance head should be made by . , ' entries in the month of correction and need not be noted against the original entry. in the case of important transfers, however, a note should be made in red ink, across the original entry in the Detail Book, of the month of its reversal and across the correcting entry of the month of the original one.

**Note :-** When detailed statement of revenue is communicated, month by month, to the revenue controlling authority, particulars of correcting transfers made in the month's accounts should be given at the foot.

### **Closing of the Combined Transfer Ledger and Abstract**

**258.** The Combined Transfer Ledger and Abstract should be closed by totaling, under each head the figures in the columns on the left, and carrying into the columns on the right the balance in the case of revenue and expenditure heads, and the totals (except as stated in Rule 1 to Article 254) in the case of debt, deposit and remittance heads. The total of the two money columns on the left need not be carried forward, but the amounts in the two money columns on the right hand side should be totaled and agreed. After the Combined Transfer Ledger and Abstract is thus proved by the agreement between the totals of these two columns, an abstract should be drawn up as indicated in the Article 55. The Departmental Abstracts or the Detail Book should then be posted from the Columns on the right, the poster ticking off each entry, as he posts it, At the end of the year, the monthly volumes of the Combined Transfer Ledger and Abstract should be arranged in order of the months and bound into convenient volumes.

### **Writes-off from Balanced heads to 'Government'**

**Article 53.** Ordinarily all amounts due to Government which are found to be irrecoverable shall be written-off from the Debt head of account concerned to an Expenditure head as a loss to Government. Similarly, any amount due by Government remaining unclaimed for such time as may be prescribed by Government may be credited as revenue of the Government concerned by debit to the Debt or Deposit head concerned. Amounts outstanding due to book-keeping errors under heads which close to balance may be written-off to "880 - Miscellaneous Government Account - Write-off from heads of account closing to balance", with the specific approval of the Comptroller and Auditor General.

**Note 1:** (a) The powers of the Comptroller and Auditor-General of India referred to above may be exercised by the Accountant General in cases where the amounts to be written-off do not exceed Rs. 1,000 provided that-

(i) The amounts written-off have been thoroughly examined by the Internal Audit Sections;

ii) the Accountant-General is personally satisfied that the items have been outstanding for over 5 years, that a dead end has been reached in all cases, and that a write-off is unavoidable; and

(iii) The Accountant-General has also satisfied himself that the outstanding is the result of a book-keeping error only;

(b) The amounts written-off by the Accountant-General should be reported to the Comptroller and Auditor-General of India annually by 10th November, along with certificates regarding the fulfillment of the conditions (i) to (iii) in (a) above;

(c) In the case of P.F. Suspense, the limit 5 years mentioned at item (ii) of Note I - (a) will not be applicable. Group Officer holding charge of Provident Group may also write-off the outstanding amount under this head upto Rs. 500 in each case subject to his having satisfied himself about the conditions (i) to (iii) in (a) above. A quarterly report on items written-off by Senior Deputy Accountant-General under the powers delegated to him should be submitted to Accountant-General for review. The Accountant-General should report to Comptroller and Auditor-General of India on the write-off of Suspense half-yearly on 10th May and 10th November. (As amended in C.S. No. 1/81 vide G.O. Ms. No. 79, Fin. & P1., Dt. 7-4-81)

**Note 2** :—Where it is not possible to establish that unreconciled balances/differences under heads of account which close to balance are either due to book-keeping errors or involve loss/receipts the balances/differences may be written-off to “Government Account” with the approval of the Comptroller and Auditor-General after obtaining concurrence of the Government concerned.

### **Accounts to work from balance to balance**

**Article 54.** The accounts of each Government shall work from balance to balance. The closing balance shown in the accounts of each month shall work up to the general cash balance of each Government held in its treasuries (including remittances in transit) and by the Reserve Bank of India at the end of that month.

### **ANNEXURE A**

(See Article 25)

#### ***List of Sections/Sectors/Sub-sectors under the main Divisions of Accounts***

#### **Part I - Consolidated Fund.**

##### **(1) REVENUE:**

##### ***I. Receipt Heads (Revenue Account)***

##### **A. Tax Revenue :**

- (a) Taxes on Income and Expenditure
- (b) Taxes on Property and Capital transactions
- (c) Taxes on Commodities and Services

##### **B. Non-Tax Revenue :**

- (a) Fiscal Services
- (b) Interest Receipts, Dividends and Profits
- (c) Other Non-tax Revenue

##### **C. Grants-in-Aid and Contributions.**

##### ***II. Expenditure Heads (Revenue Account)***

##### **A. General Services :**

- (a) Organs of State
- (b) Fiscal Services

- (c) Interest Payment and Servicing of Debt.
- (d) Administrative Services
- (e) Pensions and Miscellaneous General Services
- (f) Defence Services.

B. Social and Community Services

C. Economic Services:

- (a) General Economic Services
- (b) Agriculture and Allied Services
- (c) Industry and Minerals
- (d) Water and Power Development
- (e) Transport and Communications
- (f) Railways
- (g) Posts and Telegraphs

D. Grants-in-Aid and Contributions.

**(2) CAPITAL, PUBLIC DEBT, LOANS, ETC.,:**

***I. - Receipts Heads (Capital Account)***

***II. Expenditure Heads (Capital Account)***

- A. Capital Account of General Services
- B. Capital Account of Social and Community Services
- C. Capital Account of Economic Services:
  - (a) Capital Account of General Economic Services
  - (b) Capital Account of Agriculture and Allied Services
  - (c) Capital Account of Water and Power Development
  - (d)
  - (e) Capital Account of Transport and Communications
  - (f) Capital Account of Railways
  - (g) Capital Account of Posts and Telegraphs
- D. Grants-in-Aid and Contributions

***III. Public Debt - Loans and Advances, etc.***

- E. Public Debt.,
- F. Loans and Advances
- G. Inter-State Settlement
- H. Transfer to Contingency Fund

**Part II - Contingency Fund**

**Part III - Public Account**

- I. Small Savings, Provident Funds, etc.:

- (a) Small Savings
  - (b) Provident Funds
  - (c) Other Accounts
- J. Reserve Funds
- (a) Reserve Funds bearing interest
  - (b) Reserve Funds not bearing interest
- K. Deposits bearing Advances:
- (a) Deposits bearing interest
  - (b) Deposits not bearing interest
  - (c) Advances
- L. Suspense and miscellaneous:
- (a) Coinage Account
  - (b) Suspense
  - (c) Other Accounts
  - (d) Accounts with Governments of Foreign Countries
  - (e) Miscellaneous
- M. Remittances:
- (a) Money Orders, Remittances and adjustments between officers rendering accounts to the same Accountant-General and other Remittances
  - (b) Inter-Government Adjustment Accounts
  - (c) Exchange Accounts
- N. Cash Balance

---

## ANNEXURE B

*[Referred to in Article 26 (c)]*

### *List of Standard Detailed Heads*

1. Salaries
2. Wages
3. Travel Expenses
4. Office Expenses
5. Payments for professional and special services
6. Rents, Rates and Taxes/Royalty
7. Publications
8. Advertising, Sales and Publicity Expenses
9. Grants-in-aid/Contributions/Subsidies
10. Scholarships and Stipends
11. Hospitality Expenses/Sumptuary Allowances, etc.



12. Secret Service Expenditure
13. Major works
14. Minor works
15. Machinery and Equipment/Tools and Plant
16. Motor Vehicles
17. Maintenance
18. Investments/Loans
19. Materials and Supplies
20. Interest/Dividend
21. Pensions/Gratuities
22. Depreciation
23. Inter Account Transfers
24. Writes-off/Losses
25. Suspense
26. Other Charges
27. Diet Charges
28. Purchase of Antiquities, ancient relics and contemporary arts.

**Note** :—Briefly explaining the scope of standard Detailed heads—

**1. Salaries** :—Will include, pay, allowances in all forms to officers and staff, and the expenses on Leave Travel Concession. This object classification will also be utilized for recording expenditure on emoluments and allowances of Heads of States and other High Dignitaries. In cases, where it is decided by some State Governments to indicate in accounts, the details of “salaries” such as “Pay of Officers”, “Pay of Establishments” “Allowances and Honoraria” etc., for statistical information; detailed heads may be opened accordingly in lieu of ‘Salaries’.

**2. Wages** :—Will include wages of labourers and to staff at present paid out of contingencies.

**3. Travel Expenses** :—Will cover all expenses on account of travel on duty including conveyance and fixed traveling allowances but excluding leave travel concession which falls under ‘Salaries’.

**4. Office Expenses** :—Will include all contingent expenditure for running an office, such as furniture, postage, purchase and maintenance of office machines and equipment, liveries hot and cold weather charges (excluding wages of staff paid from contingencies) telephones, electricity and water charges, stationery, printing of forms, purchase and maintenance of staff cars and other vehicles for office use, as distinct from vehicles for functional purposes like Ambulance Vans etc., (vide-16).

**5. Payments for Professional and Special Services** :—Will include charges for legal services, consultancy fees, remuneration to examiners, invigilators etc., for conducting examinations, remuneration to casual artists by the Ail India Radio and all other types of remuneration for professional services. It will also include payment for

services rendered, supplies made by other departments such as Railway, Police etc. a distinction being made in respect of supplies made, service rendered for the running on an-office in which case the expenditure will be recorded under "office expenses".

**6. Rents, Rates and Taxes/Royalty** :—Will include payment of rent for hired buildings, municipal rates and taxes, etc. It will also include lease charges for land.

**7. Publications** :—Will include expenditure on printing of office Codes and Manuals and other documents, whether priced or non-priced but will exclude expenditure on printing of publicity material. This will also include discount to agents on sales. This head is to be operated only where the cost of printing is borne by respective departments

**8. Advertising, Sales and Publicity Expenses**: —Will include Commission to Agents and Printing of Publicity material.

**11. Hospitality Expenses/Sumptuary Allowances, etc.**:—Hospitality expenses will include entertainment allowance of high dignitaries etc., Expenditure on refreshments served in Inter-departmental meetings, Conference etc., will however, be recorded under 'Office Expenses'.

**13 & 14. Major Works/Minor Works** :—Will be classified with reference to the classification of Major/Minor Works in C.P.W.A. Code. This will also include cost of acquisition of land and structures.

**15. Machinery and Equipment/Tools and Plant**: —Will include machinery, equipment, apparatus etc., other than those required for the running of an office (vide 4) and special tools and plant acquired for specific works.

**16. Motor Vehicles** :—Will include purchase and maintenance of transport vehicles such as Ambulance vans which are used for functional activities, as distinct from those used for running an office.

**17. Maintenance** :—Will record expenditure on maintenance of works, machinery and equipment (covered under items 13, 14 and 15). It will also include repairs incidental to maintenance.

**20. Interest/Dividend** :—Will include interest on capital, discount on loans.

**21. Pension/Gratuities** :—Will include donations to Service Funds and Contributions to Contributory Provident Funds.

**23. Inter Account Transfers** :—Will include transfer to and from Reserve Funds etc.

**24. Writes-off/Losses** :—Will include writes-off irrecoverable loans. Losses will include trading losses.

**26. Other charges** —A residuary head. This will also include rewards and prizes.

(G.O.Ms.No. 1.98, F. & P. (Finance Wing A L), dated 17-5-1976)

## CHAPTER 4

### DIRECTIONS REGULATING INTER-DEPARTMENTAL TRANSFERS

#### Introductory

**Article 55.** The directions in this Chapter shall regulate the conditions under which a department of a Government may make charges for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts of the Government concerned.

#### Adjustments between Governments

**Article 56.** In the case of transactions between two Governments, adjustment shall always be made if required by or under the provisions of the Constitution and otherwise, in such manner and to such extent as may be mutually agreed upon by the Governments concerned.

**Article 57.** [Deleted].

#### Adjustments with outside bodies

**Article 58.** Payment shall be required in all cases where a department of a Government renders service or makes supplies to non-Government body or institution or to a separate fund constituted as such inside or outside the public account, unless Government by general or special order gives directions to the contrary. Relief in respect of payment for services or supplies given to any body or fund, should ordinarily be given through a grant-in-aid rather than by remission of dues.

#### LOCAL RULING UNDER ARTICLE 58

As regards the incidence of charges incurred in connection with remittances from treasuries having a currency chest to branches of the State Bank, Instruction 28 (g) under Treasury Rule 30 should be followed. Charges on account of all telegrams relating to currency matters should be debited to the Reserve Bank. Such charges should therefore be incurred in cash and service postage stamps should not be used for the purpose. Service postage stamps should, however, be used on communications regarding currency matters sent by ordinary post, as the expenditure is met by the Government and not debited to the Reserve Bank.

#### Inter-Departmental Adjustments

**Article 59.** For purposes of inter-departmental payments the departments of a Government shall be divided into service departments and commercial departments according to the following principles :—

*A. 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 the business of Government—

Examples of the first class are — the department of Administration of Justice, Jails and Convict Settlements, Police, Education, Medical, Public Health, Forest and

Defence. Examples of the second class are — the departments of Survey Government Printing and Stationery, Public Works, (Building and Roads Branch). Purchase Organization of the Ministry of Works, Housing and Supply (Central Government).

*B. Commercial Departments or Undertakings* :—These are maintained mainly for the purposes of rendering services or providing supplies, of certain special kinds, on payment for the services rendered or for the articles supplied. They perform functions which are not necessarily Governmental functions. They are required to work to a financial result determined through accounts maintained on commercial principles.

*Note* :—Government has the power in respect of these Directions to decide whether a particular department or particular activities of a department shall be regarded as a Commercial department or undertaking. A list of departments and undertakings at present recognized by the Central Government as commercial is given in the Annexure to this Chapter. Lists of commercial concerns of the State Governments will be found in the Manuals, etc., of the Govts. concerned.

### LOCAL RULING UNDER ARTICLE 59

A list of departments and undertakings at present recognized by the Government of Andhra Pradesh as Commercial is also given in the Annexure to this Chapter.

**Article 60.** Save as expressly provided in this chapter, a Service department shall not make charges against another department for services or supplies which fall within the class of duties for which the former department is constituted.

The following exceptions to the rule in this Article have been authorized :—

(a) The Forest department may charge any other department for vegetable, animal or mineral products extracted from a forest area.

(b) Payment must ordinarily be made for convict labour as in the case of that supplied to the Public Works and other Departments of Government but, no charge shall be made for convict labour in the case of works undertaken by the Public Works Department which are treated as Jail Works.

(c) The cost of additional Police Guards supplied to an irrigation or other project while under construction, may be debited to the project concerned.

### LOCAL RULING UNDER ARTICLE 60

1. Prison labour supplied to the Public Works Department should be charged for. The adjustments should be based on the value of the prison labour at the rates prescribed for the purpose.

2. When any land or building is transferred from one Service dept. to another under the Andhra Pradesh Government, the transfer should be made free of charge.

As an exception to the above rule, transfers of land or buildings of the Governor's official residences should be charged for. The expenditure should be debited against the grant for the maintenance and improvement of official residences of the Governor.

3. The Services rendered by the Training and Production centres under the control of the Directorate of Industries to other Government Department shall be charged for at the costs fixed by the Officers-in-charge of such training and production centres.

(Memo. No. 7331 6/Accts/59-2, dated 29-12-1959)

The Officers whose expenditure is charged to the project estimates are not entitled to free supplies of goods or services from Government Departments. The cost of all such supplies and services made by Government Department shall be charged to the project estimates. (Govt. Memo. No. 65028/157OIAccts./68, dated 12-5-1969)

4. The supplies made or services rendered by the Institutions of the Animal Husbandry Department mentioned below, either to other Government Departments or to the other institutions of the same department shall be paid for at the prescribed rates:

(1) All Government Livestock farms including Breeding and Dairy Farms.

(2) All Sheep and Goat Breeding Farms including Wool Technological Laboratory. Sheep and Wool Extension Centres, Sheep and Demonstration Units and Pluggery Units.

(3) All Government Poultry Farms, Research Stations including Poultry and Duck Extension centres and Poultry Units.

(4) Key Village Centres and Units.

(5) Andhra Veterinary College. Tirupathi and Schools of Veterinary Science and Animal Husbandry, Visakhapatnam and Rajendranagar.

(6) Veterinary, Biological and Research Institute including Biological and Ranikhet Disease Vaccine Centres.

(7) Diseases Investigation Schemes.

(8) Live Stock, Sheep, Goats, Plgs, Poultry and Ducks Distribution Schemes.

**Article 61.** A Commercial department or undertaking shall ordinarily charge and be charged for any supplies and services made or rendered to, or by, other departments of Government.

This direction may be applied to particular units or particular activities of any department even though the department as a whole may not be a Commercial department. Such a unit or activity shall ordinarily charge for its services or its supplies to, and may likewise be charged by, either the department of which it forms a part or any other department.

**Note 1** :- Save as otherwise provided in this chapter, service rendered by a Service Dept. falling under clause A (a) if Article 59 in the normal discharge of its functions shall be not regarded as service rendered for the purposes of this Article.

**Note 2** :—The supply of residential accommodation by one department to the employees of another shall not for the purposes of the Directions in this chapter be held to constitute a service rendered. In all such cases, the rent charged for residential accommodation will be the rent recoverable under the rules for the time being in force from the persons actually using such accommodation.

#### LOCAL RULING UNDER ARTICLE 61

1. Expenditure by the Public Works Department on buildings of a commercial department should be charged to the grant of the latter department.

2. Except when the Government order otherwise in any particular case rents should be charged for office accommodation supplied by the Public Works Department

to commercial departments, Government Commercial Undertakings and Departments of the Central Government.

3. When any land or building is transferred from or to a commercial department, the full market value should be charged.

4. When a Government of a Commercial Department of the Andhra Pradesh Government is lent to another State Government or the Central Government for short periods or vice versa, the procedure to be followed in the matter of recovering from the borrowing Government, the pay, allowances, etc., of the Government servant should be the same as that indicated in Miscellaneous Local Ruling 3 in Appendix No. 3.

**Article 62.** Where one department makes payment or renders service as an agent of another department of the same Government the principal department may, subject to such monetary limits as may be fixed by Government in this behalf, be debited with the expenditure incurred on its behalf by the agent department.

*Note 1* :—The cost of land acquired by a Civil Department on behalf of the Public Works Department is debitable in the accounts of the latter as part of the cost of the works for which the land is taken up, but when land is taken up for two or more Service departments conjointly, the cost is wholly debitable to the department for which the major portion of expenditure was incurred, unless there are special reasons to the contrary.

*Note 2* :—When special official is employed for acquisition of land for any department, the expenditure on pay, allowances, etc., of the special officer and his establishment and any expenditure on contingencies is debitable to that department as part of the cost of land. When the land is taken up by a Civil officer not specially employed for the work, only special charges incurred in connection with acquisition of the land on establishment, contingencies, etc., shall be borne by the department for which the land is acquired.

#### LOCAL RULING UNDER ARTICLE 62

1. The monetary limit fixed by both the Central Government and the Andhra Pradesh Government for the purpose of this Article is Rs. 50/-.

2. The law charges incurred on civil suits in connection of Government works fall under three categories, namely:-

(1) the amount of the claim which a decree is given;

(2) the amount of the incidental law charges incurred by the executing department in connection with a work financed from its own departmental heads of expenditure e.g., when the Public Works department carries out a work chargeable to the Public Works heads of expenditure; and

(3) the amount of incidental law charges incurred by the executing department when acting as an agent in connection with a work finance from a different head of expenditure, for instance, when the Public Works Department executes a work the cost of which is debitable to a head other than the Public Works heads of expenditure, e.g., General Administration, Medical, etc.,

Charges falling under category (1) above viz., Decretal amounts should in all cases be debited to the work concerned and booked as expenditure charged on the consolidated fund of the State. The charges referred to in category (2) should be debited to the sub-head "Establishment - Contingencies" of the executing department. As regard

charges mentioned in category (3), the amount should generally be borne by the department on whose behalf the work is undertaken. In exceptional cases, however, where it is established that the law suit has been caused by a deliberate act of an employee of the agent department for his personal gain the charges should be adjusted by recovery from the individual concerned or by debit against the standing charges of that department according to the merits of each case.

**Article 63.** Without prejudice to the general principle contained in Article 60, the Defence Services shall, in respect of inter-departmental transactions, charge and be charged for services rendered and supplies made to or by other departments, unless in particular cases or classes of cases, Government in consultation with the Comptroller and Auditor-General have decided that inter-departmental adjustment would be unsuitable and undesirable.

**Note 1** :—The Defence services shall not be required to pay rent for non-residential accommodation supplied by the Central Civil Departments nor shall rent be charged for buildings of the Defence Services occupied for non-residential purposes by the Civil Departments of the Central Government other than those falling under Clause B of Article 59.

**Note 2** :—The Defence Services also shall not be required to pay for the use of the Government Civil Aerodromes and for other incidental services rendered by the Civil Aviation Department to Indian Air Force planes, nor shall the Civil Aviation Department be charged as, a reciprocal arrangements, for the use of the aerodromes of the Indian Air Force by the Civil Aircrafts.

**Article 64.** A branch of a service department performing duties supplementary to the main function of the department and intended to render particular services on payment, may levy charges in respect of the work for which it has been constituted.

#### **Example**

Jail manufacture, survey map-publishing, printing (Publishing department), Mint (miscellaneous services other than coinage), the State Broadcasting Department (servicing etc., done for radio sets installed in other Government institutions) Government House Department. (Memo. No. 1 92071AcctsI6O-1, dated 3-3-1960)

Animal Husbandry Department (for supplies made or services rendered either to other Departments, Government or to institution of the same Department).  
(Govt. Memo. 582291Accts16I- 1, dated 19-9-1961)

**Article 65.** A branch of a department constituted for the subsidiary service of that department, but employed to render similar service to another department, may charge that other department, e.g., Workshops of Department, Dockyards.

**Article 66.** A regularly organized store branch of a department should ordinarily charge any other department for supplies made, but petty and casual supplies of store may, if the supplying department consents, be made without payment.

#### **LOCAL RULING UNDER ARTICLE 66**

The procedure for the adjustment of the cost of stores issued from 'Stock' or 'Materials' Account in the Public Works Department is prescribed in Article 18 in Volume III.

**Article 67.** Notwithstanding anything contained in the Directions in this Chapter. Government may for special reasons which shall be recorded and communicated to the Accountant-General, permit inter-departmental adjustment in any case where such adjustment may be considered necessary in the interests of economy or of Departmental control of expenditure.

#### **LOCAL RULING UNDER ARTICLE 67**

1. Fees and duties leviable by law should be paid by Government departments in the same way as by private individuals, e.g.,

(1) Customs duty on imported stores.

(2) Translation charges levied by the High Court under Translation & Printing Rules.

(3) Fees due to the Registration Department for the registration of documents for search fees in registration offices.

(4) Charges for copies of judgments and depositions levied under Copyists' Rules. Charges will be levied only when the records are lengthy and the work has to be done by the Copyist staff of the Courts.

(5) Fees for the inspection of Government boilers.

(6) Fees for testing and inspection of electric installations owned by the Government.

(7) Lessees on lands in Reserved Forests leased to hillmen free of assessment for the purpose of securing labour.

(8) Subject to the exceptions noted below, the Department of Government should add to the price of all articles sold by them a sum equal to the sales-tax and enter it separately in their accounts and credit the amount into the treasury every month under the head "040. Sales Tax — 10. Receipts under the State Sales Tax Act" as an advance payment against the assessment.

**Exceptions :-** (i) Sales of cinchona products and quinine substitutes sold by the Government and their agents.

(ii) Transactions by or on behalf of the Department of Civil Supplies, Andhra Pradesh.

2. An amount equal to the loss under "Examination Fees (Secondary School Leaving Certificate)" on account of the concession granted to children and departments of ex-Army men in each year should be credited in the final accounts of that year to the head "077. Education-B. Secondary Education (a) Tuition and other fees by debit to the head." 277 Education-B. Secondary (a) Directions and Administration (1) Commissioner of Govt. Examinations.

3. Book adjustments may be made for services rendered or supplies made between Sections of the Agriculture Department affecting the accounts of schemes financed wholly or partly by outside Bodies or Governments.

#### **General**

**Article 68.** Where under the directions in this Chapter, payment is required to be made by one department of a Government to another, such payment may, if



the case so requires or of otherwise deemed necessary, include adequate charge for supervision on other indirect expenditure connected with service or supply for which payment is made.

**Article 69.** Payments of amounts due by one department of Governments to another shall ordinarily be made by book transfer except when such transfers do not suit the methods of accounts or of business adopted by the receiving department.

#### LOCAL RULING UNDER ARTICLE 69

1. Fees due by Government departments to the Registration Department for the registration of documents or for searches in registration offices and fees due to the Boiler Inspection Department for the Inspection of Government boilers should be adjusted by means of contingent bills drawn by the departmental officers concerned duly endorsed for payment by transfer credit to the Registration or Boiler Inspection Department, as the case may be.

The Forest Department and the Public Works Department (in regard to fees chargeable to specific works) should draw a cheque for the fees due and endorse it for transfer credit to the Registration or Boiler Inspection Dept., as the case may be.

2. Credit notes should be used in payment of freight charges on articles transmitted by railway by the Secretariat, the Jail, Public Works, Animal Husbandry and Stationery Departments, the Industries and Commerce Department, the Governor's Bodyguard, the Government Press, the units of the National Cadet Corps State Port Officer, Kakinada and the Public Health Department. The Forest Department may pay freight charges on article transmitted by railway by issuing credit notes when transactions are so heavy that it is necessary to adopt this method of payment.

(Memo. No. 1476612651Accts170-6, dated 22-9-1970)

**Note** :—The Departments mentioned above should pay the Railway freight charges of less than Rs. 200/- in cash, in each case. The Departments may issue credit notes on all Railways if the charges, in each case, exceed Rs. 200/-.

**Note 1** :—In the case of the Animal Husbandry Department, credit notes may be issued without any monetary limit on all Railways.

**Note 2** :—In the case of Police Department and Fire Service Department credit notes should be issued for the payment of the freight charges to be paid in each case are Rs. 200/- and above, with the exception that credit notes may be issued for the payment of freight charges in all cases of dangerous goods which are obtained by Police Department for Ordinance Depots.

(Govt. Memo. No. 876631Accts158-32, dated 30-9-1961)

**Note 3** :—In the case of the Government ceramic service centre, Rajahmundry, credit notes, may be issued on the Southern Railway for the payment of freight charges on the incoming and out-going consignments at Rajahmundry railway station.

(Govt. Memo. No. 28868/Accts./61-1, dated 30-5-1961)

3. Petty supplies costing not more than Rs.50 made to Government commercial undertakings should be paid for in cash as opposed to transfer in the accounts. This does not mean that such payments should always be made in coin or currency or Bank notes. When, with the special sanction of the Government, a Government department or a Government commercial concern is permitted to settle accounts with other Government or departments by actual payment instead of by-book-transfers, the payment

should, as far as possible, be made by cheques or Government drafts, which should be crossed and marked "Not Negotiable" as to ensure credit of the amounts to a Government head of account at the treasury. If, however, the payment to be made is below the minimum money limit for which a cheque or a Government draft can be issued, the amount may be paid in cash or remitted by money order when necessary.

4. Claims on account of rents and maintenance of telegraph wires leased to the Public Works Department and of the telegraph instruments, etc., supplied to that department should not be adjusted by book transfer. Half-yearly bills for the periods ending on 30th June and 31st December, supported by details such as the total amount of the previous bill and particulars of the fresh charges working up to the total of the new bill, and particulars of the fresh charges working up to the total of the new bill, should be presented to the Accountant-General, Andhra Pradesh, by the Deputy Accountant-General, Posts and Telegraphs, Hyderabad. The amount of these bills should be accepted in full subject to re-adjustment later, if necessary, on verification of the details in correspondence with the officers of the Public Works Department concerned, and should be paid, by means of crossed cheque on the Reserve Bank of India in favour of the Deputy Accountant-General, Posts and Telegraphs, Hyderabad.

The debits appearing in the Bank account should be treated as Public Works remittances and adjusted in the manner prescribed by the Comptroller and Auditor-General.

5. Any receipts including cash recoveries from employees, contractors etc., realized by a division of the Public Works Department on behalf of any other division, Department or Government should be passed on by book transfer unless payment in cash is prescribed by any rule.

6. Payment of taxes on Government buildings should be made by the adjustment in the case of Zilla Parishads and Municipal Council as these have banking accounts at the treasury. Taxes to Panchayats which have no banking account at the treasury may however be paid in cash.

(See Instruction 3, Chapter IV. Part III, Volume I of the Andhra Pradesh Treasury Code.)

7. Payment due by Government departments under the Motor Vehicles Act and Rules and the A.P. Motor Vehicles Taxation Act should be made by presenting separate contingent bills at the Pay and Accounts Office or at the Treasury or Sub-treasury concerned, as the case may be where the bill will be passed for 'nil' payment and necessary adjustments made in the concerned head of account.

The Forest and Public Works Departments (in regard to taxes and fees chargeable to specific works) should follow the procedure indicated in the second sub-paragraph in Local Ruling 1.

8. The special rules applicable to the Public Works Workshops are contained in the Local Ruling under Article 182 of the A.P.A.C., Volume III.

**Article 70. [Deleted].**

**Article 71.** Any question of the doubt or dispute arising in connection with the interpretation of the Directions in this Chapter will be decided by the Comptroller and Auditor-General with the approval of the President.

**ANNEXURE****List of Departments and Undertakings recognized by Govt. as Commercial**  
(Vide Note under Article 59)

This list does not purport to be exhaustive and may be modified by Government where necessary in consultation with the Accountant-General.

***Central Government***

1. Posts and Telegraphs.
2. Railways.
3. Irrigation, Navigation, Embankment and Drainage Works for which Capital and Revenue account are kept.
4. The Security Printing, India, including the Central Stamp Store, Nasik Road.
5. The Currency Note Press, Nasik Road,
7. Anand Creamery (in liquidation).
8. The Biological Products Section of the India Veterinary Institute, Izatnagar.
9. The All-India Radio.
10. The Radio Publications.
11. Indian Lighthouse Administration (Headquarters and Lighthouse Districts).
12. Government Dairy Farm, Port Blair.
13. Marine Department, Andamans-
  - (i) Duckyard Accounts
  - (ii) Schedule Services including ferries of afloated section (iii) State Transport (Bus) Service
14. Shipping Office, Andamans.
15. Forest Department, Andamans,
16. (Deleted)
17. Salt Organization of the Ministry of Commerce and Industries, New Delhi.
18. Pritchard Salt Works and Main Salt Stores, Kharagoda.
19. The Overseas Communications Service.
20. Land Reclamation Scheme.
21. Himachal Pradesh Transport Department.
22. Sirmur Roin and Turpentine Factory.
23. (Deleted)
24. (Deleted)
25. Dairy Section of the National Dairy Research Institute, Karnal and its Regional Stations.
26. Kandla Port Organization.

***Government of Andhra Pradesh***

\*I Commercial Departments :—

\*(Sub. by G.O.Ms.No. 187, Fin. Dt. 25-7-1987)

***Revenue Department***

1. Government Distilleries, Narayanguda, Hyderabad.
2. Government Distilleries, Kamareddy.
3. Government Distilleries, Chagallu

***Finance Department***

4. A.P. Government Life Insurance Department.

***Education Department***

5. A.P. Government Text Books Press and Regi. Sales Depots.

***Home Department***

6. Government Central Press, 1-Hyderabad and Branch Presses at Hyderabad.
7. Government Printing Press, Kurnool.

***Forest and Rural Development Department***

8. Fish Farm, Kadium
9. Cold Storage Plant, Nizamsagar
10. Ice-cum-Cold Storage Plant, T.B. Dam.
11. Fish Net making Plant, T.B. Dam.

***Food and Agriculture Department***

12. State Trading Schemes of the Director of Agriculture in Chemical Fertilizers (Andhra and Telangana Regions).

***Industries and Commerce Department***

13. Government Power Alcohol Factory, Shankara nagar.
14. Tool Room-cum-Servicing Workshop, Sanathnagar, Hyderabad

**II. Quasi Commercial Departments :—**

1. Village Industries Trading Centre.
2. The Industrial Trust Fund.

## CHAPTER 5

### DIRECTIONS REGULATING THE EXHIBITION OF RECOVERIES OF EXPENDITURE IN GOVERNMENT ACCOUNTS

#### Introductory

**Article 72.** The Directions in this Chapter shall regulate the exhibition of expenditure in Government accounts.

In these directions—

The term ‘*recovery*’ means repayment by another Government department or an outside body or person of expenditure initially borne by Government department and recorded as such in its accounts.

#### Recoveries from private persons or bodies and Government outside India

**Article 73.** Recoveries from private persons or bodies (including local funds, and Governments outside India) should, as a general rule be treated as revenue and not as deduction from expenditure.

**Exceptions :—**(i) When a Government undertakes a service merely as an agent of a private body, so that the entire cost of the service is recovered from that body, the net cost to Government being nil, the recoveries may be taken in reduction of expenditure.

(ii) Recoveries of expenditure on works in progress and transactions of stock and other suspense accounts

The technical estimates takes cognisance of all anticipated receipts from sale proceeds of materials, plant, etc., received from the old structure while the receipts under “Stock and Suspense” are by the very nature inseparable from the expenditure recorded under the main head. The recoveries falling under these two categories should therefore be treated as reduction of gross expenditure.

#### Recoveries by one Government from another

**Article 74.** As between two or more Governments the following directions shall regulate the classification of recoveries :—

(a) If the recoveries represent debits to another Government of expenditure which was so debitable from the moment it was sanctioned, they should not be treated as revenue of the Government effecting the recoveries but as deduction from expenditure.

(b) In the case of Joint establishments, where the expenditure is not shared by two or more Governments ab initio but is incurred by one of the Government and partially repaid by the others, the repayment, if made while the accounts of the year are still open should be treated as deduction from expenditure.

(c) Recoveries of the classes falling under (a) and (b), if not effected within the accounts of the year in which the expenditure was incurred, should be treated as revenue.

**Exception :**—In cases where the recovery is made on the basis of the calendar year instead of the Financial year, the whole amount of the recovery may be treated as reduction of expenditure though a portion of it relates to expenditure incurred during the previous Financial year.

(d) Recoveries on account of commuted value of pensions effected from other Governments should be treated as deductions from expenditure.

(e) All other recoveries should be credited as revenue of the recovering Government, whenever they are received.

#### **Recoveries by one Department from other Department of the same Government**

**Article 75.** As between different departments of the same Government, the recoveries should be treated as deduction from the gross expenditure, except such recoveries as are made by a Commercial department, which would be treated as receipts of that department.

**Note 1 :**—The term “recoveries by a Commercial department” for the purpose of this Direction shall apply to recoveries in respect of services rendered to other departments in pursuance of the proper functions for which the department is constituted, that is to say, in the case of the Posts and Telegraphs Department, recoveries shall be treated as receipts only when they are made in respect of Postal, Telegraph or Telephone services rendered to the other departments. Where however, a Commercial department acts as an agent of another department for the discharge of functions not germane to the essential purpose of the department, the recoveries shall be taken in reduction of expenditure.

**Note 2 :**—Recoveries made from another department if not effected within the accounts of the year in which the expenditure was incurred, should be treated as revenue and not as deduction from expenditure, unless the latter course is authorized by provision in the budget estimates.

#### **Receipts and Recoveries on Capital Account**

**Article 76.** Notwithstanding anything to the contrary that may be provided by or under the Directions in this Chapter, receipts and recoveries on Capital Account in so far as they represent recoveries of expenditure previously debited to a Capital major head shall be taken in reduction of expenditure under the major head concerned, except where under the rules of allocation applicable to a particular department, such receipts have to be taken to revenue.

#### **Settlement of Doubts & Disputes**

**Article 77.** In case of doubt or dispute, the question whether any particular recovery is classifiable as revenue or as deduction from expenditure under the Directions in this Chapter will be decided by the Comptroller and Auditor-General, with the approval of the President.

**Article 78.** *[Deleted]*.

---

## CHAPTER 6

### DIRECTIONS REGULATING THE EXHIBITION OF LOSSES IN GOVERNMENT ACCOUNTS

#### Introductory

**Article 79.** The Directions in this Chapter shall regulate the exhibition and adjustment of losses in Government Accounts.

#### Receipts

**Article 80.** (1) If a claim be relinquished, the value of the claim shall not be recorded on the expenditure side as a specific loss.

(2) If money due to Government has actually reached a Government servant and is then embezzled, stolen or lost, even though it may not have reached the treasury and thus have passed into the Consolidated Fund or the Public Account, it should be brought as a receipt into the Consolidated Fund or the Public Account, as the case may be, and then shown on the expenditure side by record under a separate head as a loss.

*Note 1* :—The term “*Government Servant*” used in clause (2) of this Article includes persons who, though not technically borne on a Regular Government establishment, are duly authorized to receive money on behalf of Government. [For a fuller definition of the term “*Government Servant*”, See T.R 2(b) of the Andhra Pradesh Treasury Rules in Part I, Volume I of the Andhra Pradesh Treasury Code].

*Note 2* :—Where losses of public money are wholly or partially met by non-issue of pay or pension and the Account Department authorizedly applies the unissued amount to meet the public claim, the resultant balance of the claim alone should be treated as a loss the emoluments due being debited to the pertinent head of account as if they had been drawn and used by the Government servant concerned in paying the public claim.

#### Buildings, Lands, Stores and Equipment

**Article 81.** Losses or deficiencies need not be recorded under a separate head in the accounts, though they should be written off any value or commercial account that may be maintained. If any transactions under these categories are recorded under a Suspense head in the Government accounts, losses or deficiencies relating thereto must be written off the Suspense heads also.

#### Cash in Hand, whether in Treasuries or in Departmental Charge

**Article 82.** All losses or deficiencies should be recorded under separate heads in the accounts.

*Note 1* :—The acceptance of counterfeit coins or notes shall be regarded as a loss of cash.

*Note 2* :-Any recovery made in the course of the year in which the losses are brought to account shall be shown by deduction from the head under which the loss is recorded. Any recovery made after the accounts of the year are closed shall be shown as an item of receipt.

#### *LOCAL RULING UNDER ARTICLE 82*

A loss of cash which is written off under the orders of a competent authority should be debited as a contingent charge of the department concerned. No distinction

should be made between a loss affecting a service head and loss affecting a debtor remittance head, except as regards losses on remittances of coin, which should be debited to "Account with the Reserve Bank of India" and irrecoverable loans and advances granted under Chapter X of the Andhra Pradesh Financial Code, which, when written off under proper authority, should be debited to "M.H. 268 - Miscellaneous General Services - other Expenditure - other items".

A loss of cash due to acceptance of counterfeit coins or notes and any amount transferred from the treasury balance in order to make good any deficiency found in the currency chest should be debited under the head "Advances - Repayable" pending recovery or orders to write it off. Any amount which the Government finally order to be written off as irrecoverable on account of any such loss should be adjusted as a Provincial charge under the head "M.H. '268. Miscellaneous General Services - other Expenditure - Irrecoverable temporary advances - written off".

### **Irregular or unusual payments**

**Article 83.** Irregular or unusual payments should be recorded in the accounts with general reference to the ordinary rules of classification according to the nature of the expenditure; for example, an over payment of pay shall be debited to the head "Pay". Similarly, an excess payment for bricks manufactured shall be debited to the work for which bricks are used. It is only when special heads exist in the accounts for recording such charges, as compensations for damages, irrecoverable temporary loans written off and the like, that unusual or extraordinary payments shall be separately recorded.

### **Inevitable Losses**

**Article 84.** Where losses are an inevitable feature of the working of a particular department, the major head of account under which the expenditure of that department is recorded shall contain separate descriptive heads under which such loss may be recorded.

### **Exhibition of Losses in Appropriation Accounts**

**Article 85.** The rules relating to the exhibition of losses in the Appropriation Accounts are contained in the instructions issued by the Comptroller and Auditor-General for the preparation of those accounts.

---

## **APPENDIX 1**

[See Article 2]

(Appendix I is deleted as per G.O. Ms. No. 187, Fin. & Pln., Dt. 25-7-1987)

## **APPENDIX 2**

[See Article 26]

(Substituted as per G.O. Ms. No. 187, Fin. & Ping., dated 25-7-1987)

### **List of Major and Minor Heads of Account of Central and State Receipts and Disbursements**

(The List of major and minor heads issued by the Comptroller and Auditor General has been brought out separately as Appendix 2 to Account Code, Volume I. The



portions of this Appendix which relate to State Transactions have been reproduced in Appendix (1) to the Andhra Pradesh Budget Manual).

### APPENDIX 3

[See Article 29]

#### **Principles, and Rules Regulating the Distribution of certain charges and Receipts between Governments**

(Approved by Government in G.O. Ms. No. 53, Finance (Accounts) Dept., dated 13-2-1962 in respect of Central and other State Govt., Memo. no. 6847 6-A/Accts/62-1, dated:15-9-62)

#### **A. —. INTRODUCTORY**

The rules regulating the incidence of pay, leave, passage and pension, etc., charges of Government servants as well as of certain other charges and receipts between Governments which are set out in this Appendix are based on arrangements agreed between the different Governments and are therefore binding on all of them.

(X X X X X)

#### **B. — PAY, ALLOWANCES, PENSIONS, ETC.**

##### **I. Incidence of Pay and Allowances, other than Leave Salaries**

1. Subject to any other arrangements which may be settled mutually between the Government concerned, the incidence, of transit pay and allowances including traveling allowances of a Government servant transferred from one Government to another, will be regulated in accordance with the following principles :—

(i) When a Government servant is transferred permanently from one Government to another, his transit pay and allowances including traveling allowances shall be borne by the Government to which he is transferred;

(ii) When the services of a Government servant are lent by one Government to another, the transit pay and allowances including traveling allowances while he is joining and leaving the new service shall be debited to the borrowing Government. This principle applies even in cases where the Government servant lent takes leave either before joining the borrowing Government or before rejoining the lending Government and holds good even in respect of joining time admissible to a Government servant returning from leave out of India of more than four months duration, the term 'four months' being interpreted to mean 120 days in the case of Government servants subject to the Revised Leave Rules. For this purpose officers of the Indian Medical Service employed under State Governments should in all cases be regarded as lent to those Governments by the Central Government (Defence Department).

(iii) In the case of an officer in joint cadre serving two Governments his transit pay and allowances including traveling allowances on transfer from one office to another shall be debited to the office to which he is preceding;

(iv) When a Government servant while on foreign service is transferred to another foreign service without reverting to the Government service, the transit pay and allow-

ances and transfer Travelling Allowances shall be borne by the foreign employer to whom the employee proceeds on transfer.

(Govt. Memo. No. 49948/11 13/ActsI68, Dt. 15-5-1969)

**Note** :—In the case of Government servants returning from duty abroad whose services are lent to another Government the liability of the borrowing Government for the transit pay and allowances including traveling allowances while joining the new service shall be restricted to the period commencing from the date of arrival of the Government servant in India.

(Govt. Memo. No. 8879512581/Accts/63-3, dated 25-2-1964)

2. When a Military or Medical Officer holding a civil post on consolidated pay which is less than his military pay is allowed to draw the difference between them, he draws it from the department - Central or State - from which he receives his consolidated pay.

3. The following rules govern the incidence of the cost of troops lent to Civil Departments of the Central Government and to State Governments. The words 'Military' and 'Troops' are used include Indian Navy and Air Forces as well as the Army.

(1) When troops are required on duties of a (military) nature [e.g., ceremonial purposes and provision of escorts or guards of honour in circumstances not covered by Instructions 771, 772 and 775 of the Regulations for the Army in India (1937 Edition) and flag marches when they fall into the category of cases involving duties of a military nature and when they are not connected with the maintenance of law and order] the extra cost, if any of supplying the services required (e.g., in the way of transport, equipment etc.,) will be met by a contribution from State revenues or the revenues of the Civil Department concerned of the Central Government to the Defence Service Estimates.

**Note** :—The cases in which flag marches come within the scope of this rule will be decided by the Central Government.

(2) When troops are employed by Civil Department on duties of a 'non-military' nature (e.g., on occasions of Public calamities or emergencies such as fires, earthquakes, floods, famines and strikes), the State Government or the Civil Departments concerned will be liable to bear the following charges unless they are waived by the Central Government for any exceptional reasons :—

(a) *In strikes, etc., for carrying on essential public services* :—The complete cost of force including ordinary pay and allowances, extra cost of transport, equipment (including loss and repair expenses, etc.), and extraordinary charges in the shape of special pay or transport of stores to the personnel engaged at the rates laid down in paragraphs 397 to 399, Pay and Allowance Regulations, Part I and Rule 491, Regulations for the Army in India.

(b) *In fires, floods, famines, earthquakes and other calamities of nature* :— All extra cost involved in the way of transport, equipment, etc., and all extra-ordinary expenses in the shape of special pay or the supply of stores to the personnel engaged at the rates laid down in paragraphs 397 to 399, Pay and Allowance Regulations, Part I and Rule 491, Regulations for the Army in India.

**Note** :—In addition, when troops are employed on duties falling under either clause (a) or (b) above the State Government or the Civil Department concerned of the Central Government will be liable for all loss or damage to property (including military)

and also for all pensionary awards made in respect of ausalities arising directly out of the employment.

(3) The full cost of employing troops in aid of the Civil power for the prevention or suppression of disorder will be met by the Central Government from Defence Services Estimates; but it will be open to the Civil Department of the Central Government or the State Government concerned to contribute towards the cost, if they wish to do. The State Government or the Civil Departments concerned will nevertheless be liable for the payment of any compensation that may become payable in respect of any damage done when troops are employed in aid of the Civil Power.

4. Rewards for proficiency in oriental languages paid to a Military Officer from the Defence Service Estimates during the three years preceding his transfer to other Departments of Central Government or to State Governments will be recovered by the Controller of Defence Accounts (Pensions), Allahabad, from the department or Government concerned on confirmation of the officer in his Civil appointment.

Rewards to Military Officers in temporary Civil employ under the Central or State Governments for proficiency in oriental language are paid by the Controller of Defence Accounts (Pensions), Allahabad from the Defence Services Estimates in the first instance. On confirmation of an officer in the Civil Department, the Controller of Defence Accounts (Pensions), Allahabad, will recover from the department or State Government concerned, the Amount of any language rewards paid to the officer from the Defence Services Estimates.

The amount recoverable from the Civil Department of the Central Government or from the State Government in these cases is the civil rate of language reward as published by the Department of Education, Health and Lands; but in the case of officers of the category referred to in sub-clause(1) above the difference between the Military and the Civil rates of awards is recoverable from the officers themselves in installments of Rs. 50 per mensem.

*Note* :—Rewards for passing the Lower and Higher Standard examinations in Urdu by officers in temporary Civil employ are not refundable to the Defence Services Estimates.

**4-A.** Indian Commissioned Officers of the Armed Forces in Civil employ count their Civil Service as qualifying for the Outfit Allowance under item (d) of

A.I (1) 16 S148

---

A.F.I. (1) 61S148 Provided that

---

R.LN. (I) 4/S148

(a) their pay and allowances are governed by the new pay Code; and

(b) they are required to wear uniform while in civil employ.

The entire cost of the outfit allowance is debitable to the estimates of that Ministry (Central Civil) State Government under whom the Officer is employed and the allowance becomes due for payment.

**5.** When soldiers, either British or Indian, are sent under Military escort from one station to another to stand trial on a criminal charge, they will travel like any other party

of soldiers on duty, under a warrant furnished by the Military authorities, the charge being met from the Defence Service Estimates. When a soldier is conducted by a Police escort, the charge will be Civil; the warrant issued in such cases should include the accused as he is a soldier proceeding to a certain place under the orders of his Military superior and therefore on duty.

6. Civilian Government servants, who belong to the Army in India Reserve of Officers, when called up for training, receive the following emoluments :—

(i) When proceeding to carry out their training direct from their civil appointments, the pay and allowance which they would have drawn in their civil appointments but for the training, for the whole period of absence on such training inclusive of the time spent in transit to and fro;

(ii) when proceeding to carry out their training which on leave in India, Burma, Ceylon, Great Britain or Northern Ireland, the civil leave pay and allowances which they would have drawn but for the training;

(iii) when proceeding to carry out their training on the expiry of leave out of India taken from their civil appointments but before rejoining their civil appointments for duty joining time civil pay from the date of disembarkation in India to the date preceding that on which their training commenced, and full civil pay for the period of actual training and the period spent in journeying to the place of their civil appointments: and

(iv) military pay and allowances for the period of actual training.

The emoluments drawn under (1) to (iii) are debitable to the Civil - Central or State Estimates and that under (iv) to the Defence Service Estimates.

If it is necessary to provide a substitute in the place of such an officer undergoing training the additional cost will be a charge on Civil Estimates.

*Note* —This rule is also applicable in regard to the allocation of the civil pay of a Government servant, who is a member of the India Naval Volunteers Reserve or the Indian Naval Reserve, when called up for training.

7. Reservists of the Indian Army employed under the Central or State Governments will, when called up for periodical military training receive military pay and allowances. They will also receive the excess, if any, of their civil pay over their military pay, provided that this concession is specifically sanctioned by the Department of the Government of India or the head of the attached or subordinate office concerned, or by the State Government in whose employ the reservists are serving in their civil capacity. Except where the civil pay of the reservists is met from the Defence Services Estimates the extra expenditure involved will not constitute a charge against the Defence Services Estimates.

**7-A.** Civilian, Central or State Government servants who are members of the various Army, Navy and Air Force Reserves (excluding the reserve of the officers) will, when called up for periodical training, receive pay and allowances as under

(a) During the transit period they will be entitled to their civil rates of pay and allowances to be met from the Budget to which such expenditure' is debitable;

(b) for the period of training (excluding periods of transit) if the pay and allowances (excluding concessions in kind, e.g., free ration, etc., admissible as reservist are less than pay and allowance admissible in the civil post, the difference will be paid and debited to the Budget head to which the individual's civil pay is normally debitable.

8. The pay and allowances of a British Service Officer, whose unit is not represented on the Indian establishment and who is supernumerary on vacating an appointment on the personal staff of a Governor of a State or any other staff or extra-regimental appointment under a State Government, should be debited to the revenues of the State Government concerned up to the officer's date of disembarkation in the United Kingdom. This decision will be applied in the case of officers whose services are lent to a State Government on or after the 1st January, 1934.

9. The military pay and allowances drawn under paragraph 250 of the Regulations for the Auxiliary Force, India, by a Civilian Government servant who is a member of the Auxiliary Force, India, on his being called out or embodied under Section 18 of the Auxiliary Force Act, are borne by the Defence Service Estimates. In cases in which the Government servant draws, in such circumstances, civil rate of pay, the amount, if any, by which those rates of pay exceed military pay and allowances is debitable to the ordinary head of expenditure to which the civil pay of the individual concerned is debitable.

10. Travelling allowance of Telegraph signallers accompanying State Governors and other high officials on tour is debited to the department concerned, although their pay for the period is debited to the Telegraph Department.

11. A European non-commissioned officer or soldier on obtaining Civil employment is ordinarily required to buy his discharge from the Army; but, if such a person dies in Civil employ while under Military contract of service, the Civil Department of the Central or the State Government in which he was serving will bear the charge of any passage money which, under Military Pay Regulations, may be admissible to his family.

12. Subject to any separate agreements that have been or may be arrived at between the various Governments, the pay and allowances including traveling allowance of a Government servant summoned to give evidence in his official capacity in a Criminal Court or in a Civil Court in a case in which Government is a party are, during the period of his absence, debited to the Government under which he is employed. Actual expenses under the rules of the Court, if admissible, are, however, payable by the Court, and debited to Court contingencies.

#### ***LOCAL RULING UNDER RULE 12***

The rules regulating the payment of traveling allowance to officers of certain other Governments including certain Foreign Governments appearing as witnesses on summons before the Criminal Courts in the State of Andhra Pradesh and to officers of the Andhra Pradesh Government appearing as witnesses on summons before the Criminal Courts of other Governments and the incidence of these charges are contained in the publication "Criminal Rules of Practice and Orders" issued by the High Court of Judicature at Hyderabad.

#### **II. Incidence of Leave Salaries**

The following rules govern the incident of leave salaries of Government servants who have served under two or more Governments:

For the purpose of these rules:

(1) Service under the Government of Coorg, the Defence, Department “Local Fund” administered by Government and Commercial Departments within the same Government should be regarded as service under a separate Government;

(2) a lending Government is ordinarily a Government under which a Government servant first obtains permanent employment;

(3) leave salary does not include a house-rent allowance or other compensatory allowance drawn during leave.

1. Save as otherwise provided in these rules, when a Government servant is transferred to service under a Government other than that under which he was first employed, the leave salary drawn by him during any leave taken after the date of transfer should be debited to the borrowing Government until the entire leave earned under that Government has been exhausted, irrespective of whether the leave is taken while the Government servant is actually served under the borrowing Government or not.

*Note 1* :—In case in which the Government while in permanent service under one Government is transferred to equally permanent service under another Government, e.g., officers of the Indian Medical Service and Indian Engineers transferred to permanent Civil employment in Central Department such as the Indian Customs Service or the Indian Audit Department, the Government to which such a Government servant is permanently transferred should not be regarded as a borrowing Government but should be regarded as occupying the same position as the original lending Government. In other words, for the purposes of these rules, it is to be regarded in respect of that Government servant in future as a lending Government. This principle shall not, however, apply to cases in which a Government servant is transferred from one Government to another fill a permanent post for a limited period e.g., a Secretaryship in the Central Government’s Secretariat.

An important corollary of this principle is that when an officer of the Indian Army, Indian Medical Service or Royal Engineers in permanent civil employ is re-transferred temporarily to the Defence Department for war work, the Defence Department should be regarded as a borrowing Government.

*Note 2* :- In the case of Government servants borne on joint cadres, service under a Government, other than the parent Government, will be treated as service under a borrowing Government; but see Rules 9 and 10.

*Note 3* :- No share of the leave salary of a Civilian Government servant belonging to the Army in India Reserve of Officers or the Indian Territorial Force for the period he is called out for Military training will be debitable to the Defence Service Estimates.

*Note 4* :- Leave earned by service under the Government of Burma prior to separation will for purposes of allocation, be treated as earned under the Government under which the officer concerned was permanently employed on the 1st April, 1937.

### **LOCAL RULINGS**

1. When a Government servant is transferred for service under a Government other than that under which he was first employed, a separate leave account should be opened for showing the leave earned under that Government and the leave the cost of which will be debited to that Government. This leave account will be in addition to the main leave account, which must be a complete record of all leave earned and taken under the Fundamental Rules throughout his service. The object of the maintenance of the

subsidiary leave account is to ensure that the leave salary down by him during any leave taken after the (date of transfer is charged to the borrowing Government until the entire leave earned under that Government has been exhausted.

2. Temporary or officiating service rendered under a Government followed by confirmation for the first time under the same Government without interruption of duty should be treated as service under a "Lending Government".

3. The Government to which a Military Commissioned Officer in Civil employ transferred should not be regarded as occupying the position of a lending Government until and until the officer obtain permanent employment under that Government.

4. Leave earned by deputation interruption of leave should not be deemed to be consumed immediately following the deputation and debited to the Government on whose behalf the deputation was performed, as there is no fresh grant of leave on the completion of deputation but only the enjoyment of leave already granted. The debit should be raised on the Govt. concerned only on the next occasion on which the officer proceeds on leave.

5. In determining the classifications of leave salary of a Government servant in permanent civil employ under a State Government but employed temporarily on an Agency subject, i.e., a subject in respect of which a State Government acts as an agent of the Central Government, the Central Government should be regarded as the borrowing Government.

6. It under the rules of the Government under which a Government servant who has no lien on a permanent post, is temporarily employed for the time being temporary service previously rendered by him under the other Governments counts for leave the Government employing him for the time being should bear the leave salary until the leave earned by service under that Government is exhausted; thereafter the leave salary should be charged to other Governments according to the reverse order to the Government under which he was employed.

In the case of Gazetted Government servants the subsidiary leave account will be kept by the Accountant-General and the allocation of leave salaries to different Governments done by him.

When, however, the leave salary is drawn by head of offices for non-gazetted Government servants, the subsidiary leave account should be referred to and the debit of leave salary allocated strictly in accordance with the instructions above. The same procedure should be observed in respect of non-gazetted Government servants who have served under district boards and other foreign employers and for whom no contributions for leave salaries were recovered. In the case of those Government servants who, however, are exempted altogether from payment of leave and pension contribution, the entire leave salary is payable by Government.

Whenever, appointment of leave salary of non-gazetted officers becomes necessary the head of the office should forward to the Accountant-General for check a memorandum showing particulars of charge to be borne by each Government or local body together with the service book and the leave account of the Government servant concerned and details of the debit should be recorded in column 13 of the service book as soon as the leave is sanctioned and on receipt from the Accountant-General of the Memorandum mentioned above duly checked.

2. Except as provided in the two succeeding sub-paragraphs the liability of a borrowing Government should be taken in all cases (including those of Government servants whose leave is regulated by the leave rules in the Civil Service Regulations or any other leave rules) in terms of leave on average pay, at 5/22nd of duty in the case of Government servants subject to the Special Leave Rules of the Fundamental Rules or the European Service Leave Rules of the Civil Service Regulations or any other corresponding Leave Rules and at 2/11ths of duty in the case of others, without regard to the maximum limit of leave that can be earned or granted to the Government servant under the leave rules to which he is subject. This principle applies also in the case of Military Commissioned Officers, Departmental Officers and Warrant and Non-Commissioned Officers whose leave is regulated under paragraphs 913 (b) and (c) of the Regulations for the Army in India and Fundamental Rule 100. For the purpose of determining the liability for leave salaries, these officers should be considered to have earned leave as follows:

(a) Military Commissioned Officers - 5/22nds of duty performed.

(b) Others - 2/11ths of duty performed.

In the case of officers serving in vacation departments the leave earned is subject to reduction by one month or a fraction of a month as the case may be, for each year of duty in which the vacation was wholly or partly enjoyed. For the purpose of subsidiary leave accounts it may, however, be assumed that vacation was enjoyed in all cases prior to 1st January, 1922 the true facts recorded in the leave accounts being taken into account in all subsequent calculations.

In the case of High Court Judges, the calculations for the purpose of subsidiary leave accounts should be made in accordance with the leave rules to which they are subject wider the Government of India (High Court Judges) Order, 1937.

### ***LOCAL RULINGS***

1. Furlough taken by Military Officers should be treated as leave on half average pay and the furlough pay admissible to them under Military Rules while on such furlough in or ex-India should be viewed as half-average pay for purposes of raising debits, the privilege leave taken by such officers being viewed as equivalent of leave on average pay for this purpose.

2. In passing on debit for leave salary to lending Governments in the case of officers who had elected to remain under the simplified leave rules, the leave salary drawn at the time should be entirely passed on as in the case of officers on leave under the Fundamental Rules.

3. When the leave-salary of a Government servant has to be allocated under these rules between an original lending Government and a second lending Government (vide Note under Rule 1), it should, save as provided in Rule 4, be debited first to the second lending Government to the full extent of the leave earned under it and a debit to the first lending Government will be made only when all leave earned under the second lending Government has been exhausted. Similarly, if the leave-salary has to be allocated among three lending Governments, the leave earned under the third or the last lending Government will first be exhausted, then leave earned under the second and finally the leave earned under the first or original lending Government. This principle of debit of



leave salary according to the reverse order of that to employment shall also apply, subject to the provisions of Rules 1 and 4, when leave-salary has to be allocated among two or more borrowing Governments and in respect of different periods of service rendered by a Government under a particular Government. In the latter case, the leave salary in respect of the leave earned in each period of service under the particular Government will be dealt with separately;

The example given below illustrates how the principle laid down in this rule read with Rule 1 should be applied in practice :—

Suppose a Government servant has rendered service under different Governments as follows :—

Permanently employed under Government A. Lent to Government P	On the 1st April, 1930 From the 1st April, 1931 to 21st July, 1931.
Reverts to Government A Transferred permanently to Government B (second lending Government). Lent to Government Q	On the 1st August, 1931. On the 1st April, 1932.  From the 1st June, 1932 to the 31st August, 1932.
Lent to Government P.	From the 1st September, 1932 to 30 <sup>th</sup> September, 1932.
Reverts to Government B Transferred permanently to Government C. (third lending Government). Proceeds on leave for 28 months from Govt. C.	On the 1st October, 1932. On the 1st December, 1932.  On the 1st April, 1933.

The leave salary of the Government servant will be debited to the different Governments in the following order:—

Firstly, Government P in respect of leave earned under it for the period 1st September, 1932 to 30th September, 1932.

Secondly, Government in respect of leave earned under it for the period 1st June, 1932 to 31st August, 1932.

Thirdly, Government P in respect of leave earned under it for the period 1st April, 1931 to 31st July, 1931.

Fourthly, Government C in respect of leave earned under it for the period 1st December, 1932 to 31st March, 1933.

Fifthly, Government B in respect of leave earned under it for the period 1st October, 1932 to 30th November, 1932 and 1st April, 1932 to 31st May, 1932.

Sixthly, Government A in respect of leave earned under it for the period 1st August, 1931 to 31st March, 1932. 1st April, 1930 to 31st March, 1931 and in respect of leave earned under it by service prior to 1st April, 1930.

### **LOCAL RULINGS**

1. *Incidence of leave salary of a Government servant who has been transferred permanently to Local Fund* :—The debit to State funds of the proportionate leave salary

of a Government servant who has been transferred permanently to Local Fund service in accordance with the provisions of Article 805 of Civil Service Regulations, is not permissible. Such a permanent transfer from Government to Local Fund service will give an officer only a continuity of service for pension but not for leave.

2. *Incidence of leave salaries of employees of Local Funds administered by Government who are transferred to Service under Government or vice versa* :- The Rules regarding allocation of leave salaries between different Governments as laid down in this section may be applied to the case of employees of Local Funds administered by Government who are transferred to Service under Government and vice versa.

3. *Classification of leave salary of a State Government servant holding a post under the Central Government in addition to his own post under the State Government* :—When a State Government servant is appointed to hold a post under the Central Government in addition to his own post under the former, the Government of India have decided (vide No. F. 78 Civil Service Regulation 26, dated 3rd March, 1926, of the Government of India, Finance Department) that the whole of the increase in the leave salary due to his holding a Central Government post is debitable to that Government. This principle is equally applicable to the increase in the joining time pay under Fundamental Rule 107 (b) (ii) which is practically leave salary in another name.

#### 4. (Deleted)

5. *Incidence of Leave Salary of Research Staff employed in connection with the Research Scheme financed by the Indian Council of Agricultural Research* :—The Research Staff employed of Schemes of the Indian Council of Agricultural Research falls under two categories—

(1) those with a lien on substantive posts under Government; and

(2) those without such lien, directly recruited for temporary employment on such schemes. These may further be sub-divided into—

(a) officiating men, who, though deputed to work on a Council's scheme, would continue in service under Government but for their deputation;

(b) officiating men, who would have been discharged for want of vacancy, but for their deputation to work on a Council's scheme.

*Staff falling under category (1)* :—The entire leave salary is debitable to State revenues whether they are employed on old or new schemes, i.e., schemes sanctioned after 31st March, 1938.

*Staff falling under category (2) (a) and (b)* :—The leave salary in respect of personnel employed on old schemes is debitable to State revenues where substitutes are employed in the leave vacancy. In cases where no substitutes are entertained, the leave salary is debited to the grant of the scheme concerned. The leave salary of staff employed on new schemes and renewal of old schemes and falling under category 2 (a) is debitable to State revenues, but that of those falling under category 2 (b) to the funds of the Council and only to the extent of leave admissible under the Revised Leave Rules, 1933. of the Central Government, in respect of the period of employments under the Council's scheme.

6. *Incidence of leave salary and pension of Government servants transferred between Burma and India after 31st March, 1937* :—It has been decided by the Central Government in consultation with the Government of Burma that the liability of the State Government for the payment of pension and leave salary of officers (including High Court) Judges transferred between Burma and India after 31st March, 1937, should be limited to that earned by service in State concerned.

Paragraph 27(2) of the Government of India (High Court) Judges Order, 1937, which is intended to protect the service rights of the Judges does not preclude an arrangement of this nature.

7. *Allocation of leave salaries among the different offices and systems of the Electricity Department* :—With effect from 31st August, 1942, the leave salary of Gazetted and non-Gazetted officers of the Electricity Department should be debited wholly to the office or Electric System from which the officer proceeds on leave.

8. *Incidence of the leave salaries of Government servants under the control of the Government of Andhra Pradesh lent by one department to another or by one office to another under the same department* :—(1) If the borrowing department wishes to grant leave to a Government Servant lent by another department during the tenure of the post in the borrowing department the latter department is entitled to sanction the leave, provided it is prepared so pay for it and after having verified from the lending department the Government servant's title to leave.

(2) If the leave admissible is availed of by the Government servant on the termination of his service in the borrowing department, the leave salary should be borne by the lending department. The Government servant should then be considered as having been reverted to the lending department from the date of commencement of the leave which should be governed in all respects as if it were being granted for duty in the lending department. In these cases, the lending department should be consulted by the borrowing department regarding the grant of leave so that the former may decide whether it would be administratively convenient to sanction the leave, because when it possesses a leave reserve but no deputation reserve, the substitute employed in the deputation vacancy will have to be discharged from the date of commencement of leave.

(3) The above procedure does not apply to cases where the lending and borrowing departments are commercial departments. In these cases and in the case of transfers from a non-commercial to a commercial department the leave earned by the Government servant in the commercial department should be debited in full to that department. The procedure for the grant of leave will, however, be the same as in the case of noncommercial departments.

(4) The procedure prescribed in paragraph 1 above will apply *mutatis mutandis* in the case of grant of leave and adjustment of leave salary of Government servants lent by one office to another under the same department.

**3-A.** When a Government servant is granted an extension of service and the whole of the leave at his credit on the date of compulsory retirement lapses, under Fundamental Rule 86 (i) or any other corresponding leave rule and no leave is carried forward on extension of service, the Government for whose benefit the extension is sanctioned will bear the entire charge for leave-salary in respect of the leave earned by

him during the period of extension, any liability of any Government on that date as shown in his subsidiary leave account being automatically cancelled. When, however, such a Government servant carries forward any leave on extension of service, such liability continues, but only in respect of the leave actually carried forward.

4. When a Military Commissioned Officer claims under Note 2 to Fundamental Rule 90 the privilege of drawing the minimum leave-salary fixed by military rules in respect of any period of leave earned under those rules before coming under Civil Leave Rules, such portion of the leave as was actually earned by military service should be debited to the Defence Department.

5. The Government which sanctions "leave not due" will bear the charge on account of such leave in the first instance in all cases, but in cases where the Government servant on return from such leave is transferred to another Government before the "leave not due" taken by him is completely earned by duty, such readjustment of the charge may be made as may be agreed upon by the two Governments concerned.

#### ***LOCAL RULING UNDER RULE 5***

The following arrangements have been agreed upon between the Andhra Pradesh Government and the Central Government and the Governments of West Bengal, Assam, Bihar, Orissa, Punjab and Uttar Pradesh :—

When an officer who has been granted and has availed himself of leave not due transferred to another Government before the leave not due taken by him is completely wiped out by service under the Government which sanctioned the leave, the portion of the leave-salary which cannot under the rules be adjusted against the Government sanctioning the leave will be debited to the other Government. When for any reason the officer so transferred fails to earn sufficient leave to wipe out the leave not due granted to him before transfer, the Government which sanctioned the leave to him will be redebited with the leave-salary for leave not due which is not wiped out by subsequent service in the province to which he has been transferred.

In the case of transfers between the Andhra Pradesh Government and the Government of Maharashtra, each case will be dealt with on its merits.

6. Leave salary in respect of Special Disability Leave granted to a Government servant will be borne by the Government which sanctioned the leave, provided that here a Government servant has served under more than one Government and is granted Special Disability Leave, on average pay under Fundamental Rule 83(7)(b), half of which is debitable to his leave account under Fundamental Rule 78(b) the debit for such leave should be made both in the main and subsidiary leave accounts and the actual amount of leave salary drawn by him for the whole period of such leave will be apportioned among the Governments concerned in the proportion in which that leave is debited to his leave accounts with those Governments.

7. The allowances paid to a Government servant during study leave will be borne by the Government under which he was employed when the study leave was granted.

8. The Government which received or remitted the contribution for leave salary of a Government servant in Foreign service should bear the charges for his leave salary in respect of the leave earned by him during such service.

**LOCAL RULINGS**

Where the leave salary is chargeable to another Government, the amount will be debited through account current to the Government concerned and where it relates to a District Board, or Foreign employer, the charge should be classified under the same head as pay and the recovery should be effected direct from the District Board or Foreign employer and when recovered intimated to Accountant-General, Andhra Pradesh.

9. In respect of Government servants subject to the Central Government's Revised Leave Rules, 1933, or similar rules issued by other Governments which make the calculation of leave in relation to the period of duty impossible, contribution for leave salary is recovered from borrowing Governments. The liability of a borrowing Government to pay contributions to the lending Government ceases when a Government servant is permanently transferred to the former, but the lending Government remains responsible for the leave salary of the Government servant in respect of 'earned leave' at credit on the date of his permanent transfer to the borrowing Government. This amount of "earned leave" should be exhausted first by the Government servant before any leave in respect of service after permanent transfer to the borrowing Government is taken by him. The leave-salary in respect of any other kind of leave which may be taken by the Government servant after his permanent transfer to the borrowing Government under the leave rules of that Government will be borne by that Government.

**Note 1** :—In the case of officers borne or joint cadres, allocation of leave salary will be made in accordance with the arrangements mutually agreed upon by the Governments concerned.

**Note 2** :—In the case of temporary Government servant governed by the Andhra Pradesh Leave Rules, 1933, who are deputed to other State Governments or Central (Civil) Government, the procedure laid down in the rule for the recovery of leave salary contribution will apply.

**LOCAL RULINGS**

1. Method of allocation of leave salaries of Government servants subject to the revised leave rules when they are permanently transferred to other Governments :—When a Government servant subject to the revised leave rules is transferred permanently to another Government, the Audit officer of the Lending Government should draw up a subsidiary leave account indicating the amount "earned leave" at credit, leave salary for which will be borne by the Government from which the Government servant is transferred and send it to the Audit Officer of Government to which the Government servant is transferred.

When a non-Gazetted Government servant subject to the revised leave rules is transferred permanently to another Government, the head of the office from which he is transferred should prepare a leave account showing the amount of earned leave at credit on the date of permanent transfer and send it to the head of the office to which the Government servant is transferred. A copy of the leave account should also be sent at the same time to the Audit Office of the office from which the Government servant is transferred, so as to enable him to accept the debit on account of leave salary for earned leave upto the extent indicated in the leave account as and when the Government servant takes leave.

The procedure indicated above will be observed in the case of Government servants under the control of both the Andhra Pradesh Government and the Government of India.

2. The above rule does not apply to temporary Government servants subject the Revised Leave Rules, 1933. In the case of such a temporary Government servant, who, before his confirmation, is transferred from Civil to the Defence Department or vice versa, the leave salary should be borne by the second or subsequent departments in the reverse order of employment up to the limit earned under each department and the excess, if any, charged to the department under which he obtained his first temporary employment.

When such a Government servant is confirmed, without interruption of duty and takes leave thereafter, the additional leave that may become due to him under the rules in respect of his duty in the departments other than that in which he is confirmed should be exhausted first and leave salary allocated in the reverse order as in paragraph I above treating the department, Civil or Defence, as the case may be, in which he is confirmed as the lending department.

It had also been decided that in so far as the allocation of leave salary in respect of earned leave is concerned the borrowing Government should bear the leave salary to the extent of the leave which can be earned by service under that department irrespective of the fact that the Government servant concerned has, at the time of his transfer to the borrowing department or any time during his service under the department, ceased to earn further leave by virtue of his having the maximum permissible limit of leave to his credit.

The procedure relating to allocation of leave salary is also applicable in the case of leave on medical certificate admissible to temporary Government servants under Rule 14 of the Revised Leave Rules, 1933, the liability of the borrowing for such leave in respect of an incomplete year of service under it being a proportion of 15 days equal to the proportion which the incomplete year bears to the whole year.

**10.** Notwithstanding anything contained in these rules, the Government of Orissa will liquidate their liability for the leave salary of officers of the joint cadre services serving under it by payment of leave salary contribution in respect of such service to the Government of Bihar and the same procedure will apply till the 30th June, 1943 in respect of officers of the Madras Government lent to the Government of Orissa.

**11.** *[Deleted]*.

### ***III. Incidence of the Cost of Passages***

The following rules govern in the incidence of the cost of passages taken by Government servants who have served under two or more Governments, under the Regulations contained in Schedule IV to the Superior Civil Services Rules or under the Central Services (Non-Superior Officers) Passage Rules, 1939, or under the Railway Services (Non-Superior Officers) Passage Rules, 1939, or under identical term in rules or order of a State Government, or under the rules of the Defence Department.

For the purposes of these rules, Commercial Departments are treated as separate Government and the Defence Department of the Central Government is also treated as a separate Government.

1. (i) When the services of a Government servant who is entitled to passage concessions under the terms of the service rules applicable to him are lent by one Government to another the borrowing Government will pay contributions in respect of his passages to the lending Government at the rates specified below for the period of service,

including leave, rendered by the Government servant under the borrowing Government. The cost of all passages taken by him, (including those taken while serving under the borrowing Government) will then be borne by the lending Government. The calculation of the total amount payment by the borrowing Government may be made at the end of the Government servants service under the latter or at the end of the financial Year, whichever is earlier and the adjustment may then be made in one lump sum.

The rates of contributions applicable to the several classes of officers will be as follows :—

Civil officers entitled to first class passages	Rs. 50 per mensem.
Civil officers entitled to second class passages	Rs. 30 per mensem.
Army and Air Force Officers.	At the rate prescribed in Appendix X Defence Service Force Officers Regulations, India, Financial Regulation, Part I (Army and Air Forces).
Naval Officers	At the rate prescribed in Appendix XIII Financial Regulations for the Royal Indian Navy.

These rates are subject to any ad hoc increase of a temporary nature as notified from time to time.

**Note** :—In respect of officers of joint cadre serving two or more Governments the provisions of this clause may be varied by mutual agreement between the Governments concerned.

(ii) When such a Government servant is transferred permanently from one Government to another, the allocation of the liability for his passages will be made between the two Governments as follows :—

(a) The Government under which the Government servant was originally employed will be debited with an amount equivalent to the contributions calculated at the rate mentioned in clause (i) above for the period of service including leave, rendered by him under that Government. The expression “period of service” in this clause includes any period of service under another Government in respect of which contribution for passages has been received, but excludes any period of service in respect of which the Government servant was not eligible for passage concessions under the rules applicable to the service to which he belonged;

(b) That Government will be credited with an amount representing the cost of passage already taken by the Government servant while serving under it.

If (a) exceeds (b), the difference will be paid by the original Government to the Second Government, and conversely, if (b) exceeds (a), the difference will be recovered by the original Government from the second Government.

The cost of all passages taken by the Government servant after the date of transfer will be debited to the second Government.

**Note** :—A Government servant will not be considered to have been transferred permanently from one Government to another until he is confirmed in a permanent post, other than a tenure post, under the latter Government.

#### *IV. Incidence of Pensions*

1. Except in regard to the apportionment of liabilities in respect of pensions of the serving and retired Government servant of the undivided India between India and Pakistan the following rules regulate the adjustment of pensionary charges of Government servants who have served under one or more than one Government. These rules also constitute the agreements relating to the distribution of pensionary charges contemplated by Article 290 of the Constitution of India.

2. The Government of Coorg should be regarded as a separate Government for the purposes of these rules, prior to 1st November, 1956.

2-A. A Local Fund administered by Government should be regarded as a separate Government for the purpose of these rules.

3. For the purpose of these rules—

(1) “*Length of service*” means “length of qualifying service”.

(2) Service under a Government includes period for which a Government servant drew pay or leave salary from that Government.

(3) Service rendered in a department the expenditure on which was debited to a divided head before 1st April, 1931 should be treated as service under the Central or State Government according as the head in question became Central or State after 31st March, 1921.

(4) Service rendered under the late Crown Representative should be treated as service under the Central Government (Civil).

(5) Foreign service should be treated as service under the Government which received or remitted, as the case may be, the contributions for the pension in respect of such service.

(6) Compassionate allowances are treated as pensions.

4. When pensionary charges are apportioned under these rules between different Governments on the basis of length of service, the following, except as provided in Rule 5, should be excluded from the calculation of such service

Periods of probation of training during which the Government servant did not hold a sanctioned charge, periods of such leave as commuted, furlough, leave on average pay other than the first four months of each period of such leave and leave or less than average or full pay and in that case of Government servants governed by the Central Government’s Revised Leave Rules, 1933, any period of leave during which leave salary was drawn other than earned leave not exceeding 90 days (120 days under the rules as liberalized in 1949) in any one spell, and special additions (excluding additions in respect of periods of war service - vide Rule 14 of these rules) to qualifying service of periods during which no qualifying service has been rendered to Government, which are allowed by special rules or orders made by Government for example, Article 404-A of the Civil Service Regulations, or the corresponding rules of a Provincial Government. The effects of omitting these periods will be that the pensionary liability in respect thereof will be distributed among the employing Governments in the same proportion as the liability for the rest of the Government servant’s service.



**Explanation** :—‘the periods of leave counting as qualifying service for pension under Article 407, Civil Service Regulations, earned under the paid for by a particular Government as shown in the subsidiary leave Account are part and parcel of the qualifying service rendered under that Government. While calculating the length of qualifying service, such periods should not be separated from the spells of actual qualifying duty immediately preceding or following such leave.

5. In the case of pensions which are earned by total service including leave, the pensionary liability should, to these rules, be distributed among the employing Governments in proportion to the periods for which the Government servant concerned has drawn pay or leave salary from each Government.

6. When a deficiency in qualifying service is condoned, the period condoned should be reckoned as service under the Government which condones it.

7. Pensions, including wound or injury pensions and pensions to the dependants of Mutiny Veterans, sanctioned before the 1st April, 1921 will be debited to the Central Government, if paid outside India and Pakistan and to the Government by which the payment is made, if the payment is made in India.

**Note** :—Pensions which were in payment, in an erstwhile Indian State on the date of its merger with a Part ‘A’ State will continue to be debited to the Central Government.

8. Except as provided otherwise in these rules, pensions sanctioned on or after 1st April, 1921, will be adjusted as follows -

(a) Payments outside India and Pakistan—

(i) If a Government servant has served under one Government only that Government will bear the charge.

(ii) If he has served under more than one Government, the pensions will be divided among the several Governments in proportion to the length of service under each.

(b) Payments made in India—

(I) *Pensions sanctioned before 1st January, 1942—*

(i) If a Government servant has served under one Government only, that Government will bear the pensions drawn by him on retirement even though it may be disbursed by another Government.

(ii) If a Government servant has served under more than one Government (other than Central Government) before retiring, his pension will be borne by the Government under which he was serving at the date of retirement.

(iii) If a Government servant has served both under the Central Government and one or more other Governments before retiring, the Central Government will be debited with a proportionate share of the pension determined by mere length of service. The balance will be borne by the Government wider which he was serving at the date of retirement, or, if that be the Central Government, by the Government under which he was serving prior to his transfer to the Central Government.

**Note 1** :—The initial allocation of a pension made under this rule, shall not be altered subsequently merely by reason of its transfer from a place outside India and Pakistan to India or vice-versa; but see Rule 34.

**Note 2** :—In the case of pensions of Government servants transferred from Burma to India before the 1st April, 1937 and retiring on or after that date service rendered under the Government of Burma before that date should be ignored for the purposes of this rule. The effect of ignoring such service will be that the pensionary liability for that service will be distributed among the other employing Governments in the same proportion as the liability for the rest of the Government servant's service. The entire pensionary liability in case of such transfers from India to Burma is borne by the Government of Burma. In the case of transfers on or after the 1st April, 1937, liability of the Government or Governments in India as the case may be and of the Government of Burma will be limited, unless settled otherwise by mutual agreement to the pension earned by service under each.

**Note 3** :—In respect of pensions sanctioned on or after the 1st April, 1937, for Government servants who have rendered a part of their service in Aden prior to its separation - including in their case any service after separation also - the liability of the Government or Governments in India, as the case may be, and the Colonial Government should be fixed on the basis of length of service, any period of service in Aden for which India recovered pension contribution from the Colonial Government in any individual case being allocated as service in India.

*(II) Pensions sanctioned on or after 1st January, 1942—*

If a Government servant has served under more than one Government (including the Central Government) before retiring, his pension will be divided amongst the several Governments in proportion to the length of service rendered under each. Where the pension rules of the Government concerned differ, the charges may by mutual agreement be distributed in accordance with the principles laid down in Rule 24.

**9.** Special additional pensions sanctioned on or after 1st April, 1921, whether paid in India or outside India and Pakistan will be treated as separate items and distributed according to the length of service between the different Governments under which the service by which the additional pension was earned was rendered. The allocation should be based on the total period of service in the lower and upper grade combined, without regard to the period of service by which the additional pension can be earned in any one grade alone. See also Rule 11.

**Note 1** :—The Railway, Posts and Telegraphs and Defence Departments shall be regarded as separate Governments for the purpose of this rule.

**Note 2** :—Note 2 under Rule 8 applies mutatis mutandis to special additional pensions.

**10.** Wound and injury pension sanctioned on or after 1st April, 1921 will be debited to the Government under which the recipient of the pension was serving when the wound or injury was received.

**Note** :—The Railway, Posts and Telegraphs and Defence Departments shall be regarded as separate Governments for the purpose of this rule.

**11. (Deleted).**

**12.** Pensions sanctioned on or after 1st April, 1921 for Military Officers and other ranks including those of the Indian Medical Service or Department who have been employed partly under the Defence Department and partly under the Civil Department of the Central Government or State Governments, will be distributed in accordance with the principles laid down in Rules 8 (a)(ii) and 8 (b)(iii) of these rules between the State Government or Governments concerned, the Central Government (Civil Estimate) and the

Defence Services Estimates in proportion to the length of service rendered in the Civil Departments of each Government and in the Defence Department. Special additional pensions awarded to Military Officers holding high civil posts will, as laid down in Rule 9, be distributed according to the length of service by which it was earned under the different Governments. These principles will also be applied mutatis mutandis to pensions sanctioned on or after 1st April, 1921 for Civilian Government servants who have been employed partly under the Defence Department, but not share of the pensionary charges of a Civilian Government servant belonging to the Army in India Reserve of Officers for the period he is called-out for Military training will be debitable to the Defence Services Estimates, the share being debited to the Government from which the officer drew pay or leave salary for the period in question.

**13.** Civil servants who were placed on military duty during the Great War shall be deemed to have served under the Central Government for the period of that duty; the pensionary charges in respect of that duty being debited to the Defence Department in the case of pensions sanctioned on or after the 1st April, 1921.

**13-A.** In the case of Civil Government servants who held higher temporary or officiating posts in the Defence Services during the Second World War (1939) to whom Article 487-A of the Civil Service Regulations applies and for whom pension contributions were originally recovered on the basis of the substantive appointments held by them, the extra pensionary liability should be charged against the Defence Estimates.

Similarly in the cases of Civil Government servant, holding higher temporary or officiating post in the Defence Services to whom Article 487-B of the Civil Services Regulations applies the extra pensionary liability should be debited against the Defence Estimates. (Memo No. 2753-A1Accts/57-2, Finance, Dt. 1-5-1957)

**14.** The pensionary liability in respect of periods of War Service rendered by a Government prior to civil employment and added to civil qualifying service under the relevant Service Rules is distributed as follows:

(a) In the case officers and men, who rendered temporary military service in the World War I and are allowed to count such service towards civil pension, subject to a maximum of four years, no portion of the pensionary charge in respect of such added service should be debited to Defence Estimates. The entire charge in respect of the added service is debitable to the Civil Department, the distribution between employing Governments being made in the same proportion as the liability for the rest of the Government servant's qualifying service.

*Note* :—The procedure laid down in this rule will apply mutatis mutandis in respect of war service rendered as members of his Majesty's Forces in World War II by persons who have been appointed permanently to war-reserved and other vacancies which arose before 1st January, 1948 and are allowed, subject to the general principles laid down in Articles 357-A and 357-B of the Civil Service Regulations, to count completed years of satisfactory whole time military service rendered between 3rd September, 1939 (or the date of their attaining the minimum age of entry into the service or post to which they are appointed on a permanent basis, whichever is later) and 1st April, 1946 towards civil pension upto a maximum of five years.

(b) In the case of surplus officers of the Indian Army, who retired under the Royal Warrant of the 25th April, 1922 and subsequently obtained civil employment, the

pensionary charges in respect of any special addition to civil qualifying service are debitable to the Defence Department.

**15.** Pensions sanctioned on or after 1st April, 1921 to the dependants of Mutiny Veterans are debitable to the Central Government (Civil),

**16.** For the purpose of determining the share of pensionary charges between the Central Government and a State Government, a Government servant, who during the last three years of his service, served under one Government but was concurrently remunerated by both the Governments, or who served under and was remunerated by both the Governments simultaneously, should be considered to have served during this period under each of these Governments, for a period proportionate to the cost which each Government incurred.

**16-A.** The allocation of Pensionary charges of the employment and training organizations between the Central and State Governments will be as follow :—

(a) For the period of service rendered by a person for which pay was borne wholly either by the State or the Central Government, the liability for pension for the said period shall be of the Government concerned.

(b) For the period of service rendered by a person for which pay was borne by the Central and the State Governments in propoilion of 60:40, the liability for pension for each period will be shared by the Governments concerned on the same proportion.

[Memo No. 599461AcctsJ57-4, Fin., Dt. 25-)-1957]

**17.** Pensions of Government servants employed in Coorg will be adjusted as follows:—

I. Pensions sanctioned before 1st April, 1921 will be adjusted in accordance with Rule 7.

II. Pensions sanctioned between 1st April, 1921 and 31st March, 1924 (both dates inclusive) will be adjusted as follows:—

(a) If the whole of the pensionary service of the Government servant has been rendered under the Central Government (including Coorg)—

(i) if the pension for 31st March, 1924 was paid in Coorg, the charge is debitable to Coorg irrespective of the place of payment (including England);

(ii) if the pension for the 31st March, 1924 was paid elsewhere, the charge is debitable to the Central Government irrespective of the place of payment.

(b) If the pensioner has served both under Central Government (including Coorg) and under one or more other Governments.—

(i) a proportionate share debitable to a State Government in accordance with Ride 8(b)(iii) will be debited to the State Government concerned;

(ii) a proportionate share debitable to the Central Government under Rule 8(b)(iii) will be adjusted in accordance with clause (a) above.

III. Pensions sanctioned on or after 1St April, 1924 will, be adjusted *mutatis mutandis* in accordance with the principles laid down in Rules 8-10 and 12-14, any

service under the Coorg Administration in departments which have been provincialized being considered as service under the Coorg Government.

**18. [Deleted].**

**19.** The pensionary charges of Government servants who have rendered service in the Railway Department will be adjusted as follows:—

(i) All pensions which were being debited to the Railway Department on 3rd September, 1929 will continue to be so debited.

(ii) Pensions sanctioned on or after 3rd September, 1929 should be distributed between the Railway Department and other departments or Governments under which the Government servants served in accordance with the principles laid down in Rules 8(a)(ii) and 8(b)(iii).

**20.** The incidence of pensionary charges of Government servants employed in the Posts and Telegraphs Department is determined as follows :—

*I. Pension sanctioned before 1st April, 1921—*

(a) if paid in a treasury situated in a Part 'A' State, the charge is debitable to that State.

*Note* :—Pensions which were in payment in an erstwhile Indian State on the date of its merger with a Part 'A' State will continue to be debited to the Central Government.

(b) if paid in treasury situated in a Part 'B' or a Part 'C' State or in the territories specified in Part 'D' of the first Schedule to the Constitution or if paid outside India and Pakistan - the charge is debitable to the Central Government (Civil).

*II. Pensions sanctioned between 1st April, 1921 and 31st March, 1935 both dates (inclusive)—*

(a) When the whole of the pensionary service of a Government servant, other than an officer of the Indian Civil Service or Indian Audit and Accounts Service has been rendered under the Central Government (including the Posts and Telegraphs Department), the charge, other than that debitable to Railways or Defence, will be debited irrespective of the place of payment i.e., whether it is made in or outside India -

(i) to the Posts and Telegraphs Department, provided the pensioner was at the date of retirement serving in that Department;

(ii) to the Central Government (Civil), provided the pensioner was at the date of retirement serving in a Department of the Central Government other than the Posts and Telegraphs Department.

(b) If the pensioner, other than an officer of the Indian Civil Service or Indian Audit and Accounts Service, has served both under the Central Government (including the Posts and Telegraphs Department) and under one or more other Governments—

(i) the proportionate share debitable to the State Government or the Government of Coorg, as the case may be, in accordance with Rules 8(b)(iii), 17 and 18 will be debited to the Government concerned;

(ii) the proportionate share debitab1 to the Central Government under the Rule 8 (b) (iii) will be regulated in accordance with 11(a) above.

(c) In the case of an officer of the Indian Civil Service or Indian Audit and Accounts Service, the amount debitab1 to the Posts and Telegraphs Department will be determined on the length of service rendered in that Department.

*III. Pensions sanctioned on or after 1st April, 1935—*

The pensionary charges will be distributed between the Posts and Telegraphs Department and other Governments and Departments inutatis mutandis in accordance with the principle laid down in Rules 8-10, 12-14 and 17-19.

**21. (Deleted).**

**22. Notwithstanding anything in these rules—**

(1) any pension or portion of a pension which under these rules would be debitab1 to the old State of Bihar and Orissa, if Orissa had not been separated from Bihar, will be adjusted in accordance with the provisions of paragraph 11 of Part I of the third Schedule to the Government of India (Constitution of Orissa) Order, 1936, provided that any pension or share of a pension attributable to service under the old Government of Bihar and Orissa which is sanctioned by any Government other than the Governments of Bihar and Orissa will be debitab1 to the Governments of Bihar and Orissa in the ratio 81:19;

(2) the Pensionary charges of officers of the Andhra Pradesh Government lent to the Government of Orissa shall be apportioned with effect from the 1st July, 1943, between the two Governments in proportion to the length of service under each Government. In respect of officers of the Bihar and Orissa joint cadre and other officers available for service in both the States of Bihar and Orissa, the Pensionary charges will be distributed in accordance with the principles mutually agreed upon by the Governments concerned;

(3) the liability in respect of pensions sanctioned by Madras before 1st April, 1936 which under these rules will be debitab1 to Madras will be distributed between Orissa and Madras as provided in clauses (a) and (b) of paragraph 9 of Part II of the third Schedule to the Government of India (Constitution of Orissa) Order, 1936, and the liability for pensions sanctioned by Madras or Orissa on or after 1st April, 1956 in respect of service in Madras prior td 1st April, 1936 will be adjusted as provided in clause (c) of that paragraph.

**23. Notwithstanding anything in these rules—**

(1) any pension or portion of a pension which would under these rules have been debitab1 to the old State of Maharashtra cum Sind, if Sind had not been separated from Bombay, shall be adjusted as provided in paragraph 14 of the Second Schedule to the Government of India (Constitution of Sind) Order, 1936;

(2) in respect of officers of the joint cadre serving under it, Sind shall liquidate its liability for the pensionary charge in respect of such service by the payment of pension contribution to Bombay.

**24.** In the case of pension divisible between the Central Government and one or more State Governments, the foregoing rules, in so far as they are applicable, are subject to the observance of the following convention which has been established between the Central Government and the State Governments—

(1) When a pension granted by a Government under its own rules is more generous than that admissible under the rules of another Government, the later Government will bear only the proportionate share which would be admissible under its own less favourable rules. This principle will come into operation when there is a divergence in the pension codes of two Governments, and a pension calculated under the normal working of one set of rules is more liberal than under the other set of rules. It does not take into account any concessions which may be allowed under the discretionary powers contained in the two sets of rules.

(2) When a pensionary concession other than tie grant of a compassionate allowance or the condonation of a deficiency in qualifying service is granted by one Government under its own rules (irrespective of whether or not they are more liberal than the rules of another Government) that Govt. will bear the resulting increase in pension, unless any portion of the increased liability has been accepted by the other Government or Governments affected. In the event another Government agreeing to the grant of a concession, the share of the total pension debitable to each Government will be determined on the basis of the length of service under each.

These principles will not apply to military service in respect of any matter in regard to which special orders already exist.

In respect of pensions divisible between themselves, State Governments may by mutual agreement adopt these principles.

**Note 1:** —In the case of a Government servant who has served partly under the Central Government and who retires on or after 2nd March, 1938 under the pension rules of the Government of the Madhya Pradesh before completing qualifying service of 30 years and is entitled under these rules to a retiring pension the Central Government's share of his pension will be calculated according to the following formula :—

$$\text{Central Government's share} = A/B \times Y/X \times C$$

when

C = the total pension admissible

A = the number of years of qualifying service under the Central Government.

B = the number of years service which the Government servant would have rendered on attaining the age of 55 years; or 30 years service whichever is less.

X = the commutation value at the actual age (next birthday) of retirement, of the pension admissible (C) expressed as number of years, purchase, and

Y = the commutation value of the pension admissible (C), expressed as number of years purchases, at the age (next birthday) of the Government servant (i) at the date on which he would have completed 30 years' qualifying service or (ii) at the date on which he attains the age of 56, i.e., age next birthday after the age of superannuation (assumed as 55 years for this purpose for all classes of Government servants) whether would have come first.

For the purpose of calculating X and Y reference shall be had to the tables prescribed from time to time under Rule 7 of the Central Government's Civil pension (Commutation Rules).

This formula will apply only to retiring pensions of Government servants other than those to whom Article 465-A, Civil Service Regulations, would have applied if the Central Government pension rules were applicable.

**Note 2** :—In the case of a Government servant in Superior Service who has served partly under the Central Government and who retires on a retiring pension on or after the 1st April, 1940 under the pension rules of the Government of Sind before completing qualifying service of 30 years, the Central Government's share of his pension will be calculated in accordance with the formula under Note 1 above.

In the case of such of a Government servant who retire on a retiring pension after completing qualifying service of 30 years or more the Central Governments share of pension will be determined according to Rule 279-A of the Bombay Civil Services Rules.

**Note 3** :—In the case of Government servants governed by the pension rules in the Bombay Civil Service Rules, the share of pensionary charges of the Central Government for the period of service rendered under that Government will be calculated under those rules.

**Note 4** :—The exception made in Rule 24 (2) above in regard to condonation of deficiency in qualifying service is applicable only in cases where the concession is limited to that admissible under the pension rules in force. In cases where the concession is granted in relaxation of the normal rules the liability should be allocated on the basis of the general principles in Rule 24(2).

**25.** For the purpose of determining the share of pensionary charges payable by two or more Governments, the service of the pensioner under the several Governments should be expressed in items of months, 15 days or more being regarded as a month. When the share of pension debitable to a particular-Government comes to less than a rupee, it should be neglected.

**26.** When an adjustment has to be made under these rules between two or more Governments, it may, except as provided in Rule 31, be made either by the payment in lump or in installments of the commuted value of a pension, or in accordance with any special arrangement which may be concerned between the Governments concerned. The system of lumpsum adjustment of pensionary charges by payment of commuted value between the Central Government and State Governments is not however to be applied to pensions which are subject to revision after retirement. In such cases, the adjustments with the Governments concerned should be made as pensions or paid with reference to the actual amount paid.

**27.** In adjusting pensionary charges between two more Governments by payment of commuted values prescribed respectively by the President of India for Commonwealth Relations by the President under Rule 7 of the Civil Pensions (Commutation) Rules should, be employed, unless the Governments concerned mutually agree to employ any other table.

(a) The table prescribed by the President of India for Commonwealth Relations should be used in the case of—

(1) Civil Officers whose domicile at the time of their first appointment to Government service was non-Asiatic, and

(2) Officers of the Indian Army, Indian Medical Service, and Indian Navy and Departmental and Warrant Officers, whose domicile at the time of their first appointment to Government service was non-Asiatic.



(b) The table prescribed by the Governor-General in Council should be used in the case of—

(1) Civil Officers whose domicile at the time of their first appointment to Government service was Asiatic, and

(2) Officers of the Indian Army, Indian Medical Service, and Indian Navy, Departmental and Warrant Officers (including Military Sub-Assistant Surgeons), nonCommissioned officers and men of the Indian Army, whose domicile at the time of their first appointment to Government service was Asiatic.

(c) In respect of the portions of their pensions earned by periods of service under State Governments or Civil departments of the Central Government, such other officers of the Defence departments whose pensions are governed by the Civil Service Regulations should be treated as civil officers for the purposes of clauses (a) (1) and (1.) (1) of this rule.

**28.** The Defence Department's share of a divisible pension should in all cases, excepting those falling under Rule 31, be extinguished by credit of the commuted value of that share to Central (Civil) by debit of Defence, the adjustment being made as and when each case arises. This procedure will have the effect of converting the Defence Department's share of the divisible pension into one relating to Central (Civil) for all purposes and will not in any way affect the arrangement that may be agreed upon for the adjustment of pensions between the Central and State Governments.

**29.** The Provisions contained in the preceding rule will be applied conversely for the settlement of the civil shares of military pensions which are not subject to revision after retirement. That is to say the civil share of a divisible pension debit to a province or to the Central Government (Civil) will be extinguished by the commuted value of that share to Defence by debit to Central (Civil), the adjustment being made as and when each case arises. The Defence Account Officer will report periodically to the State Accountant-General the amount of pensions paid in respect of cases where they arrange between the Central and the State Governments concerned for the adjustment of pensions is with reference to actual payments. This report should also cover cases where a pension which has been adjusted as provided in this rule is subsequently transferred for payment in the United Kingdom.

**30.** Pensionary charges of Government servants who have served under in Posts and Telegraphs Department and another Department of the Central Government (with the exception of the Railway Department) will except in cases falling under Rule 31, be adjusted in the following manner. In the case of such a pension sanctioned on or after 1st April, 1938, if the actual monthly pension payments are not made at the Post Office and the Government servant concerned was not borne on the cadre of the Posts and Telegraphs Department at the time of retirement, the Posts and Telegraphs Departments will be debited with the capitalized value of the share of pension debit to it according to the length of service rendered in that Department, and the entire pension will then become a charge against Central Government (Civil). In cases in which the actual monthly pension payments are made by the Posts and Telegraphs Department, that Department will be credited with the capitalized value of the share of pension which is debit to the other Departments according to length of service principle, and the entire pension will then become a charge on the Posts and Telegraphs Department.

In case where the pensions are divisible between the Posts and Telegraphs Departments and the Railway Department, the adjustment will be made on the basis of actual pensions paid.

**31.** The system of adjustment between Governments or Departments by payment of commuted value does not apply to pensions payable in England.

**32.** When a portion of a pension which is debitable to more than one Government is commuted by payment of the capitalized value of a portion of his pension to the pensioner, the amount commuted may be taken as being in absorption or reduction of the shares debitable to the different Governments in the order in which those shares rise from the least to the largest amount, except in the case of pensions paid by the India Office, where the amount commuted is taken first in absorption or reduction of the share debitable to Defence estimates.

Thus, if Out of, a pension of Rs. 400/- per month which is apportioned as follows:

Government A 80

Government B 100

Government C 220

Rs. 100/- is commuted, the commutation will have the effect of extinguishing the share of Rs. 80/- debitable to Government A and reducing from Rs. 100/- to Rs. 80/- the share debitable to Government B.

The capitalized value of the amount commuted should, in such a case, be debited to Government A and B in proportion to the amounts by which their monthly shares of the pension have been reduced.

In respect of pensions which are divisible between the Central Government and a State Government, the Central Government may authorize the debit of Central revenues of the whole commuted value of a portion of the pension not exceeding the commuted value of the share of the pension debitable to it, if the State Government concerned cannot find funds to meet the payment of its share of commuted value.

*Note* :—This rule does not apply to the pensions divisible between the Central Government and the Govt. of Madras or persons who retire from the service of the Central Government and who are governed in the matter of commutation by Rule 4 of the Civil Pensions (Commutation) Rules. In such cases the incidence of the pensions and the portions commuted is regulated by the orders contained in the Government of India Finance Department, letter No. F-2(3)-R 11/39. dated 22nd October, 1940.

**33.** Commutations in respect of pensions adjustable between Sind and Bombay and Bihar and Orissa, which are paid in India or by the High Commissioner in England will be divided into two portions, according to the length of pre-separation and post-separation service of the Government servant, and the portion relating to the pre-separation service will be shared between Bombay and Sind in the ratio of 85 : 15 and between Bihar and Orissa in the ratio of 81: 19.

**34.** When the payment of a pension which was sanctioned after 31st March, 1921 and paid outside India is transferred to India, and the transfer involves the payment by one Government of a charge for which another Government is responsible under Rule 8(b)(i), the adjustment of the charge will be effected in accordance with Rule 26. In the

reverse case of transfer outside India of such a person paid in India, the classification of the payments made out of India will be the same as it was at the time of the transfer.

**35. [ Deleted. ]**

***V. Incidence of charges for Bonus in respect of Govt. servants who are employed on Bonus Terms and who serve under more than one Government***

1. The Government to which a subscriber to a special provident fund originally belongs to primarily responsible for payment of bonus and interest on his subscriptions to the Fund. When the services of a subscriber to such a fund are lent to another Government, the borrowing Government may be required to pay the bonus contribution to the lending Government under such arrangement as may be settled the two Governments concerned.

The recoveries from the borrowing Government shall be classified as reduction of charges under the major head "266. Pensions and other relevant benefits Contribution to Provident Funds".

In the case commercial Departments or Undertakings in which the payment of bonus to Special Provident Funds is debited to working expenses, the recoveries should be adjusted as reduction of charge under the appropriate head of account concerned.

2. When a person who is permanently transferred from Railways is admitted under proper sanction to the contributory (transferred Railway Personnel) Provident Fund Rules, the special Contribution or Gratuity admissible will be paid by the Department which last employed him and apportioned between Railways and the other Department according to the formula contained in para 1248 of the Indian Government Railway General Code, Volume I, read with paragraph 1249 *ibid*. The Non-Railway portion of the charge is accounted for under the appropriate head relating to the Department concerned.

In case of temporary transfers the question of apportionment of Special Contribution or gratuity does not arise. *vide* provision (iii) under para 1311 of Indian Railway Establishment Code, Volume-I, and paras 1252 and 1252-A of the Indian Government Railway General Code, Volume-I. (Memo. No. 481-A/Accts/59-1, Fin, Dt. 23-1-1959)

***VI. Incidence of Govt. Contribution to Indian Civil Services Family Pensions***

1. With effect from the 1st April, 1937, the contribution payable by Government in respect of Indian Civil Service Family Pensions should be allocated in accordance with the following principles :—

(1) Where the family pensions were sanctioned before the 1st April, 1921, the liability for the Government share of the pension should be wholly central.

(2) Where the family pensions were sanctioned on or after the 1st April, 1921, the allocation of the Government contribution should follow the allocation of the annuity of the officer in respect of whom the family pension is paid, and no fresh allocation should be made in cases where the officers drew pension in India but the family pensions were paid in England, or vice versa.

(3) In the case of an officer drawing after 1st April, 1921, without drawing pension, the contribution should be allocated on the same basis as would be followed had the officer retired from service on the date on which he died.

**Note 1** :—The principles of clauses (2) and (3) also apply in the case of allocation of the donation of dollars 250 payable to a female orphan on marriage which is provided by Government under Rule 19(2) of the Indian Civil Service Family Pension Fund Rules.

**Note 2** :—In respect of I.C.S. Officers who have served in Burma retiring after 1st April, 1937, the allocation of Government contribution to family pension should follow the principles of clauses (2) and (3) above.

**2.** The following basis of allocation should be followed in the case of Bombay Sind and Bihar-Orissa joint cadres :—

(a) In the case of family pensions sanctioned prior to 1st April, 1936. the allocation should be made on the same basis as the annuity of the officer.

(b) In the case of family pensions sanctioned on or after 1st April; 1936, the allocation should be made in proportion to the length of service under each Government. the term “length of service” being interpreted to mean completed service.

**3.** The allocation of the Government contributions to the Family Pension Fund will be made by the authority who disbursed the annuity in cases where both the annuity and the family pensions are paid outside India. Where, however, the allocation of the contributions has to be determined afresh with reference to the record of service of the officer, the disbursing authority should allocate the contributions on the basis of data which may be obtained from the Audit Officer concerned in India.

The agency for allocating the contributions, where the family pension is paid in India, should be the Audit Officer who issued the authority for payment of the annuity of the officer in India or would have issued the authority had the annuity been paid.

#### ***VII. Incidence of Government Contributions to Indian Civil Service (Non-European Members) Provident Fund***

The contributions payable in each case under Rule 11 of the Indian Civil Service (Non-European Members) Provident Fund Rules should be apportioned among Govts. concerned in accordance with the principle laid down in Rule 8(a)(ii) of the rules regulating the incidence of pensions. This rule applies also to officers borne on the joint cadres.

#### ***VII-A. Incidence of Family Pensions in respect of Armed Forces Officers and of Civil Officers serving with the Armed Forces***

Family Pensions in respect of Armed Forces Officers granted under Defence Services Regulations or instructions - whether at the ordinary or other rates are debited to the Defence Services Estimates, even, though the officers concerned may have served under Civil Departments of the Central or State Governments. Family Pensions in respect of Armed Forces Officers in Civil employ granted under the provisions of Section III of Chapter XXXVIII of the Civil Service Regulations or the Superior Civil Services (Extraordinary Pensions) Rules, 1936, or the Superior Civil Services (Extraordinary Pensions) Rules or under similar rules framed by the State Government are debited wholly to the Civil Department-Central or State as the case may be.

Family Pensions in respect of Civil Officers serving with the Armed Forces either in Civil capacity or otherwise, are debitable to the Defence Service Estimates.

### C. — OTHER CHARGES

#### ***VIII. Incidence of Expenditure involved in Audit and keeping Accounts***

The following rules govern the incidence of expenditure on Audit and Accounts:—

(i) Under Article 149 of the Constitution and the provisions of paragraph 13(1) of Provisions of Comptroller and Auditor-General's (D.P.C.) Act, 1971, the Comptroller and Auditor-General is responsible for the Audit of all expenditure from the revenues of the Union and of the States and of certain accounts specified therein. In conducting such audit the Comptroller and Auditor-General performs a statutory function entrusted to him and the cost of this function is a charge of the Central Government.

(ii) Besides the audit of expenditure from the revenues of the Union and of the States and of certain Accounts, as mentioned in Rule(i), the Comptroller and Auditor - General may be entrusted with the audit of the accounts of any other authority or body by or under any law made by Parliament under the provisions of Article 149 of the Constitution. The cost of such audit is recoverable from the authority or body whose accounts are audited.

**Note 1** :—The expression “any other authority or body” does not include private commercial and quasi-commercial undertakings ( other than Government companies as defined in Section 617 of the Companies Act, 1956) in which Governments in India may be participating.

**Note 2** :—In the case of Government Companies the recovery of the cost of supplementary audit conducted under Section 619 (3)(b) of the Companies Act, 1956 shall be waived in those cases where audit is done by the Comptroller and Auditor-General through his own departmental staff but shall be enforced in cases where the Comptroller and Auditor-General employs professional auditors for the second audit.

(iii) If any State Government request the Comptroller and Auditor-General to arrange for a more detailed or a local audit of expenditure, transactions or accounts etc., which relate to or form part of the accounts of the State, the criterion for deciding the incidence of the expenditure involved in such audit is whether or not the Comptroller and Auditor-General agrees to do the work as part of his legitimate statutory functions. If he does, the cost of the audit should be treated as a charge of the Central Government since what is involved in an extension of audit for which the Comptroller and Auditor-General is statutorily responsible. The fact that such audit is undertaken in a single State is not a decisive consideration in the apportionment of cost as the extent of audit to be conducted in any case is determined by the Comptroller and Auditor-General.

(iv) The Comptroller and Auditor-General is not responsible *ab initio* for the audit of any accounts mentioned in paragraph 13(2) of the Order, but when he undertakes the audit of any such accounts he becomes statutorily responsible for the work. In this case also, the cost of audit is a charge of the Central Government.

(v) The Comptroller and Auditor-General is not statutorily responsible for the audit of the accounts of local or quasi-public bodies whose accounts do not constitute part of the accounts of the Union or of any State and of the accounts of private commercial and quasi-commercial undertakings (other than Government Companies as defined in Section 617 of the Companies Act, 1956) in which Governments in India may be participating. Such audit can be undertaken by the Auditor-General only on a “consent” basis

and on such terms and conditions as regards cost etc., as may be settled between him and the Government concerned.

**Note :—**The recovery of cost of audit of the accounts of local bodies/institutions that are wholly or largely financed from grants in aid or loans by Government shall be regulated as follows :—

(i) When the Comptroller and Auditor-General is the sole Auditor for a local body/ institution, whether under any law made by Parliament under Article 149 of the Constitution or on consent basis under Article 9 of the Audit Code, charges will be payable in full unless specifically waived by Government.

(ii) Where the local body/institution has its own auditors and audit by Comptroller and Auditor-General is conducted in addition with a view to safeguard Government interests and ensuring that the grants or loans by Government have been utilized for the purpose for which they are given the Comptroller and Auditor-General will be acting in discharge of his statutory functions and the audit will be at Government cost.

(vi) Expenditure involved in keeping the accounts of State, in so far as the responsibility for keeping such accounts remains with the Comptroller and Auditor-General under paragraph 11 of the Order is a charge of the Central Government. The cost of keeping such accounts of a State as are covered by the Initial and Subsidiary Accounts Rules issued by the President under paragraph 11(3) of the Order is a charge of the State concerned. Similarly, if in any State the Comptroller and Auditor-General is relieved of the responsibility for the keeping of the account of any particular service or department of a State Government in pursuance of paragraph 11(2) of the Order, the cost of keeping such accounts will be a liability of the Government of the State.

(vii) The maintenance of the internal accounts of a department of a State Government is part of the ordinary duties of a State Government and is therefore a State Government's responsibility. Thus, if the Comptroller and Auditor-General is asked to scrutinize or advice on the modification of an existing system of internal accounts kept in a department of a State, such work can be undertaken by him on a 'consent' basis and on specified terms and conditions as in rule (v) above.

### ***IX. Incidence of Grants of Land and Alienations***

State Governments receive compensation from the revenues of the Central Govt. for all grants of land and assignment or remissions of land revenue sanctioned on or after the 1st April, 1921 in favour of officials and non-officials in recognition of exceptional services rendered by them to the Central Government.

1. The value of compensation for grants of land, etc., by the Defence Department should be debited against the Defence Service Estimates.

2. All special pensions and jagirs in the form of assignments of land revenue sanctioned for Military Officers on a date previous to the 1st April, 1921 under the Government of India, Special War Rewards Scheme should also debited to the Defence Services Estimates.

### ***X. Incidence of the Cost of Police Functions on Railways including the Cost of protecting Railways Bridges***

1. Police functions on Railway are divided into three categories—

(a) Crime — for which Civil Governments are entirely responsible and the expense of which these Governments have to pay,

(b) Order —. for which Civil Governments are responsible but the expenses of which Railway have to pay, and

(c) Watch and Ward — for which Railways bear both responsibility and cost.

Special requisitions on the Police by Railways for (c) must be paid for by the later; special requisitions for (a) beyond what a Civil Government considers necessary should also be debited to Railways. But Railways cannot be called upon to pay for special measures under (a) which a Civil Government considers necessary.

2. The following rules regulate the incidence of the costs of protecting railway bridges

(1) Railway bridges in common with railway goods and premises, will ordinarily be protected by watchmen in the employ of the Railway concerned.

(2) In the event of the replacement of these watchmen by military or police guards—

(a) When the service of the military for police guards' are placed at the disposal of the Railway at the request of the Railway Administration, the cost of the guards will fall upon the Railway.

(b) If the substitution is made on general grounds of State policy and the service is taken over by the Police, Defence Services or other public service department as part of their regular duties, the charges will fall upon the Government and will be debited to Police, Defence Services or the public department concerned, as the case may be.

***XI. Incidence of the Cost of (1) Forest Surveys carried out by the Survey of India and (2) Forest maps prepared by that department***

The rules governing the incidence of the cost of (1) Forest Surveys carried out by the Survey of India and (2) Forest maps prepared by that department are given in Chapter LX of the Survey of India Handbook of Topography.

***XII. Incidence of the charges relating to the maintenance and demarcation of and disputes over, boundaries***

The incidence of these charges between a Foreign Country and India is regulated by the following principles :—

1. (a) Maintenance — Half of the maintenance charges will be borne by the State concerned; or for Union territories by the Centre, the other half being recovered, as far as particable, from the Foreign Country, failing which, the Foreign Country's share will be borne by the Central Government;

(b) Demarcation and Disputes — Charges relating to demarcation of boundaries and boundary disputes will be borne by the Central Government under Entry of the Union List, subject to such recoveries as may be made from the Foreign Country.

**Note 1** :—The arrangement in (a) above in its application to Nepal will be subject to special arrangements worked out in consultation with the Nepal Government.

*Note 2* :—The share of the Bhutan Government for maintenance and demarcation of, and dispute over, boundaries will be borne by the Central Government for the present.

2. Where streams or other water courses form the boundary and where the ordinary principle of median line applies, the Government concerned (i.e., Foreign Country or India) will bear the cost of maintenance of the boundary line on its side. Where a separate set of Survey Marks is maintained by each of the two Governments on its side, the cost of maintenance of the survey marks should be borne by the Government concerned.

### **LOCAL RULING UNDER SECTION C-XII**

The following arrangements have been agreed upon between the Andhra Pradesh Government and the Governments of Madras and Karnataka in regard to the incidence of the expenditure incurred in the joint investigation and settlement of discrepancies in frontier boundaries:-

The common boundary line is indicated by the survey and demarcation adopted by each of the two Governments on its own side of the common line. Each Government should meet its own expenditure on the joint investigation and settlement of discrepancies between the two surveys, since it is to the interest of each Government that both surveys should indicate an identical line. No claim should be made by one Government against the other for the renewal or repair of old stones or fixing additional stones in order to rectify or complete the former Government's survey and vice-versa, except where it is found necessary to repair or renew a stone or plant an additional stone in order to indicate a point common to the surveys of both Governments when the cost of such operation should be shared by the two Governments and the share which each Government should be asked to pay should be settled in advance before operations are undertaken.

### **MISCELLANEOUS LOCAL RULINGS**

1. The following are some of the mutual adjustments agreed upon between the Central Government and the Madras Government

(i) The Medical Store Department of the Central Government will be charged for any confiscated cocaine hydro chlorate, B.P., supplied to it; the amount paid should be credited to "0.39 State Excise" or "0.65 other Administrative Services" according as the sale-proceeds are realized by the Excise Department direct or in connection with a Judicial proceeding;

(ii) The cost of maintenance and repatriation of non-criminal pauper lunatics belonging to other nationalities than the Indian who are repatriated to the United Kingdom and other countries in Europe will be borne as indicated below

Maintenance charges in India will be borne by State revenues when the reception order was made in the State while the incidence of the cost of repatriation, i.e., the cost of a free voyage to the destination and the maintenance charges on the voyages will be regulated as follows :—

(a) *Repatriation to the United Kingdom* :—The cost of repatriation will be borne by the Central Government.

(b) *Repatriation to countries in Europe other than the United Kingdom*:-  
In cases where arrangements are made for repatriation direct to the country concerned



through the Consul or other representative of the Foreign Government in India, the cost of repatriation should be met by the Foreign Government. In cases where such assistance through an official representative of the Foreign Government is not available, the procedure in regard to repatriation to the United Kingdom should be adopted. (see (a) above)

*Note* :—The cost of maintenance includes the cost of removing a lunatic to and from a hospital.

(iii) Except where otherwise specially ordered all printing, binding etc., work done in the Government Press, Hyderabad, for officers of the Central Government will be paid for by the Central Government. The Director, Government Press, should forward to the Accountant-General annually as soon as possible after the close of the financial year a statement showing the adjustment to be made against the Central revenues on the above account.

(iv) The provisions of Article 63 will apply also to transactions between the Andhra Pradesh Government and the Defence Department.

(v) It will be a part of the normal duty of the Police to assist the Military authorities in saving Military buildings which are in danger from fire, and no bonus should be claimed for the Defence Department for such services. The Defence Department has agreed that it will similarly be a part of the normal duty of the Military, if within call, to assist in extinguishing fires in Civil buildings and that they will claim no compensation or bonus from the civil authorities for such services.

(vi) The per capita cost of the guarding and maintenance of Andhra Pradesh terrorist prisoners in the Andamans will be met by the Andhra Pradesh Government.

(vii) As between the Andhra Pradesh Government and the Civil and Military Station at Bangalore, no claim should be preferred or admitted on account of the cost of maintenance of mental patients.

(viii) The procedure laid down in item (vi) under Local Ruling 2 below regarding claims on account of the maintenance of prisoners will also apply in relation to claims against Centrally Administered Areas.

(ix) European civilian officers in civil employment may be admitted to British military hospitals if the patient's authorized Medical attendant certifies in writing that admission to hospital is necessary and that other adequate arrangements cannot be made for treatment by European doctors, paid by the Government and if the Officer Commanding, Hospital, certifies in writing that accommodation can be spared with due regard to the requirements of the Army. When so admitted the patients are treated by one of the medical officers of that hospital and receive gratuitous medical attendance, free supply of such medical comforts as are authorized and considered necessary by the medical attendant and free surgical operations. Special nursing provided in any case is charged for separately from the patient. Hospital stoppages shall be paid at the rate of Rs. 6 and Rs. 3 per diem by gazetted and non-gazetted officers respectively.

Similarly, European civilians in military employment may be admitted to Civil Government Hospitals if the patient's authorized medical attendant certifies in writing that admission to a hospital is necessary and that the patient cannot be admitted to a Military hospital owing either to accommodation or the treatment considered necessary

being not available at the local Military hospital or there being no Military hospital at the station. When so admitted the patient will be treated by one of the medical officers of the hospital and will receive gratuitous medical attendance including nursing (except special nursing), such medicines, etc., as can be supplied by the hospital and such laboratory examinations as can be carried out at the hospital, and free services of a surgeon where necessary. Hospital stoppages will be recovered at the rates of Rs. 6 and Rs. 3 per diem for gazetted and non-gazetted officers, respectively. The difference between the normal daily charges of the hospital stoppages actually realized should be borne by the hospital authorities instead of being recovered from the Defence Service Estimates.

2. The following arrangements have been agreed upon between the Madras Government and other State Governments, Indian States, etc.---

(a) *Charges relating to prisoners and inmates of Borstal Schools—*

(i) Conveyance and other incidental charges of under-trial prisoners sent from the Andhra Pradesh State to other State or Union Territory and vice versa should be borne by the State sending such prisoners.

(ii) Maintenance charges of prisoners transferred on mutual agreement from the Andhra Pradesh State to the Uttar Pradesh and vice versa should be borne by the State to which the prisoners are transferred.

(iii) Conveyance and dietary charges incurred by the West Bengal Government on account of prisoners belonging to the Andhra Pradesh State sent from the Andamans through the Presidency Jail, Calcutta, should be paid to the West Bengal Government. Similar charges incurred by the Madras Government account of prisoners belonging to Andhra Pradesh State repatriated from the Andamans through the Penitentiary, Madras should be paid to the Government of Madras.

(iv) No charges will be claimed for the maintenance of prisoners received by transfer from the Andhra Pradesh State to any of the other States, namely West Bengal, Assam, Bihar, Orissa, Punjab or to Burma, Madhya Pradesh and Uttar Pradesh and vice versa under the Police Register Transfer System.

No charges will be claimed by one State Government against another for the maintenance of prisoners transferred under Section 40 of the Prisoners Act, 1900 (India Act 111 of 1900). either to give evidence or go answer charges.

No charges will be claimed for the maintenance of prisoners convicted for smuggling opium or cocaine and transferred to the Andhra Pradesh State from Assam and vice versa.

**Note :—**As a matter of contravention, no claims are made against other State Governments for the charges incurred on account of the escort of prisoners undertaken by the police of this State on behalf of other State Governments. Such claims should, however, be preferred against any State Government who raise a similar claim against the Andhra Pradesh Government.

(v) When prisoners, whether ex-military or otherwise, convicted by Civil Courts of Criminal Jurisdiction to undergo imprisonment for three months and above are transferred to the State of their origin, the transferring State should bear the cost of transfer and the State of origin should bear the cost of maintenance. This reciprocal arrange-

ment of has been accepted by the State of Andhra Pradesh, Madras, Maharashtra, West Bengal, Punjab, Bihar, Assam and Orissa.

(vi) Maintenance charges of adolescents transferred from the State of Maharashtra to the State of Andhra Pradesh and vice versa for detention in Borstal schools should be borne by the State to which the adolescents are transferred.

(vii) All claims against other States and against Indian States on account of the maintenance of prisoners should be made by the 15th February of the year following the calendar year to which the claim relates.

A separate statement should be prepared of the claim against each State or, Indian State allowing the appropriated rebate on account of the cash earning of prisoners. The rates of maintenance charge and cash earnings per prisoner should be worked out once in three years on the average of the figures for the three preceding consecutive years and the rates so calculated should be adopted for each of the next three years following the period to which the calculation relates.

(viii) in case where, person is detained at the instance of a State Government, in another State, the liability for expenditure on his maintenance, etc., during the period of his detention in that State, should rest with the State Government, under whose instructions his detention has been effected.

(b) *Charges relating to mental patients—*

**Note :** —The cost of maintenance of mental patients referred to in the undermentioned rulings should be taken to include the cost of their transfer from one place to another.

(i) The cost of maintaining patients domiciled in the Madhya Pradesh, Uttar Pradesh and the Punjab, who are admitted into mental hospitals in the Andhra Pradesh, State and vice versa, should be borne by the State into a hospital of which the patient is admitted.

(ii) The cost of maintaining the patient should be recovered from or paid etc., Maharashtra, Bengal and Bihar, except the European Mental Hospital/Ranchi, when a patient domiciled in one of them is admitted into a mental hospital of the State of Andhra Pradesh or vice versa subject to the exception indicated below:

In the case of a patient domiciled in the State of Andhra Pradesh and admitted into a mental hospital in Bengal or Bihar or vice versa, action should be taken at once for his removal to a mental hospital in the State of his domicile; the cost of maintaining him for a short period between his reception and removal should be borne by the State into a hospital of which he is received pending removal.

(iii) **[Deleted]**

(iv) As between the Andhra Pradesh Government and the Government of Karnataka, the following procedure will apply; When a British subject from the Andhra Pradesh State has to be admitted to a mental hospital in Karnataka State, the Karnataka Government will at once communicate this information to the Andhra Pradesh Government and ascertain whether he may be so admitted and whether the Andhra Pradesh Government will bear the cost of his maintenance or whether he may be sent back at the cost of the Andhra Pradesh Government. A similar procedure will be adopted by the

Andhra Pradesh Government when a subject of Karnataka State has to be admitted to a mental hospital in the State.

The above procedure should also be adopted in regard to the maintenance of mental patients belonging to the Andhra Pradesh State in the Mental Hospital Bangalore, and the maintenance of patients belonging to the Civil and Military Station, Bangalore, in the mental hospitals of the Andhra Pradesh State.

(v) Fees for the X-Ray treatment, X-Ray examination and radium treatment of mental patients should be claimed from the other State, Indian States, or Foreign Government concerned when no reciprocal arrangement is in force between the Andhra Pradesh Government and the other Government for the treatment of mental patients domiciled in the other Governments jurisdiction without preferring any claim.

(c) *Other Charges*—

(i) Lepers belonging to the Andhra Pradesh State and admitted into a leper asylum in Karnataka State or vice versa should be maintained in the asylum in which they have been admitted at the cost of the Government in whose territory they are domiciled unless they are sent back to the State or State of domicile with the consent and at the cost of the Government in whose territory they are domiciled.

(ii) When members of the Sansia tribe (a criminal tribe known also as 'Kanjar Bhats', 'Kanjars' or 'Sansias') are escorted by the authorities of the State of Andhra Pradesh on repatriation to the State of Maharashtra or vice versa, the cost of repatriation within each State should be borne by the Government of that State.

(iii) The cost post-mortem examinations conducted in the border areas of the States of Andhra Pradesh and Orissa should be borne by the Government at whose instance the examination is conducted and the fee charged should be in accordance with the scale obtaining in the State in which the examination is conducted.

(iv) The rules relating to the incidence of charge on account of anti-rabic treatment accorded to indigent patients belonging to other States and Indian States are laid down in Appendix 18 to the Andhra Pradesh Financial Code;

(v) The medical examination for the following purposes in the case of Government servant serving under the Governments of Maharashtra, Assam, Punjab, Orissa, Bihar, Uttar Pradesh and Madhya Pradesh will be carried out free of charge by the Medical Board and Medical Officers of the Govt. of Andhra Pradesh and vice versa.

- (1) leave including extension of leave;
- (2) physical fitness to resume duty after the expiry of leave on account of illness;
- (3) invalidating from further Government Service; and
- (4) pension commutation only when second medical opinion is required.

(vi) The special procedure prescribed in G.Os. No. 1092, Revenue, dated 18th January, 1943 and No. 347, Revenue, dated 24th May, 1943, should be followed for payment of duty on Indian made 'foreign' spirituous preparations and Indian-made rectified spirits imported from or exported to other States and Administrations;

(vii) The Government of Andhra Pradesh have entered into reciprocal arrangement with the Governments of Madhya Pradesh and Punjab for the waiver of the following charges connected with extradition cases—

- (i) subsistence and transit charges, and
- (ii) charges connected with the surrender of property.

(The reciprocity in respect of the item will hold good between the Andhra Pradesh Government and Madhya Pradesh Government only).

3. The following arrangements have been agreed upon between the Andhra Pradesh Government and the Central Government and other State Governments in the matter of claims for recoveries on account of pay, allowance, etc., of Government servants to the duties of the borrowing Government (except in the case of officers lent to or whose services are lent by the Government to another for short periods—

Where the Government servant is required to devote his whole-time and attention borrowed from the Government of the Punjab) and the period of deputation is short, not exceeding two weeks and the deputation entails to extra expenditure to the lending Government, no claim should normally be raised against the borrowing Government except in respect of traveling allowance and of such remuneration to the Government servant as may be agreed upon between the two Governments. Where, however, the lending Government is put to extra expenditure in making arrangements for carrying on the work of the Government servant deputed, it may recover from the borrowing Government, a lump-sum contribution equal to 1- 1/4 times the pay of the Government servant.

In the case of Government servants lent to or borrowed from the Government of Punjab, the lending Government may, at its discretion, recover from the borrowing Government a sum equal to the pay of the Government servant, if the period of deputation does not exceed 7 days and a sum equal to 1-1/4 times, the pay if the period of deputation exceeds 7 days but does not exceed 14 days.

Where the Government servant performs the duties of another Government in addition to his duties under the parent Government, no claim should be made on account of pay, leave and pension, but if the additional duties are sufficiently onerous, the lending Government may ask for a payment to the Government servant of a suitable remuneration which may be retained by him in full.

The arrangements were agreed upon by the composite Madras Government and adopted by the former Andhra Government. They will also apply to the Andhra Pradesh Government as a Successor Government.

#### **D. — RECEIPTS**

##### ***XIII. Incidence of Leave Salary and Pension Contributions recovered in respect of Government Servants lent on Foreign Service***

1. Contribution towards leave-salary and pension recovered on behalf of a Government servant in foreign service are creditable to the Government (Central or State) under which he was permanently employed at the time of his transfer to foreign service.

---

2. Contribution towards the leave-salary and pensions of Military Officers and others in permanent Military employ, including those in temporary Civil employ, should be adjusted in the Defence Services accounts while the contributions in respect of such officers in permanent Civil employ should be credited to civil estimates. When a Government servant, on whose behalf the contributions are received, belongs to the Posts and Telegraphs Department or Railways, the credits should be passed on the Department concerned.

---

---

---

The  
Andhra Pradesh  
**Accounts Code**

Volume II

---

---

# THE ANDHRA PRADESH ACCOUNTS CODE

## VOLUME II

### CONTENTS

Art. No. Page No.

#### PART I

#### CHAPTER 1

##### Introductory

<a href="#">Treasury Accounts</a> .....	1-3	129
-----------------------------------------	-----	-----

#### PART II

#### CHAPTER 2

##### Classification of transactions in Treasury Accounts

A. <a href="#">General</a> .....	4-5	130
B. Transactions with other Governments—		
I. <a href="#">In State Treasuries</a> .....	6-8	130
II. <a href="#">In Central Treasuries</a> .....	9	131
C. <a href="#">Transactions on behalf of Railways</a> .....	9-A	131
D. <a href="#">Transaction on behalf of Governments of other counties</a> .....	10	132
E. <a href="#">Account with Reserve Bank</a> .....	11	132
F. <a href="#">Transactions with Depts. which drawn money by cheques</a> .....	12-16	133
G. Remittances—		
I. <a href="#">Cash Remittances</a> .....	17-21	133
II. <a href="#">Reserve Bank of India Remittances</a> .....	22	134
III. <a href="#">Military Treasure Remittances</a> .....	23	134
H. <a href="#">Adjustments by Transfer</a> .....	25-26	135

#### CHAPTER 3

##### Accounts to be kept at Treasuries

##### *SECTION I — General Directions*

A. <a href="#">Introductory</a> .....	27-28	135
B. Treasurer's Records—		
I. <a href="#">Cash</a> .....	29-30	135
II. <a href="#">Stamps and Opium</a> .....	31	136



	<b>Art. No.</b>	<b>Page No.</b>
C. Accounts Books—		
I. <a href="#">Cash Book</a> .....	32-34	136
II. Subsidiary Register		
(a) <a href="#">General</a> .....	35	137
(b) <a href="#">Register of Adjustments between Central and State Governments</a> .....	36-37	137
(c) <a href="#">Register Adjustments with other State Government (Inter-State Suspense Account)</a> .....	38	137
(d) <a href="#">Register of Transactions with Railways</a> .....	38-A	137
(e) <a href="#">Register of Adjustments by Transfer</a> .....	39-40	137
(f) <a href="#">Other Registers</a> .....	41	137
III Special Directions for Bank Treasuries		
(a) <a href="#">General</a> .....	42-43	138
(b) <a href="#">Register of Reserve Bank Deposits</a> .....	44	140
(c) <a href="#">Register of Misclassifications by the Bank</a> .....	45-46	140
IV. <a href="#">Incorporation of Sub-treasury Accounts</a> .....	47-49	141
V. <a href="#">Daily Closing of Accounts</a> .....	50-54	143
VI. <a href="#">Monthly Closing of Accounts</a> .....	55-56	148

*SECTION 2 — Transactions of Departments which render separate*

<a href="#">Cash Accounts</a> .....	57-61	149
-------------------------------------	-------	-----

*SECTION 3 — Accounts of Deposits*

A. <a href="#">General</a> .....	62-63	151
B. <a href="#">Security Deposits</a> .....	64-67	151
C. <a href="#">Personal Deposits</a> .....	68-70	155
D. <a href="#">Civil and Criminal Court Deposits</a> .....	71-72	157
E. <a href="#">Deposits of Local Funds</a> .....	73-74	159
F. <a href="#">Deposits at Sub-treasuries</a> .....	75-77	159

*SECTION 4 — Accounts of Reserve Bank of India Remittances*

A. <a href="#">Issue of Telegraphic Transfers and Drafts</a> .....	78-80	160
B. <a href="#">Encashment of Telegraphic Transfers and Drafts</a> .....	81-82	160
C. <a href="#">Drawings and encashment at Sub-treasuries</a> .....	83	161
D. <a href="#">Drafts, etc., canceled</a> .....	84	161
E. <a href="#">Drafts, etc., exchanged</a> .....	85	162

Art. No. Page No.

**SECTION 4-A**

[Accounts of Military Treasure Remittances](#) ..... 86-89 162

**SECTION 5**

[Miscellaneous Accounts](#) ..... 90-91 162

**CHAPTER 4**

**Accounts returns to be rendered by Treasuries**

A. [General](#) ..... 92-94 165

B. [Compilation of Monthly Accounts](#)— .....95-97 165

    I. Cash Accounts and List of Payments

    II. Supporting Schedules:

        (a) [General](#) ..... 98-99 165

        (b) [Schedule of Income-tax Receipts](#) ..... 100 172

        (c) [Schedules for Railways and Departmental Disbursing Officers](#) ..... 101-104 173

        (d) [Schedules of Deposit Transactions](#) ..... 105-108 173

        (e) [Schedule of Seamen’s Money Orders](#) ..... 109 175

    III. Plus and Minus Memoranda:

        (a) [General](#) ..... 110 175

        (b) [Deposits](#) ..... 111 176

        (c) [Stamps](#)..... 112, 113, 114 176

    IV. [Statement of Lapsed Sub-treasury Cash Orders](#) ..... 115-116 177

C. [Submission to Accountant-General](#) ..... 117-127 177

**PART III**

**CHAPTER 5**

**Accounts of Small Coin Depots**

*[Omitted]* ..... 184

# The Andhra Pradesh Accounts Code

## Volume II

### PART I

#### CHAPTER 1

##### INTRODUCTORY

###### Treasury Accounts

The directions contained in this Volume deal primarily with the initial accounts to be kept at treasuries and with the accounts returns to be rendered by treasuries to Accountant-General. They are supplementary to the general directions in Volume I. which shall apply to all treasuries unless there be something repugnant in the subject or context except to the extent that they are modified by the directions in this Volume.

X X X X X X X X

**Article 2.** The forms of initial accounts prescribed in this Volume should be regarded as standard or model forms which may be modified by Government according to local requirements in consultation with the Accountant-General concerned, Similarly, as regards accounts returns, the Accountant-General may introduce such changes in detail as he may deem necessary.

**Article 3.** Unless there be something repugnant in the subject or context, the following expressions in this Volume should be interpreted in the sense hereby explained:—

(1) “*Accountant-General*” includes a Comptroller and when used in relation to a treasury means the Accountant-General to whom that treasury renders accounts.

(2) “*The Bank*” means the Reserve Bank of India, or any branch or agency of the Reserve Bank of India and includes any branch of the State Bank of India acting as the Agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (Act II of 1934).

**Note:**—It includes also the State Bank of Hyderabad and its branches acting as Agents of the Reserve Bank of India.

(3) “*Bank Treasury*” means a treasury the cash business of which is conducted by the Bank.

(3-A) “*Central Treasury*” means and includes any treasury or sub-treasury not being a treasury or sub-treasury under the control of a State.

(4) “*Non-Bank Treasury*” means a treasury other than bank treasury [See item (3) above].

(5) “*Treasury*” includes a sub-treasury.

(6) “*Government*” when used in relation to a Central treasury means the Central Government and when used in relation to a State treasury means the State Government.

(7) “*Department*” or “*Departmental Officers*” exclude the Railway Department and the Railway Officers respectively.

(8) “*State*” refers to State in the First Schedule to the constitution.

---

## PART II

### CHAPTER 2

#### CLASSIFICATION OF TRANSACTIONS IN TREASURY ACCOUNTS

##### A. — GENERAL

**Article 4.** Save as provided hereafter in this Volume each item of receipt and payment occurring at a treasury should be broadly classified in the treasury accounts.

(a) Firstly, with reference to the Government to which transactions appertain, namely, the Central or the State Government concerned; and

(b) Secondly, with reference to the department of such heads of receipts and expenditure as may be required by the Accountant-General.

*Note* :—The transactions of Railways, through they form part of the transactions of the Central Government should, for the purpose of this Article and other Articles of this Code, be treated as separate from other General transactions.

**Article 5.** Any transactions which cannot be allocated directly to any particular department, or to say of the prescribed heads of classification, should be entered in the accounts as an “Unclassified item” the debits and credits to this suspense head being cleared by the Accountant-General by adjustment against the Government, concerned under the appropriate heads of account. Such transactions in a State treasury as cannot be allocated directly to the Central Government should likewise be taken to the Accounts of the State to which the treasury belongs.

##### B. — TRANSACTIONS WITH OTHER GOVERNMENTS

###### *I. In State Treasuries*

**Article 6.** The transactions of the Central Government in a State Treasury should be accounted for in sets of books and registers separate from those of the State Government.

**Article 7.** Transactions of the Central Government occurring at bank treasury, which will be taken by the Bank direct to the accounts of the Central Government, should be incorporated in the “Central” section of the treasury accounts under the appropriate heads of classification, the net credit or debit being taken to the head “875 Deposits with Reserve Bank”. Such transactions occurring at a non-bank treasury should likewise be accounted for under the appropriate heads of receipts and payments in the “Central” section of accounts but the net totals of those receipts and payment should be entered in

the accounts of the State Government under the suspense head “886-Adjusting Account between Central and State Governments”.

**Article 8.** Transactions relating to other States whether taking place at a bank or a non-bank treasury, should be classified in the “State” section of the treasury accounts under the suspense head “893. Inter-State Suspense Account—Government or .....

#### ***LOCAL RULING UNDER ARTICLE 8***

If the net payments or receipts during a week in all the treasuries, departmental accounts and transfer entries etc., on behalf of the Madras Government come to Rs. 10 lakhs or more, they should be cleared by the Accountant-General, Andhra Pradesh by the issue of weekly advices to the Central Accounts Section of the Reserve Bank of India, Nagpur for monetary settlement between Andhra Pradesh and Madras. Where the net transactions on any particular day happens to be Rs. 10 laths or more it should be cleared as and when they occur. Otherwise, the adjustments will be made at longer intervals, but positively once in a month after the accounts are closed. In order to enable the Accountant-General, Andhra Pradesh to affect the monetary settlement at more frequent intervals than once a month, if necessary, as indicated above, all Treasury Officers will arrange to send to the Accountant-General, Andhra Pradesh, Hyderabad, weekly statements of inter-State transactions between Andhra Pradesh and Madras which are accounted for under the head “893. Inter-State Suspense Accounts-Madras State” in a form similar to T.A. XV prescribed in Andhra Pradesh Account code, Volume II in respect of Central transactions. In cases, where the net payments or receipts are Rs. 10 lakhs or above, on any particular day, daily advices should be sent to the Accountant-General, Andhra Pradesh, Hyderabad for being cleared forthwith. In all such cases the Weekly advices make a specific mention of the daily advice and the amount, so as to enable the Accountant-General, Andhra Pradesh, Hyderabad to exclude these figures for the purpose of the weekly settlement.

[Government Memo No. 829941Aects159- 1, dated 6-2-1960]

### ***II. In Central Treasuries***

**Article 9.** Transactions on behalf of a State Government originating in a Central treasury should be classified in the treasury accounts under the head “886. Adjusting Account between Central and State Governments — Governments of “ Such transactions occurring at a Central non-bank sub-treasury working under a State District Treasury should be accounted for under the appropriate heads of receipts and payments in the “State” section of the treasury accounts, the net amounts so accounted for being set off by an entry under the suspense head “886. Adjusting Account between Central and State Governments”.

### **C. — TRANSACTIONS ON BEHALF OF RAILWAYS**

**Article 9-A.** Transactions with or on behalf of Railways taking place at a Central or State treasury should be classified under the head “887. Adjusting Account with Railways - Railways” in the accounts of the Central or State Government according as the treasury is a Central or State treasury. The transactions should be entered in the treasury accounts in lumpsums for each Railway without detail in the manner prescribed for transactions with departments which draw money by cheques - vide Article 12.

*Note :-* The transactions of Railways at officers, and branches of the State and the Reserve Banks will be taken against the Railway Fund in the books of the Reserve Bank, direct and such transactions will not pass through the treasury accounts.

#### **D. — TRANSACTIONS ON BEHALF OF GOVERNMENTS OF OTHER COUNTRIES**

**Article 10.** Transactions on behalf of Governments of other countries (other than the Governments of Burma and Pakistan) should be classified under appropriate heads of accounts in the “Central” section of the treasury accounts. Transactions on behalf of the Governments of the Burma and Pakistan should be treated as Central or s pertaining to the State according to such instructions as may be given by the Accountant-general.

##### ***LOCAL RULING UNDER ARTICLE 10***

The Accountant-General, Andhra Pradesh has issued the following instructions in regard to the classification of transactions on behalf of the Government of Burma in the treasuries of the State of Andhra Pradesh :—

1. All the transactions relating to Burma which arise in State treasuries in the State of Andhra Pradesh other those initiated by departmental officers of the Central Government should be taken initially against the balances of the Andhra Pradesh Government and accounted for under the major head ‘879. Accounts with Governments of other Countries’ Burma with suitable detailed heads. Separate schedules with necessary particulars should be enclosed in support of the figures booked against the detailed beads in the account. The Accountant-General, Andhra Pradesh, will arrange for the final settlement of these transactions with the Government of Burma.

2. The procedure prescribed in Instruction I above should also be followed in the case of transactions relating to the Postal and Defence Departments of the Government of Burma which arise in treasuries in the State of Andhra Pradesh.

3. The transactions relating to Burma which arise and ate finally brought to account in the treasuries of the State of Andhra Pradesh, and which are initiated by officers of the Civil Department of the Central Govt. such as Income-tax Officers, should be accounted for under the exchange account, head ‘897. Exchange Accounts - A. Account between Civil and Civil-Account between Central Revenues and Andhra Pradesh - Items adjustable by the Accountant-General, Central Revenue”, e.g., a refund of income-tax which is authorized by an Income-tax Officer in Andhra Pradesh and is debitable to the Government of Burma should be debited to the head mentioned above.

4. Transactions of the Federated Shan States arising in treasuries in the State of Andhra Pradesh should be exhibited in the accounts separately from those pertaining to the Government of Burma, under the detailed head Items adjustable by the Accounts Office, Federated Shan States” under 879. Accounts with Governments of the Countries - Burma.

#### **E. — ACCOUNTS WITH THE RESERVE BANK**

**Article 11.** Receipts and payments on account of the Reserve Bank originating in a State treasury or sub-treasury should be credited or debited to the head “858. Suspense Accounts - Transactions on behalf of the Reserve Bank” in the State section of the treasury accounts. Such transactions occurring at other treasuries or sub-treasuries should be credited or debited to that head in the account f the Central Government.

## **F. — TRANSACTIONS WITH DEPARTMENTS WHICH DRAW MONEY BY CHEQUES**

**Article 12.** Save as otherwise provided in this Code or as may be authorized by the Accountant-General in any special cases, transactions with or on behalf of departments which draw money from the treasury by cheques, should be entered in the treasury accounts in lump without detail as receipts or payments, as the case may be, of the department concerned.

**Article 13.** Pay and Allowances and Contingencies of officers of the Public Works Department and the Salt Organization of the Ministry of Commerce and Industry drawn on regular bills should be classified under the particular heads of classification noted on those bills.

### *LOCAL RULING UNDER ARTICLE 13*

The above proviso, applies also to the Electricity Department except in regard to charges on account of 'contingencies' for which permission has been given, as a special case, to draw cheques on the treasury.

Pay and traveling allowances bills of officers and establishments of the electric systems paid at treasuries should be debited to the head "M. Remittances - Cash remittances and adjustments between Officers rendering Accounts to the same A.G./Accounts Officer P.W. remittances" in the treasury accounts, instead of to the regular service heads.

**Article 14.** Payments on account of compensation for lands for the Public Works Department made by Land Acquisition Officers not acting as Public Works Disbursers should be entered in the treasury account as debitable to the Public Works Department, the name of the division or office being specified in such case.

### *LOCAL RULING UNDER ARTICLE 14*

Miscellaneous payments made at the treasury on behalf of the Public Works Department such as those relating to law charges or expenditure on special establishments incurred in connection with the acquisition of land by Civil Authorities on behalf of the Public Works Department should be debited direct in the day books, the name of the division or office concerned being specified in each case.

**Article 15.** Earnest money deposits made by intending tenders of the Forests and Defence Departments, either direct or through the Departmental Officers concerned, should be credited as "Security Deposits" and should not be earned to the credit of those departments.

*Note* :—Earnest money deposits made in treasury in favour of a departmental officer of another Government should be classified in the treasury accounts in accordance with the directions in Articles 7 to 9.

**Article 16.** *[Deleted]*.

## **G. — REMITTANCES**

### *I. Cash Remittances*

**Article 17.** A remittance, whether direct or through currency chests, between any two treasuries should be classified as follows in the treasury accounts :—

- |                                                           |                                                                |
|-----------------------------------------------------------|----------------------------------------------------------------|
| (1) if both the treasuries are under a single Government. | as a "Local Remittance" in the accounts of the Government:     |
| (2) if they are under different Governments.              | as a "Foreign Remittance" in the accounts of the Central Govt. |

*Note* :— x x x x x

### ***LOCAL RULINGS UNDER ARTICLE 17***

1. Remittances of the following kinds do not pass through the Government account but are settled through the accounts of the Reserve Bank and the State Bank

(a) Currency remittances, and

(b) payments made by an office of the Reserve Bank to a Local Head Office of the State Bank of India or Hyderabad from the currency chest in consideration of an equal amount being deposited by it and the branches in its jurisdiction into the currency chest or vice versa.

2. When the Treasury Officer is in doubt as to the classification of a remittance, the Currency Officer will state in the remittance order whether the remittance is a 'local' or a 'Foreign' or a 'currency' remittance.

**Article 18. Deleted.**

**Article 19.** Remittances between two sub-treasuries in the same district or between a treasury and a sub-treasury subordinate to it should be treated merely as "Transfers within the Treasury". If however, the business of the remitting or receiving treasury is conducted by the Bank, the remittance should be classified as a "Local Remittance".

**Article 20.** Remittances from a district treasury, whether bank or non-bank to the Mint should be accounted for in the treasury accounts as payments on account of the Central Government and classified as "Foreign Remittances". When, however, the treasury and the Mint render accounts to the same Accountant-General the remittance should be classified as "Local Remittance" within the accounts of the Central Government.

**Article 21.** [Deleted].

### ***II. Reserve Bank of India Remittances***

**These remittances relate to the Reserve Bank's Scheme of remittance facilities which is dealt with fully in Section-C, Chapter VI, Part II of the Andhra Pradesh Treasury Code, Volume I.**

**Article 22.** All transactions connected with the drawings and encashments of Telegraphic Transfer and Drafts on Reserve Bank Account should be classified in the accounts of the treasury as "Reserve Bank of India Remittances" - Receipts or Payments as the case may be.

*Note* :—Actual telegram charges recovered by treasuries for issue of Telegraphic Transfers will be credited as miscellaneous receipts of the Treasury, the service stamps required for the despatch of telegrams being debited as treasury contingencies.

### ***III. Military Treasure Remittances***

**Article 23.** [Deleted].



**Article 24.** *[Deleted]*.

## H. — ADJUSTMENTS BY TRANSFER

**Article 25.** When a payment is authorized to be made “by transfer” that is, by entry of the amount in the accounts and received under some head of receipt, the amount should be debited to the appropriate heads of payment by per contra credit to the receipt head concerned.

**Article 26.** *[Deleted]*.

## CHAPTER 3

### ACCOUNTS TO BE KEPT AT TREASURIES

#### SECTION 1— GENERAL DIRECTIONS

##### A. — INTRODUCTORY

**Article 27.** The directions contained in this Chapter shall apply primarily to accounts kept at District treasuries. Except as specifically provided in this code and subject to such modifications as may be authorized by the Accountant-General, they shall also apply to accounts kept at sub-treasuries.

**Article 28.** In the State of Andhra Pradesh where classified accounts are rendered by sub-treasuries to the Head treasury and by the latter to the Accountant-General, the directions in this Chapter shall have effect subject to such modifications as may be authorized by the Accountant-General, Andhra Pradesh, to suit the special arrangements obtaining in that State.

##### B. TREASURER’S RECORDS

###### *I. Cash*

**Article 29.** Under the Treasury Rules of the Government concerned the Treasurer, where the cash business of the treasury is not conducted by the Bank, will maintain a simple cash book (without subsidiary registers), in which each receipt and payment will be posted at the time and on the date on which they actually occur and in the order of occurrences. Payments made “by transfer” will not find a place in the cash book as no payment of cash takes place. Cheques received in payment of value of service stamps will, however, be entered on both sides of the cash book.

**Note** :—The directions in Chapter II of this volume shall not apply to the Treasurer’s cash book.

#### **LOCAL RULING UNDER ARTICLE 29**

1. In a sub-treasury the shroff should maintain a cash book in two volumes, one for receipts and the other for disbursement’s (From T.A. I). He should also maintain a cash balance register (Form T.A. II).

2. Every treasury should maintain a separate register in the same Form as the cash book showing particulars of all exchanges of coins.

**Article 30.** When stamps, match excise banderols or opium are sold, the total sales will be entered in the Treasurer's cash book before it is closed for the day and a memorandum will be prepared and forwarded to the Accountant, so that necessary entry may be made in the account books.

## *II. Stamps and Opium*

**Article 31.** Under the relevant rules or orders of the Government concerned, stock registers will be maintained for stamps, match excise banderols and opium in the custody of the Treasury Officer in such forms as may be prescribed by competent authority after consultation with the Accountant-General.

### *LOCAL RULINGS UNDER ARTICLE 31*

The rules and orders regarding the maintenance of stock registers for stamps and opium in the custody of treasuries are contained in the Stamp Manual and the Excise Manual. These rules and orders are also applicable to the maintenance of stock registers for match excise banderols in the custody of treasuries.

## **C. — ACCOUNT BOOKS**

### *I. Cash Book*

**Articles 32, 33, 34.** [*Deleted*].

[**N.B.** — The day-book used in the treasuries of the State of Andhra Pradesh corresponds to the cash book mentioned in the Comptroller and Auditor-General's Rules

### *LOCAL RULINGS UNDER ARTICLES 32-34*

1. Every receipt into or payment from the treasury should at once be entered in the Accountant's day-book (From T.A. III) or in a register subsidiary to it. Receipts and payments of certain departments and classes of transactions (See Local Ruling under Article 41 below) should be entered in detail in subsidiary registers, and not entered in detail in the day-book. All other receipts and payments should be recorded separately in detail in the Accountant's day-book in the order of their occurrence. The total receipts or payments recorded in working day.

2. There should be two day-books, one for Central transactions and the other for State transactions. Separate subsidiary registers should also be maintained for Central and State transactions respectively.

3. Cash transactions and transactions "by adjustment" should be entered in the appropriate columns of the Central or State day-book, as the case may be. For example an income-tax deduction made from a bill of an officer of the Andhra Pradesh Government should be entered in the column "by adjustment" on the receipt side of the day-book (or subsidiary register if one is maintained for income-tax receipts) of the Central Government, while the gross amount of the bill should be entered on the disbursement side of the day-book of the Andhra Pradesh Government, partly in the column for cash payments and partly in the column for payments "by adjustment". When a receipt of payment "by adjustment" is entered in a subsidiary register, the words "by adjustment" should be written in the "remark" column. The cash items and the adjustment items for the day should be totalled separately in each subsidiary register and taken to the corresponding columns in the day-book.

In the case of transactions involving an odd number of half-price, fractions of a pie should be neglected and the amount booked by all the parties concerned should be to the pie next below.

4. A monthly total should be struck in each subsidiary register and compared with the corresponding entry in the monthly account of the treasury before the monthly account is signed.

5. As soon as remittance of treasure (other than a currency remittance) is despatched, it should be entered in the day book as a payment under "Local Remittances" or "Foreign Remittance," as the case may be - See Articles 17 and 19 in Chapter II. Similarly as soon as a remittance of treasure (other than a currency remittance) is received, the whole invoiced amount should be entered in the day-book, as a receipt, with a note of the office from which it is received.

6. *Accounting of receipts and payments relating to other departments of Central Government taking place at Salt and Customs treasuries* :—All receipts and payments of money at Salt and Customs treasuries on account of other departments of the Central Government will be communicated to the Treasury Officer of the district concerned on the date of their occurrence. On receipt of this communication, the Treasury Officer should bring the transactions on to his books, the receipts by credit to the proper heads and per contra debit to "District receipts in Salt and Customs treasuries adjusted" under "882. Salt and Customs remittances other Departmental Remittances and the charges by debit to the proper heads and credit to "District Charges in Salt and Customs treasuries adjusted.

## **II. Subsidiary Registers**

### **(a) General**

**Article 35.** *[Deleted]*.

### **(b) Register of Adjustments between Central and State Governments**

**Article 36 and 37.** *[Deleted]*.

### **(c) Register of Adjustments with other State Governments**

**Articles 38.** *[Deleted]*.

### **(d) Register of Transactions with Railways**

**Article 38-A.** The receipts and disbursements on behalf of Railways, originating at a Central or State treasury, should be posted, separately for each Railway, in registers in Forms T.A. 10 and T.A. II prescribed in Article 57, for departments which draw money by cheques.

### **(e) Register of Adjustments by Transfer**

**Articles 3 and 40.** *[Deleted]*.

### **(f) Other Registers**

**Article 41.** Special forms of registers are prescribed in Sections 2 to 5 for receipts and payments relating to certain departments which draw money by cheques and for deposits, bills and other specified classes of transactions.

**LOCAL RULING UNDER ARTICLE 41**

In this State, subsidiary registers should be maintained for receipts and disbursements of the following classes:-

**RECEIPTS**

(i)	Register of Reserve Bank of India remittances drawn	(iv)	Telegraph receipts.
(ii)	Cash orders issued.	(vii)	Revenue deposits.
(iii)	Military receipts	(viii)	Civil Court's deposits.
(iv)	Public Works receipts	(ix)	Criminal Court's deposits
(v)	Postal receipts	(x)	Personal deposits.

**PAYMENTS**

(i)	Register of Reserve Bank of India remittances cashed.	(x)	Payments on account of the Customs Department.
(ii)	Postal Payments.	(xi)	Advances under the Local Authorities Loans Act (India Act IX of 1904).
(iii)	Telegraph Payments.	(xii)	Refunds.
(iv)	Military Payments.	(xiii)	Repayments of revenue deposits.
(v)	Public Works Payments.	(xiv)	Repayment of Civil Court's deposits.
(vi)	Cantonment cheques.	(xv)	Repayments of Criminal Court's deposits.
(vii)	Municipal cheques.	(xvi)	Repayments of personal deposits.
(viii)	Forest cheques.	(xvii)	Interest paid on Govt. securities.
(ix)	Payments on account of the Salt Dept.		

**Note** :—When receipts or payments of any particular kind are sufficiently numerous in a sub-treasury, a subsidiary register may, with the approval of the Treasury Officer, be maintained for recording them.

**III. Special Directions for Bank Treasuries****(a) General**

**Article 42.** Where the cash business of a State treasury or sub-treasury is conducted by the Bank, the Bank renders two daily accounts of receipts and disbursements of Central and State Governments, the latter embracing transactions not only on behalf of the State in which the Bank is situated but also on behalf of other State. Such accounts, however, rendered in respect of Central treasuries and sub-treasuries consist of a single account for the Central Government, all transactions on behalf of any State Government being taken by the Bank against the balance of the Central Government.

**Article 43.** The transactions reported by the Bank in the daily statement of receipts and payments should, after examination with the chalangans and vouchers accompanying it, be posted into the cash book either direct or through some subsidiary register, in the same way as transactions taking place in non-bank treasuries.

**Note 1** :—The net amounts only of payments are entered in the statements of the Bank; for example, when a deduction is made from the amount of a bill on account of income-tax the daily statements of the Bank shown only the net amount paid after deduction.

X X X

**Note 2** :—When the Cash book and the subsidiary are posted the voucher should be numbered and arranged according to the register in which they are entered.

#### **LOCAL RULING UNDER ARTICLE 42 & 43**

1. The Bank will maintain the following books for recording Government transactions :—

(1) The scroll cash book, which is the primary record.

(2) A pass book (or register of daily receipts and payments), which should be daily forwarded to and returned by the Treasury Officer.

2. All receipts and disbursements on account of the Government should be entered in the scroll cash book. There should be two scroll cash books, one for State transactions and the other for Central transactions. The entries regarding payments should show separately (i) the net amount paid in cash, (ii) the deductions and other amounts paid by transfer; and (iii) the gross amount. Only the net amount paid in cash should be debited by the Bank against the balance of the Central Government or the State Government, as the case may be; the amounts paid by transfer should be accounted for by the treasury in the monthly accounts.

**Note** :—Cheque issued by one Department of the Government in favour of another Department of the same or another Government paid at the Bank will be accounted for under the column “Transfer to or from Bank” in the Bank scrolls and should be treated as cash transactions of the Government at the bank for the purpose of postings in the treasury day-books.

3. The Manager or the Agent of the Bank, as the case may be should, after satisfying himself as to the accuracy of the daily accounts, forward to the Treasury Officer at the close of every day a pen carbon copy of the scroll cash book together with the register of daily receipts and payments (pass book) and all the appertaining vouchers and chalans arranged according to the classification in the accounts. The documents should be sent to the Treasury Officer in a locked box, so that there may be no possibility of any alternation or abstraction of any paper before they reach the hands of the Treasury Officer.

With the concurrence of the Accountant-General, the pen carbon copy of the scroll cash book may be submitted on the morning following the day to which it refers, instead of at the close of the same day.

**Note** :—The Accountant-General has authorized the submission of the scroll cash book on the morning of the next working day except on the 10th (or the 9th, if the 10th happens to be a holiday) and on the last working day of the month.

4. The Manager or the Agent as the case may be should see that all vouchers sent to the Treasury Officer are conspicuously marked with the word paid so that they cannot be used fraudulently to support a further claim in the event of their falling into unscrupulous hands.

5. The register of daily receipts any payments (pass book) has the columns for (1) the date; (2) the total receipts for the day; (2) the total payments of the day; (4) the initials of the Manager or the Agent, as the case may be; and (5) the initials of the Treasury Officer. It should be written up and forwarded to the Treasury Officer with the pen carbon copy of the scroll cash book; the Manager or the Agent, as the case may be, should write his initials in the fourth column as a certificate that the entries are correct. The Treasury Officer should check the receipts and disbursements columns of the pen carbon copy of the scroll cash book, compare the totals with the figures entered in the register and examine the vouchers. After writing his initials in the fifth column of the Register in token of his verification, he should be return the register to the Manager or the Agent, as the case may be, the same day or the following morning.

The Government transactions put through by the Bank on days when the treasury is closed should be incorporated in the treasury cash book and subsidiary register under the dates on which they actually occurred although the actual posting is done on subsequent dates.

6. Local Rulings I to 5 above apply mutatis mutandis to sub-treasuries which transact their cash business through the Bank.

#### **(b) Register of Reserve Bank Deposits**

**Article 44.** The net difference between the total receipts and the total payments as shown in the Bank's daily statement should be posted in a subsidiary register called the Register of Reserve Bank Deposits (Form T,A. 6). In State treasuries this register should be kept in two volumes - One for the Central Government and another for the State. The figures posted in the registers should be checked and agreed with the pass book forwarded by the Bank along with its daily account and also, in the case of State treasuries, with the totals as shown in the daily schedule rendered by the Bank to its Head Office, a copy of which is forwarded to the Treasury Officer.

#### **(c) Register of Misclassifications by the Bank**

**Article 45.** Transactions that may be classified incorrectly in the daily account rendered by the Bank should be taken by the Treasury Officer to the correct heads of account and posted into the appropriate subsidiary registers but on no account should be figures under the head "875. Deposits with Reserve Bank be rectified in the treasury accounts. Any differences resulting from the rectification of Bank's misclassification of Central transactions as pertaining to a State or of State transactions as pertaining to the Centre, should be taken in the treasury accounts to the head "886. Adjusting Account between Central and State Governments Misclassifications by the Bank" in the manner indicated below.

**Article 46.** State transactions erroneously entered in the Bank's daily statement of transactions of the Central Government and vice versa, should be entered in the Register of Misclassifications by the Bank (Form T.A. 7). The form is divided into two parts, viz., (1) Central transactions included in the State statement; and (ii) State transactions included in the Central statement so that separate totals may be struck for each part. The total receipts posted into the first part should be taken in the cash book for State receipts but in one lump sum under the head "886. Adjusting Account between Central and State Government-Misclassifications by the Bank". In the cash book for Central

receipts, the misclassified items should be taken under correct heads of Central receipts; and there should also be a deduct entry under the head “886. Adjusting Account between Central and State Government-Misclassifications by the Bank”, corresponding to the total amount taken to the identical head in the cash book of State receipts. In the same way Central payments wrongly classified by the Bank as pertaining to a State should be posted under appropriated and correct heads in the cash book of Central payments and set off by deduct entry in lump under the head “886. Adjusting Account between Central and State Governments, while the total amount of such misclassified disbursements should be posted in lump in the cash book of State payments under the head “886. Adjusting Account between Central and State Government”. Similar postings should be made of the items of the second category in the Central and State cash books,

*Note* :—Any correction under the head “875-Deposited with Reserve Bank” which will be necessary as a result of the adoption of the correct classification by the Treasury will be made by the Accountant - General through the Central Accounts Section of the Reserve Bank.

#### ***LOCAL RULING UNDER ARTICLE 46***

The cash book mentioned in Article 46 corresponds to the day-book maintained in treasuries in the Andhra Pradesh State. The posting to be made in the cash book according to the directions in Article 46 should accordingly be made in the day book in the Andhra Pradesh State.

#### ***IV. Incorporation of Sub-treasury Accounts***

**Article 47.** The transactions occurring at a sub-treasury should be reported to the district treasury in a daily sheet in Form T.A. 8 (supported by vouchers) showing receipts, disbursements and balance of the day. The receipts and disbursements should be posted from these sheets on the day of receipt into the accounts of the district treasury in the same way as if they had taken place at it.

#### ***LOCAL RULINGS UNDER ARTICLE 47***

1. The sub-treasuries in the Andhra Pradesh State render monthly classified accounts. The sub-treasury transactions are incorporated into the accounts of the district treasury only monthly — See Local Ruling 3 under Articles 95-96 in Chapter IV.

2. Every day each sub-treasury should prepare for submission to the district treasury a daily sheet (Form T.A.8) reporting the receipts, payments and balance of the day. The receipts and payments are copied from the totals in column 3 of the classified lists — See Local Ruling 2 under Article 95-99 in Chapter IV. The daily sheet should be sent to the district treasury, supported by all paid vouchers (except pension vouchers which may be sent bi-monthly in two batches) and the prescribed chalans (except the receipted chalans relating to commercial taxes and land revenue chittas which may be retained and filed at the sub-treasury).

The daily sheets should be numbered consecutively and one should be sent even on a day when there are no transactions unless it is a holiday and the sub-treasury is closed. These sheets enable the district treasury to submit lists of payments to the Accountant-General on due dates and also to keep of the District Treasury Officer informed of the State of the balances at the sub-treasury. They also enable the district officials to check periodically the accounting of miscellaneous receipts in sub-treasuries.

**Note 1** :— In order to ensure that the paid vouchers and chalans are not lost in transmission to the District Treasury, the daily sheet containing the vouchers and chalans should be despatched to the District Treasury by “Express Delivery” - cover duly obtaining certificate of post I rig. When it is impossible to despatch the daily sheet and vouchers and chalans together in an ‘Express Delivery cover” under certificate of posting owing to the postal timings, a separate packet should be made of the paid vouchers and chalans and sent to the Post Office in time for despatch of the same in “Express Delivery Cover” under Certificate of Posting and the daily sheet may be posted later in the evening, without a certificate of posting and Express Delivery.

**Note 2** :—Some of the chalans, e.g., personal deposit chalans, and some of the vouchers e.g., deposit repayment vouchers, which have to be entered in the prescribed registers in the district treasury, should be entered immediately on their arrival.

**Note 3** :—If, owing to the volume of sub-treasury transactions, a Treasury Officer finds it difficult to scrutinize every sub-treasury voucher, he may at his discretion have it done by the Accountant, and carry out a percentage check of not less than 20 per cent provided that, with the previous permission of the Director of Treasuries and Accounts the percentage check by a Treasury Officer may be confined to not less than 10 per cent, if the Treasury Officer is satisfied that the prescribed check, has correctly and sufficiently been applied by the Accountant. All vouchers checked by the Treasury Officer himself should be initialled by him in token of the fact. The percentage should be calculated on the number of bills paid at the sub-treasury without pre-audit by the district treasury.

**Note 4** :—The sub-treasuries at Vizianagaram, Rajahmundry and Vijayawada may submit the daily sheets of the first of every month so as to reach the district treasury not later than the 5th and those of the 2nd to the 5th so as to reach the district treasury not later than the 7th of each month. If the list of a month is a holiday, the daily sheets of the first working day of the month should be submitted so as to arrive not later than the 5th of the month.

**Article 48.** The following items of receipts or payments in the daily sheets of sub-treasuries should be excluded from the accounts of the district treasury in which they will remain as part of the balance—

(i) Remittances of cash to and from a sub-treasury from and to another sub-treasury within the district or the district treasury,

(ii) Transfer of funds, through currency to and from sub-treasuries against opposite payments at the district treasury or at another sub-treasury subordinate to the same district treasury.

**Note** :—This direction shall not apply if the cash business of the remitting or receiving treasury or sub-treasury is conducted by the Bank - See Article 19.

#### **LOCAL RULINGS UNDER ARTICLE 48**

1. Remittances of cash between the district treasury and any of its sub-treasuries or between two sub-treasuries in the district as also transfers between currency and treasury made under Subsidiary Rule 4 under Treasury Rule 30 should appear as payment or receipts, as the case may be, in the cash and day-books of the district treasury and! or sub-treasuries concerned and also in the daily sheets of sub-treasuries — See Local Ruling 5 under Articles 3 2-34. At the end of the month the items should be excluded in posting the monthly classified abstract, since they do not effect the total balance of the district. The Treasury Officer should keep a check over these remittances by the examination of the daily sheets received from sub-treasuries — See Local Ruling 2 under Article 47.



**Note 1** :—If the Bank transacts the cash business of the remitting or receiving treasury, the remittances and transfers should be treated as local cash remittances; debits for remittances sent and credits for remittances received should then appear in the classified accounts and lists of payments of each treasury concerned and in its daily sheets if it is a sub-treasury.

**Note 2** :—All remittances despatched from and received at sub-treasuries should be immediately advised to the district treasury. The advices of receipts should be checked by the district treasury against the corresponding advices of despatch. Remittances in transit appearing in the monthly cash balance report should be checked in detail with the accounts and records. Sub-treasury Officers also should watch carefully for the advices of receipt of all remittances sent by them.

2. If a treasury defects and deficiency or detailed examination of remittance received from another treasury and the amount is not immediately recovered from the Shroff-in-charge, it should be charged in the day book as a distinct item with full particulars and the Treasury Officer of the remitting treasury should be requested to recover the amount and credit it in the accounts of his treasury. A deficiency discovered at the Issue Department of the Reserve Bank of India in a remittance from a treasury should be made good for the cash balance held by it and shown as an item of expenditure on Government account under advice to the remitting treasury for recovery and credit in its accounts. Similarly, a deficiency discovered at a treasury in a remittance from the Issue Department of Reserve Bank of India should be made good from the treasury balance under advice to the remitting office, which should credit the amount to the Government account. The recovery of such deficiencies should be watched by the Accountant-General.

**Article 49.** The transactions of the Central Government in a State sub-treasury should be reported to the district treasury in separate daily sheets. The receipts and disbursements shown in such a daily sheet should be entered item by item in the cash book or appropriate subsidiary registers relating to Central transactions, such entries in the accounts kept in a non-bank treasury being set off by the closing adjustment made through the head “886. Adjusting Account between Central and State Governments — Central transactions in non-bank treasuries”. In the accounts kept in a bank treasury, the totals of receipt and disbursements of the Central Government appearing in the accounts of non-bank sub-treasury of the State should be taken into the cash book of State receipts and disbursements under the head “886. Adjusting Account between Central and State Governments — Central transactions in non-banking sub-treasuries”, while in the cash book for Central transactions, there should be deduct entries in lump under the same head, both on the receipts and disbursement side corresponding to the identical amounts entered in the State cash book. This method of accounting should be adopted mutatis mutandis in regard to transactions of a State Government in a Central non-bank sub-treasury which renders accounts to a district treasury subordinate to that Government.

#### **LOCAL RULING UNDER ARTICLE 49**

There is no Central Sub-treasury rendering accounts to a district treasury in the Andhra Pradesh State.

#### **V. Daily Closing of Accounts**

**Article 50, 51, 52 & 53.** x x x x x

**Article 54.** Any amount fund surplus or deficit in treasury balances should be brought to account at such in the cash book on the receipt or payment side, as the case may be.

***LOCAL RULINGS UNDER ARTICLE 54***

1. The provisions of Articles 50 to 53 do not apply to treasuries in the Andhra Pradesh State - See also Article 28 above. They should follow the procedure prescribed in the following rules. The cash book mentioned in Article 54 corresponds to the day- book maintained in treasuries in the Andhra Pradesh State.

2. The Treasurer and the Accountant should see that their accounts agree before the office is closed for the night. The process of closing the accounts is as follows

(a) At the close of business for the day, the several totals of the subsidiary registers should be carried into the Accountant's day-book, which should then be totalled. The opening cash balance for the day should be entered below the total receipts and added thereto. The total charges should be entered below this total and subtracted. This balance represents the closing cash balance of the treasury (or sub-treasury).

(b) Meanwhile, the Treasurer (or the Shroff in a Sub-treasury) should also sum up both sides of his cash book and draw up his absence memorandum in the form of the Treasurer's (or Shroff's) daily balance sheet in Form 31 (or 32) in the Andhra Pradesh Treasury Code.

(c) The closing balance of cash in the Accountant's day-book should be agreed with that in the Treasurer's (or Shroff's in a sub-treasury) balance sheet and a certificate so that effect should be written in the Accountant's day-book and signed by the Treasury (or Sub-treasury) Officer before signing the day-book and the Treasurer's (or Shroff's) cash book. The certificate of agreement "Agreed with the Accountant's day-book" should also be signed in the Treasurer's (or Shroff's) balance sheet.

(d) For the purpose of reconciling the daily closing balance of cash shown in the Accountant's day-book with that shown in the Treasurer's cash book, the several totals of the receipts and payments of the Central subsidiary registers should first be transferred to the Central day-book. The totals of the receipts and payments in the Central day-book as thus determined should transferred to the State day-book. The balance in the State day- book will represent the treasury closing balance for the day according to the day-book. The Central day-book should be closed to a nil balance by making deduct entries of the total receipts and payments in the respective columns indicated in Form T.A. III.

(e) Two classified lists of receipts and payments should be prepared daily from the day books, one for Central transactions and the other for State transactions. The receipts carried over from the Central day-book to the State day-book should be credited in the State classified list to the suspense head "886. Adjusting Account between the Central (Non-Railways) and State Governments" and the disbursements similarly debited to the same suspense head. Transactions relating to other States should be taken to the suspense head "893. Inter-State Suspense". The transactions relating to Railways should be taken to suspense head "887. Adjusting Account with Railways", Transactions on different accounts and on behalf of different Governments and Railways should be entered under the appropriate sub-heads under the suspense heads mentioned above. The deduct

I

entries made on the receipt and disbursements, sides of the Central day-book. [See clause (d) above] should be credited and debited. respectively wider “886. Adjusting Accounts between Central (Non-Railways) and State Government” in the Central classified list.

3. In the case of treasuries which transact their cash business through the bank, the Bank will send daily to the treasury pen carbon copies of the scroll cash books separately for Central and State transactions with the chalans and vouchers supporting the transactions. The vouchers which have already been approved and registered by the Treasury Officer which first be marked off in the register of chalans issued and the register for orders for payment, that is, the date of discharge will be noted against the entries relating to the several items in the registers. In this process, the vouchers should be numbered and arranged according to the register in which they are entered, as the number of the payment order cannot serve also as the number of the voucher in the actual accounts. Each item of receipt or payment will then be posted from the carbon copy of the scroll cash books with its chalans or vouchers in the day-books either direct or through subsidiary registers in the same way as in the non-bank treasuries. The net difference between the total receipts and the total payments as shown in the State scroll, cash book should be posted in the Register of Reserve Bank Deposits relating to the State Government, and similarly the net difference in the central scroll cash book should be posted in the Register of Reserve Bank Deposits relating to the Central Government. The register is provided with three columns to show (1) the date, (2) payments, and, (3) the receipts of the day, and there will be only one entry in column (2) or (3), as the case may be, against each date. When the total receipts exceed the total payments, the difference will be posted in column (2) and when the total payments exceed the receipts, the difference will be posted in column (3).

The total figures in the both columns ‘in cash’ and ‘by adjustment’ in the Central subsidiary registers should be carried over daily to the Central day-book. The total figures in column ‘by adjustment’ in the Central day-book should then be transferred daily to the State day-book before the latter is closed. The figures so transferred should be classified under “886. Adjusting Account between Central and State Governments” in the State day- book and classified list. The adjustment columns of the Central day-book, should be closed daily to a nil balance by deducting the total of receipts and payments in the respective columns by a minus entry, the totals thus deducted being classified under “886. Adjusting Account between Central and State Governments” in the Central day-book and classified list.

4. The following are some of the more important duties to be fulfilled by the Treasury Officer (or Sub-treasury Officer at a sub-treasury) before closing the accounts for the day :—

(1) The Accountant’s day-book, the Treasurer’s (or Shroff’s in a sub-treasury balance sheet, the subsidiary registers of receipts and payments, the vouchers and chalans and the number book should be laid before him, and he should perform the following checks

(i) He should check every chalan with the entry in the number book and see that every credit entry in the number book has been brought into account in the prescribed subsidiary register or the day-book, as the case may be; as each item is

checked, he should tick off the entries in the subsidiary register and the number book corresponding to the chalan or bill. He should initial each entry in the subsidiary register as it is checked — See Subsidiary Rule 11(a) under Treasury Rule 10.

*Note* :—The number book in a treasury dealing with the Bank exhibits only transfer transactions taking place at the treasury. The entries of cash and transactions in the Bank's daily sheet should be ticked off in the same way as is done in the number book, as entries are made in the subsidiary registers or day-book, and need not be copied in the number book. A memorandum as shown below should be drawn up in the day-book in agreement of the daily total:

	Rs. Ps.
Daily total as per number book	.....
Daily total as per Bank's daily sheet	.....
Total	.....

Agreed with the total (receipts) of the day-book.

***Head Accountant.***

(ii) He should compare each entry of a payment in the Accountant's day- book or a subsidiary register with the corresponding payment order — See subsidiary Rule 32 under Treasury Rule 16 — and tick of each voucher and the entry as it is compared. (This will not be necessary if the Treasury Officer adopts the alternative plan of having the account entry presented to him for initials at the same time as he signs the order for payment). If any portion of the voucher is paid by transfer, he should see that there are corresponding debit and credit entries in the transfer columns of the registers and should tick off each pair of entries.

(iii) He should see that the totalling in the subsidiary registers have been correctly made and carried to the day-book, initialling the totals and ticking off the entries in the day-book as he thus compares them. This must be done, in the case of receipt registers, even when the total for the day is blank; but it is not necessary to initial blank payment registers. If the number of blank receipt registers is great, the following plan may be adopted. Such registers as are only rarely required for making entries may be bound in a single volume and kept under the Treasury Officer's own lock. When the volume is required for making an entry, he should give out the register for the purpose, and he should receive it back at the time of signing the daily accounts, carefully seeing in doing so that all new entries in it are correctly carried to the day-book, and initialling them accordingly. It is obviously necessary to guard against fraud or mistake in omitting to bring an entry from these registers to the day-book, and this precaution is not complete if the Treasury Officer examines only those registers from which an entry has been carried to the day-book.

*Note* :—As a result of rules (i) to (iii) above every entry in the day-book should be checked and ticked off by the Treasury (or Sub-treasury) Officer.

(iv) He should check the correctness of the totals and of the opening balance in the day-book.

*Note* :—In a district treasury the Treasury Officer may have the totalling of the Accountant's day-book verified by some principal subordinate officer other than the Accountant, who should initial them as correct.

(v) He should see twice a week that all the vouchers are properly arranged - see Local Ruling 15 under Articles 95-99 in Chapter IV.

(2) Before signing the Treasurer's daily balance sheet, he should roughly verify the balance in the sole charge of the Treasurer, as shown in that sheet and satisfy himself—

(i) that no uncurrent coins are left in charge of the Treasurer;

(ii) that no more small silver and copper coin is so left than is actually required for current use; and

(iii) that the whole balance in sole charge of the Treasurer does not exceed his current requirements - see also Subsidiary Rule 3(b) under Treasury Rule 11.

**Note :—**In a sub-treasury the Sub-treasury officer should similarly verify the cash balance and stamps under single lock and check the Shroff's balance sheet before signing the Shroff's cash book - See also Subsidiary Rule 8 (g) under Treasury Rule 11.

5. The Treasury Officer (or Sub-treasury Officer in a sub-treasury) should sign the Treasurer's (or shroff's in a sub-treasury) balance sheet on the evening of the day itself to which it refers, after it has been compared and agreed with the Accountant's books before closing the treasury for the day. When however, the pressure of work in a district treasury renders this impossible, the comparison with the Accountant's books may be postponed till the following morning, except on days preceding gazetted holidays when the Treasury Officer should see to the reconciliation before the office closes. When the comparison is postponed under this rule the certificate over the Treasury Officer's signature at the foot of the Treasurer's balance sheet should be altered in manuscript by canceling the words "Agreed with the Accountant's day-book and" before the form is signed by the Treasury Officer, which must be before the closing for the day. The Treasury Officer should then sign an additional certificate in the form "Agreed with the Accountant's day-book" to be added in the book on the following morning.

6. The daily account of the Bank transacting the cash business of a treasury may, with the concurrence of the Accountant-General, be sent to the Treasury or Sub-treasury Officer on the morning of the day following that to which it relates. In such cases the signature and comparison of the Accountant's books may be made in the evening instead of in the morning of the day on which the Bank's account is received, that pressure of work renders it necessary so to postpone it. In the case, however, of all district treasuries dealing with the Bank and the sub-treasuries at Vizianagaram and Rajahmundry, the Accountant's day-book for the first four working days of each month may be closed on the day following that on which the Bank's account is received.

7. When cheques in payment of taxes and other amounts due to the Government are received at the Bank from district headquarters sub-treasuries the amount of the cheques should be credited to the Government account under the head "Cash Remittances - Reserve Bank of India". On receipt of the challans duly receipted by the Bank, the Sub-treasury Officer should debit the amounts realized under the head "Cash Remittances - Reserve Bank of India" and at the same time credit the amounts under the relevant receipt head or heads in his accounts.

8. Any excess found in a treasury balance should be credited to the State Government under, the head "065. Other Administrative Services. C. - Other Services - Other

Receipts". Any excess found in a currency chest in a treasury that does not transact its cash business through the Bank should also be credited to the State Government under the above head. Any excess found in a currency chest in the joint custody of the Government and the State Bank of India/Hyderabad (Treasury Pay Office) or in the sole custody of the State Bank of India/Hyderabad should be credited to the State Bank.

### *VI. Monthly closing of Accounts*

**Article 55.** As it is absolutely necessary that the figures given in the different receipts, accounts and returns exchanged with other departments should agree exactly with those shown in the treasury accounts, the formal closing of their accounts of the several sub-treasuries for the month should be fixed for the latest day by which any risk of failure to receive that day's returns at the headquarter's treasury before the end of the month will be eliminated any transactions of a later date should be included in the returns of the treasury for the next month. The headquarters accounts for March must, however, be kept open until receipt of daily sheet of every sub-treasury for 31st March, in order that all receipts and payments taking place at sub-treasuries within the official year may, without exception, be brought into the accounts of the year. Every endeavour should be made to close the March accounts not later than the 5th of April. All correcting entries affecting inter-governmental adjustments and the Adjusting Account with Railways should be intimated to the Accountant-General so as to reach him by the 12th of April, at the latest.

### *LOCAL RULINGS UNDER ARTICLE 55*

1. The accounts of a sub-treasury should as a rule be closed at noon on the day previous to the last day of the month (or on such earlier date as may be fixed by the District Treasury Officer which the sub-treasury is situated at a distance from the district head-quarters) and despatched in the evening, so that all the accounts may reach the district treasury by the 1st of the month. If the day of closing should fall on a Sunday or any other holiday on which the sub-treasury is closed, the accounts should be despatched on the last previous working day. Any later transactions should be treated as transactions of the following month in the district accounts. The account for March, as an exception, should be kept open until the last day of that month and should be closed and despatched by the evening of the 1st April.

If any amount is paid into a sub-treasury at the end of a month after the accounts of the month have been closed, it should be accepted and brought into the accounts of the succeeding month. Similarly, payment from a sub-treasury should not be refused on the ground that the accounts for the month have been closed. Payments should be made and brought into the accounts of the following month.

2. In the case of bank treasuries, the difference between the totals of the two money columns of the Register of Reserve Bank Deposits should, at the close of the month, be carried into the cash account if the total of the column for receipts exceeds the total of the column for payments, or into the list of payments if the total of the column for payments exceeds the total of the column for receipts.

3. The books of the Central Accounts Section of the Reserve Bank are closed for the month of March on the 15th April following, after that date no inter-governmental adjustments can be earned out in the accounts of the previous financial year. Special steps should, therefore, be taken to settle as promptly as possible all cash and book transactions

involving inter-governmental adjustments that originate towards the close of the year, so that the Accountant-General may, as far as possible send the necessary advices to the Central Accounts Section of the Reserve Bank before the 15th April of the succeeding year. Such adjustments origination in the accounts for February and previous month should be completely settled in time for the advices to be sent to the Central Accounts Section of the Reserve Bank before the end of March. Treasury Officers should submit intimations of all correcting entries affecting inter-governmental adjustments included in the treasury accounts for March so as to reach the Accountant-General by the 12th April at the latest. As the March Final Accounts are closed early in June, all communications affecting the accounts of a previous year should be submitted to the Accountant-General before the end of May.

**Article 56.** [*Deleted*].

## **SECTION 2**

### **TRANSACTIONS OF DEPARTMENTS WHICH RENDER SEPARATE CASH ACCOUNTS**

**Article 57.** Save as provided in Articles 58 to 60 below as may be specially authorized by the Accountant-General in any particular case, moneys received from or on behalf of departmental officers who render separate cash accounts to the audit or Account Office should be recorded at once in a register in Form T.A. 10. In the same way, funds supplied to such departmental disbursing officers on cheques drawn against letters of credit or otherwise should be entered in a register in Form T.A. 11.

#### **LOCAL RULINGS UNDER ARTICLE 57**

1. In recording the receipts on account of the Public Works Department in the register in Form TA. 10 remittances received from departmental officers should be shown separately from those received from others on account of departmental officers.

2. When a contribution is received in the treasury during a month from a private party towards the cost of a public work, the Treasury Officer should send the Executive Engineer concerned, by the sixth day of the following month, an extract from the Register of Receipts (Form T.A. 10) showing contribution received.

3. When a Government servant of another department acting as a Public Works disburser refunds into the treasury part of the moneys previously withdrawn from the treasury for expenditure on a work the following particulars should be given in the Register of Receipts (Form T.A. 10):

- (a) name of the work for which the original amount was sanctioned;
- (b) name of the Public Works Officer from whom received; and
- (c) the amount originally withdrawn and date of withdrawal.

When a refund relates to compensation for land, the month in which the payment was originally debited to the Public Works Departments and the item in which it was included should be specified in the Register of Receipts.

4. The treasury should record all payments made on cheques drawn by Public Works Officers in the "Register of cheques paid against letters of credit" (Form T.A. 11)

but no entry should be made in the column for “balance”, since no letters of credit are issued in favour of Public Works Officers.

**Article 58.** Remittances by Forest Officers should be entered in a register in Form T.A. 12 which may also be used for the purpose of consolidated receipt furnished to Forest Divisional Offices. Funds supplied to Forest Disbursing Officers by means of cheques or otherwise should be entered in Register of Forest Cheques Paid, Form T.A. 13.

#### **LOCAL RULINGS UNDER ARTICLE 58**

1. All sums paid into a treasury by a Forest Officer or on his account (except earnest money deposits tendered by contractors or purchasers of forest produce) should be credited to the Forest Department as ‘Forest remittances’. Earnest money deposits tendered by contractors or purchasers of forest produce should be credited to Security deposits. Tree owners fees in respect of trees tapped for toddy should, as and when they are realized be credited to the department. body or administration, which is in charge of the trees.

2 The Treasury Officer should verify the monthly list of cheques drawn received from a Forest Officer and return it after counter signature to that officer without delay.  
Article 59 and 60 [Deleted].

**Article 61.** in all the cases covered by the directions in this section, the Treasury Officer should arrange to have a monthly settlement of account with the Departmental Officer concerned in accordance with such procedure as may be prescribed by Government.

#### **LOCAL RULINGS UNDER ARTICLE 61**

1. The Treasury Officer should send the schedules with voucher or challan to the respective Executive Engineer every month in respect of amounts booked under P.W. III other Remittances Debit/Credits. [Memo. No. 76347/1 392/Accts/66-2 Finance, Dt. 24-3-1967]

2. (a) The Treasury Officer should have the accounts of a Divisional Officer, Public Works Department, for each month settled very early in the following month. That is, the Treasury Officer should have the pass book written up with cheques cashed during the previous month. The Treasury Officer should not merely check the entries in the Remittances/Pass Book with his register in Form T.A. 10 but should also check and agree the Certificate of Treasury Receipts/Certificates of Treasury Issues with amounts brought to account under S.A. 63. In token of this check the Treasury Officer should certify (in the Certificate of Treasury Receipts/Certificate of Treasury Issues) in the form given below that the agreement has been effected

*“Certified that the amount for which Certificate of Treasury Receipts/certificate of Treasury Issue is issued agrees with the amount credited/debited in Treasury S.A. 63 against the division under P.W.I. Remittances/II cheques except for Rs..... which is explained below:-*

(a) Rs ..... difference shown in the previous month since adjusted in the Treasury account of this month.

(b) Rs ..... under reconciliation will be adjusted in next month’s accounts ‘

(b) At the time of signing the remittance book, the Treasury Officer should reconcile the difference between the Certificate of Treasury Receipts/Certificate of Trea



sure Issue and the amount entered in the Remittances/Pass Book and rectify any differences due to misclassification and should also endorse on the Remittance/Pass Book that the reconciliation has been affected and that the misclassifications of the previous month have been corrected by Alteration Memo. No dated He should also furnish the Divisional Officer with a certificate of total issues as follows :—

I hereby certz5' that the total issues made from this treasury on cheques drawn against the account of Mr. .... Officer-in-charge ..... division during ..... 19, amount to Rs ..... ( ..... in words)

*Note:-* The certificate mentioned in paragraph I should be furnished.

(c) The above procedure applies mutatis mutandis to “Forest Remittances-I, Remittances II and cheques”.

### **SECTION 3—A CCOUNTS OF DEPOSITS**

#### **A. — GENERAL**

**Article 62.** No item should be credited as a deposit save under formal order of competent authority. Further more, no sums should be credited in any deposit register which can be carried to any other head of account; for example, revenue paid to Govt. on account of a demand not yet due should at once •be carried finally to the proper revenue head, and should not be placed in deposit.

**Article 63.** The amount of a lapsed deposit refunded under the rules Government should appear in the treasury accounts as a miscellaneous refund and not as a payment of deposit.

#### **LOCAL RULINGS UNDER ARTICLES 62 & 63**

1. Except in the case of certain Civil and Criminal Court's Deposits (See Articles 71 and 72 and the Local Rulings thereunder), the detailed accounts of all classes of deposit transactions are maintained in the treasury. When the detailed accounts of Civil and Criminal Court's Deposits are not kept in the treasury, they are kept in the Court concerned. The detailed rules prescribing the accounts to be maintained and the returns to be furnished for all classes of deposits are contained in the sections that follow in this chapter and in Chapter IV.

2. No deposit account should be opened by a treasury for an officer of the Public works Department. Whatever sums are paid into a treasury by an officer of the Public Works Department, or on his account, should be carried to the credit of that department in the Treasury Account. This rule applies also to deposits made at the instance of the Public Works Department by local bodies to meet the cost of works to be carried out by the Public Works Department.

#### **B. — SECURITY DEPOSITS**

**Article 64.** Each item of Deposit received should at once be entered in a register (Form T.A. 20) and numbered. There should be a separate series of numbers for each register, beginning a new each year. The Treasury Officer should check carefully the amount and particulars of each entry and then. set his initials in the proper column against each. A daily total only should be carried from each register to the cash book.

**Article 65.** Every item should be recorded in the name of the person from whom, not that of the Government official through whom, it is received; it should be passed through the accounts even though repaid on the day of receipt, and be kept distinct, however small it be, till finally disposed of, never being consolidated with others.

**Article 66.** Each repayment, of deposit should at once be recorded both in the Register of Repayments, Form T.A. 21, from which the daily total should pass into the cash book, and in that of Receipts, Form T.A. 20, in the latter the date and amount of the repayment also being noted.

*Note* :—When, in the case of a bank treasury, a deposit is repaid by an order of the Bank the entry in the Register of Receipts should be made when the order is issued and that in the Register of Repayments when the repayment is reported in the daily account of the Bank. If, in any case, repayment is not made on the order on the Bank, the actual date of repayment should also be noted in Register of Receipts just below the entry of the date of the order.

**Article 67.** When a deposit is adjusted by transfer to some other head of account, the head of account to which it is transferred, and the item in which it is included in the treasury account, should be noted both in the Register of Receipts. and in the Register of Repayments, and it should be credited separately in the cash book or the subsidiary register concerned. The voucher submitted with the list of repayments should state these facts, the statement being attested by the signature of the Treasury Officer.

#### **LOCAL RULINGS UNDER ARTICLES 64-.67**

*Note* :—The provisions of the above Articles and the following Local Rulings apply also to other classes of deposits such as deposits for work done for Public bodies, individuals, etc., for which detailed account are kept in the treasury.

1. The entry in the column 'Nature of deposit' in the Register of Receipts of deposits (Form T.A. 20) should be sufficiently detailed to show clearly why the amount is deposited.

When a deposit is made by one party to be repaid to another party the name of the second party should be clearly stated in the column 'Nature of deposit' in the Register of Receipts of deposit as a precaution against a refund of the amount by mistake to the depositor or his agents or creditors.

2. Notwithstanding the provisions of Article 65, the following classes of deposits may be recorded in the Register of Receipts of deposits in the name of the Government servant through whom the deposit is received :—

(a) Civil Court's deposits which include a large number of items such as unspent witness batta, etc., may be recorded under the designation of the presiding judge of the Court concerned;

(b) Deposits made by purchasers at sales of immovable property under Rule XXII of the rules under the Madras Co-operative Societies Act (Madras Act VI of 1932) may be recorded under the designation of the Deputy Registrar of Co-operative Societies concerned.

3. In order to guard against a second repayment, every refund of a lapsed deposit should be recorded in the District Register of Receipts if the register has not already been destroyed under the rules.

4. When a treasury which transacts its cash business through the Bank repays a deposit by issuing an order on the Bank, the entry in the Register of Receipts of deposits should be made when the order on the Bank is issued and the entry in the Register of Repayments should be made when the repayment is reported in the Banks daily sheet.

5. When deposits are made under the provisions of the Madras Estates Land Act (Madras Act I of 1908), the Treasury or the Sub-treasury Officer should send the Revenue Divisional Officer concerned a weekly statement in Form T.A. IV showing the receipts and repayments relating to such deposits.

**6. Election deposits:-** (1) *Deposits on nominations*—

(a) *Cash Deposits* -T. Deposit and Advances - Part II - Deposit not bearing interest -C. Other Deposits Accounts - Departmental and Judicial Deposits.

The Deposits paid by or on behalf of candidates for Election to the State Legislature should be credited to the head of account - 843. Civil Deposits - Deposits in connection with Elections - Deposits made by candidates for State Legislature.

(Govt. Memo. No. 90444/261 9/AcctsJ64-3, Finance, dated 4-9-1964)

Treasury Officers should see that the items are recorded in the deposits registers in sufficient detail in accordance with the procedure laid down in Article 65 and the above Local Rulings so as to distinguish each individual item. Particulars of the Returning Officer, the name of the candidate and of the constituency should be given against each item.

If the deposit is forfeited it will be credited under the detailed head "Other receipts" under 065. Other Administrative Services - B. Elections Fees, fines and forfeitures, (Memo. No. 90444/2619/Accts/64-3, Finance, dated 4-9-1964)

All refunds of deposits should be authorized in writing by the Returning Officer concerned. The rules in the Andhra Pradesh Treasury Code, Volume 1, for the repayment of Revenue Deposits will apply in the case of refunds of these deposits also.

(b) *Deposits made in Government promissory notes*:- The procedure detailed in paragraph 108(a) of the Government Securities Manual should be followed with the modification that the Treasury Officers themselves should receive the deposits in these cases. If the deposit is forfeited, the Returning Officer will realize the amount of the promissory notes and remit into the treasury the amount prescribed as deposit, the balance if any, being refunded to the candidate. The amount paid into the treasury should be credited to the detailed head "Other receipts" under "065. Other Administrative Services".

(2) *Deposit on challenged votes* :— These will be in cash and in instructions in regard to cash deposit on nominations apply mutatis mutandis to them.

**Article 67 (A).** In April each year, the Treasury Officer should examine the registers of Receipts of Deposits (Form T.A. 20) of the second preceding year and transfer to a Clearance Register in Form T.A. 43 with suitable change in the headings, all the outstanding balances which are not reported for lapse under the rules of Government (Vide Art. 127). 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.

**Note** :—It is not intended that the Clearance Register should be used in District Treasuries; the repayment of items entered in the Clearance Register should continue to be recorded therein the original Receipt Registers vide Art. 66.

**LOCAL RULINGS UNDER ARTICLE 67-A**

1. Old items transferred from one Clearance Register to another should be carefully watched by the Treasury Officer. They should in the ordinary course lapse at the end of the two years for which the new Register in current. They should not be carried forward to a third clearance register without the special sanction of the Accountant-General.

2. At the foot of each clearance register, a memorandum in the following form should be appended, and the total amount should be agreed with the closing balance in the plus and minus memorandum for March excluding the amounts of lapsed deposits.

Rs. Ps.

Balance on the 31st March prior to the last year but two

Balance on the 31st March of the last year but two

Balance on the 31st March of the last year but one

Balance on the 31st March of the last year

**Total**

3. At the beginning of each financial year, each Civil Court dealing with a Treasury which transacts its cash business through the Bank should submit to the Treasury Officer a Clearance Register for all balance outstanding for more than one financial year, excluding there from the item of deposits reported for lapse. The deposits authorized to be paid but not yet paid by the treasury should be detailed at the foot of the Register and the grand total agreed with the balance as shown in the plus and minus memorandum.

A memorandum of balance for the last four years should also be given at the foot of the register in the form prescribed in Local Ruling 2 above.

**Article 67 (B).** Once a half-year, a certificate should be furnished to the Accountant-General by the Director of Treasuries and Accounts that he or one of the Dy. Director of Treasuries and Accounts has personally examined the Register of receipts of deposits (Form T.A. 20) and the Register of repayments of Deposits (Form T.A. 21) and that the entries are made with utmost care and regularity.

**Note** :—The 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 transaction, but also that no moneys are placed unnecessarily in deposit or allowed to remain there without good cause.

**LOCAL RULING UNDER ARTICLE 67(B)**

1. General :—The certificate required under Art. 67 (B) should be based on a personal examination of the deposit registers by taking a few items at random in the Register of receipts of Deposits (Form T.A. 20) and the Register of Repayments of Deposits (Form T.A. 21) - See also instruction 5 under Treasury Rule 4. A note of the items examined should be entered in the Extract Register of Receipts of Deposits (Form T.A. 43) in which the half-yearly certificate is recorded, naming the items themselves or referring to the totals in which they are included.

### C. — PERSONAL DEPOSITS

**Article 68.** Receipts and Payments on Personal Deposit accounts should be recorded in personal ledgers in Form T.A. 22, which should be bound up into a Volume. Every personal account should have its own ledger page in which the receipts should be entered in regular order without being numbered and the disbursements (made not from any particular item, but from the aggregate balance in hand) noted as they are made without any further remark.

**Article 69.** An account of cash orders issued on sub-treasuries should be maintained like that of Personal Deposits, through a personal ledger for each sub-treasury in Form T.A. 23. When paid at the sub-treasury, the amount of the cash order should be entered in the sub-treasury cash book and daily sheet as a miscellaneous payment, but in the district treasury it should be posted in the personal ledger account as a repayment of deposit.

The procedure for the issue of cash orders, etc., is described in Subsidiary Rules 35 and 37 under Treasury Rule 16 and Part II of the Andhra Pradesh Treasury Code.

**Article 70.** The daily totals of receipts and payments should be carried from the personal ledgers (Forms T.A. 22 and T.A. 23) into the Register of Personal Deposits (Form T.A. 24) from which again the aggregate daily total only should be carried to the cash book.

#### *LOCAL RULINGS UNDER ARTICLES 68-70*

1. A sufficient number of sheets of Form T.A. 22 should be bound up into a volume and successive sets of pages should be assigned to the several accounts. It is not necessary to transfer the accounts to a new volume with a new year, but if there is no page available when it is necessary to open a new account or to carry forward an old one, all unclosed accounts should be simultaneously carried forward to a new volume.

2. If there is a large number of transactions relating to a personal deposit account on the same day, a balance need not ordinarily be struck after such transaction, but if there is any possibility of over drawal of the account, the Treasury Officer, should, by totalling the items of receipts and repayment and striking the balance whenever necessary, satisfy himself that the account will not be overdrawn by making any particular repayment. The Treasury Officer should invariably strike a total at the end of each day's transactions.

3. The adjustment of cash orders issued on sub-treasuries may conveniently be watched by opening a personal ledger for each sub-treasury. The orders issued should bear a serial number and the amount should be credited in the personal ledger account (Form T.A. 23) but need not be entered in Form T.A. 22. When a cash order is paid at the sub-treasury it should be entered in a separate register prescribed for the purpose (Form T.A.V). Each entry should be dated and initialled by the Sub-treasury Officer before he signs the pay order. The amounts paid should be debited to "Personal deposits". After payment at the sub-treasury, the amount of a cash order should be posted in the personal ledger account in the district treasury as a repayment of a deposit. The Treasury Officer should send advice lists of the cash orders which he issues to the Sub-treasury concerned. There should be entered in the register in Form T.A.V. in the sub-treasury.

4. The Treasury Officer should pay special attention to the following rules in maintaining the Personal Deposit Registers (Forms T.A. 22, 23, 24 and 45)

(i) For recording the issue of each orders of each sub-treasury, a few pages in Form T.A. 23 and a separate column in Form T.A. 22 should be maintained;

(ii) For every Court of Wards or attached estate a register in Form T.A. 22 and a separate column in Form T.A. 24 should be maintained;

(iii) When an estate receipt is paid in at a sub-treasury an entry should be made in Form T.A. 22 as soon as the challan is received from sub-treasury;

(iv) When an attached estate payment is made from a sub-treasury an entry should be made in Form T.A. 22 as soon as the bill or cheque is received from the sub-treasury;

(v) When an estate receipt is paid into the district treasury, an entry made in Form T.A. 22;

(vi) When an estate bill or cheque is about to be paid from the district treasury whether in cash or by the issue of a cashewder, an entry should be made in Form T.A. 22;

(vii) When a cash order is issued from the district treasury, an entry should be made in Form T.A. 23;

(viii) When a cash order is paid from a sub-treasury, two entries should be made in Form T.A. 23 on receipt of the paid cash order from the sub-treasury;

At the close of each day, the totals of items (v), (vi), (vii) should be calculated, care being taken not to include any items of the types (iii), (iv) and (viii), These totals should be entered in the corresponding columns of Form T.A. 24 and the total district receipts and payments of the day entered in the last column and in the day-book.

At the end of the month, the rejected items of types (iii), (iv) and (viii) entered during the month should be totalled up and the total entered in a line in Form T.A. 24 below the entries of the last day of the month. All the columns Form T.A. 24 should then be totalled and the totals entered in Form T.A. 45, the opening balances being copied from the closing balances of the previous month and the closing balances of the current month calculated.

Columns 3 and 6 of Form T.A. 45 should be totalled and agreed with the total receipts and payments shown in Form T.A. 24 and with the totals in the Posting Register (See Local Ruling 3 under Articles 95-99 in Chapter IV) and the monthly accounts.

All items which are received or paid at sub-treasuries, i.e., items of the nature (iii), (iv) and (viii), should be entered in the red ink so that they may be distinguished from items (v), (vi) and (vii) which are to be carried daily to the day-book.

5. *Personal Deposits* :—The procedure prescribed in Local Ruling 1 under Art. 67 (B) applies mutatis mutandis to personal deposits. The registers to be examined in this case are:-

(i) Register of Personal deposits (Form T.A. 22), and

(ii) the Register of daily receipts and payments of personal Deposits (Form T.A. 24).

(Ruling 5 Ins, by G.O. Ms. No. 37, Fin. & P1. Dt. 2-3-1981)

### D. — CIVIL AND CRIMINAL COURT DEPOSITS

**Article 71.** There are two methods in which the accounts of Civil and Criminal Court Deposit may be kept.

(1) When each deposit is separately paid into and drawn from the treasury upon documents passed by competent authority and setting forth the particulars necessary for the entries in the deposit registers, the accounts of Civil and Criminal Courts Deposit should be kept in the manner prescribed in Articles 64 to 77 for revenue deposits, although the sets of registers and returns should all be separated from those of the revenue deposits proper.

(2) In cases where 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, the accounts at the treasury should be kept in the forms prescribed in Articles 68 and 70 for personal deposits, but quite separate from those of personal deposits proper; and the deposits should be designated as Civil Court or Criminal Court Deposits.

Whenever the latter system is permitted the detailed record of deposit transactions should be kept by the Court concerned in the form prescribed in Articles 64 to 66 for Treasury Officer's accounts of Revenue Deposits with such adaptations and modifications as may be Authorized by the competent Judicial authority after consultation with the Accountant-General.

#### *LOCAL RULINGS UNDER ARTICLE 71*

1. (a) The first method of accounting described in Article 71 is adopted in the Andhra Pradesh State in all mufassal Civil Courts other than those dealing with treasuries when transact their cash business through the bank. The same method is also adopted in the case of all mufassal Criminal Courts.

(b) The Treasury Officer should forward to each mufassal Civil Court dealing with a treasury which does not transact its cash business through the bank a weekly statement in the following form

Debit	Amount Rs.P.	Credit	Amount Rs.P.
Number or order		Number of challan	
Do		Do	
Do		Do	
Do		Do	
Balance to credit		Balance brought forward	
<b>Total</b>		<b>Total</b>	

As soon as this memorandum is received, the Court should compare the serial numbers of the challans and orders issued with those entered in the treasury statement and, by leaving out of account those not yet included by the treasury, ascertain whether its accounts correspond with the treasury accounts.

3. (a) The second method of accounting described in Article 71 is adopted in the case of Civil and Criminal Courts in Hyderabad City, and in the case of Mufassal Civil Courts dealing with treasuries which transact their cash business through the Bank. When this method is followed, the Court or Magistrate should on corporate in his own accounts and returns the deposit items of the Court subordinate to him, as a Treasury Officers incorporates in his accounts those of the sub-treasuries in his District, permission may, however, be accorded to any particular subordinate court or courts to keep independent accounts. Court of Small Causes keep independent accounts.

(b) Civil and Criminal Courts in Hyderabad City maintain the registers of Receipts and Repayments of deposit separately for each class of deposits.

(c) Under this method each transaction of receipt or repayment relating to a Civil or Criminal Court deposit should be initialled by -

(i) the Judge or Magistrate; or

(ii) in the case of the High Court, by any gazetted officers of the Court; or

(iii) in the case of a Court of Small Causes, unless otherwise ordered by the Government, by a Registrar appointed under Section 13 of the Presidency Small Causes Courts Act, 1882 (India Act XV of 1882) or under Section 12 of the Provincial Small Causes Courts Act, 1887 (India Act IX of 1887).

(d) The Treasury Officer should forward to a mufassal Civil Court dealing with a treasury which transacts its cash business through the Bank a weekly statement in the form prescribed in Local Ruling 1(b) above. As soon as the memorandum is received, the court should check the details with its accounts in the manner prescribed in that clause. It should then total up the Register of Receipts and the Register of Repayments and show at the foot of the latter, register (1) cheques issued but not paid during the month and (2) cheques of the previous month paid during the month. The aggregate amount of the first should be deducted and that of the second should be added to the total of the entries in the Register of Repayments.

3. The Court shall prepare extracts of registers and the list of repayments and send them to the Treasury. The Treasury Officer retains the documents.

[Memo. No. 4507 I/Accts/64-10, Fin., Dated 11-4-1969]

4. *Civil Courts' Deposits* :—At the end of the every quarter the presiding Judge of each Civil Court dealing with a Treasury which transacts its cash business through the Bank should record a certificate in the following form on the Extract Register of Receipts transmitted to the Treasury

*“I do hereby certify that I have personally examined the Register and that the entries are made with the utmost care and regularity “.*

The Treasury Officer should certify at the end of each quarter at the foot of the consolidated extract Register of Receipts that the Certificate in the above form was furnished by the presiding Judge of each Civil Court in the District dealing with a Treasury which transacts its cash business through the Bank.

Each Court should also write up a plus and minus memorandum of the balance of deposits on the Extract Register of Receipts transmitted to the Treasury Officer as shown below:-



	<i>Rs. Ps.</i>
Balance at the beginning of the Month:	
Add receipts during the month:	
Total	_____
	_____
Deduct payments made during the month (excluding cheques unpaid):	
Balance at the close of the month:	

**Article 72.** In States 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 in one register as revenue deposits, or the Treasury Officer may receive and keep the 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".

#### **E. — DEPOSITS OF LOCAL FUNDS**

**Article 73.** The transactions of all Local Funds, including Municipal and Cantonment funds, should be recorded in the forms used for personal deposits (Forms T.A. 22 and T.A. 24), but should be kept quite distinct, and should pass into the treasury accounts as Deposits of Local Fund, and not as Personal Deposits.

[For a definition of the term "Local funds" and a list of "Local Fund", see Instructions 1 and 2 in Chapter IV in Part III of the Andhra Pradesh Treasury Code, Volume I].

**Article 74.** The transactions of each fund should be entered in a separate column in the register (Form T.A. 24) which should provide a separate column for every such fund in the district. Unless the funds are very few in number, there should be registers and totals for municipal and cantonment funds separate from those of other funds.

#### **LOCAL RULINGS UNDER ARTICLES 73-74**

A separate register containing the following columns should be maintained at every treasury and sub-treasury for the receipts of Universities

Date of receipt	.....	Amount
Number of challan	.....	Remark
Name of payer		

(The last column should clearly show the nature of the receipt).

#### **F. — DEPOSITS AT SUB-TREASURIES**

**Article 75.** Deposits made at a sub-treasury should be brought, item by item, through the daily sheet upon the district registers and must be numbered in the general series. It may, however, be sufficient to enter in the district registers merely, the daily totals of transactions relating to personal deposits such as, Wards' Estates, Dispensaries, Municipalities, etc., which take place at sub-treasuries, unless the Accountant-General for special reasons instructs otherwise in any case.

**Article 76.** When the officer-in-charge of a sub-treasury has occasion to place in deposit items which, according to rule, should be so dealt with, and which he is also

empowered to repay on his own authority without formal authority from the district treasury, a register of such deposits should be kept at the sub-treasury in addition to that at the district treasury.

**Article 77.** In regards to repayment, the sub-treasury account in which the credit originally appeared should be indicated clearly so that it may be easy to trace the item and to charge off payment correctly in the district account.

#### **LOCAL RULINGS UNDER ARTICLES 75-77**

1. In the Andhra Pradesh State each deposit transaction at a sub-treasury is brought on to the district register daily from the challans and repayment vouchers received with sub-treasury daily sheets.

2. The receipts registers and the repayment registers should be maintained in Form T.A. 20 and Form T.A. VI respectively as at a district treasury.

#### **SECTION 4- A CCOUNTS OF RESERVE BANK OF INDIA REMITTANCES**

##### **A. — ISSUE OF TELEGRAPHIC TRANSFERS AND DRAFTS**

**Article 78.** Particulars of all Telegraphic Transfers and Drafts drawn by Treasuries on other Treasuries and on Offices and agencies of the Bank should be recorded in a “Issue-cum-Drawing Schedule Register” Form T.A. 25 or T.A. 25-A, as the case may be, in which cash drawing should be entered in a consecutive series in the order of issue. Each folio of the register is perforated along the dotted line and when brought into use the portions to the right of the line (which forms the schedule) should be folded inwards at the perforation, a carbon being placed under it.

This register which will be separate for each financial year should be page numbered and the pages should be ruled and lines numbered in the column headed “Name of the applicant”. (Memo. No. I 206515261Accts/7 1-8, Finance, dated 27-2-1974)

**Article 79.** The Treasury Officer (or Sub-treasury Officer) should send an advice of Reserve Bank remittances drawn by him during the day to the treasury or bank drawn upon in the form prescribed by the Reserve Bank (advices of remittance sold) on the very day on which the Telegraphic Transfer or Draft is drawn. Detailed instructions in this behalf will be found in the Treasury Rules of Government.

[These are contained in Chapter V, Part II of the Andhra Pradesh Treasury Code, Vol. I]

**Article 80.** The total of the Column ‘Amount’ in the Issue-Cum-Drawing Schedule Register should agree with the total receipts of the day booked under the head “Reserve Bank of India Remittances” in the cash book and also with the total of drawings as entered in the several advices for the day. At the close of the day, after the accounts are balanced, the schedule, which contains the original entries, should be detached from the Register and forwarded to the Accountant-General on the same day. The applications for remittances will be retained at the Treasury.

##### **B. - ENCASHMENT OF TELEGRAPHIC TRANSFERS AND DRAFTS**

**Article 81.** As each Telegraphic Transfer or Draft is encashed, the date of payment should be noted in the column provided for the purpose in the relevant advice, the entry being initialled by the Treasury Officer.

**Article 82.** A record of Telegraphic Transfers and Drafts encashed should be maintained in a register. Register of Reserve Bank of India Remittances Encashed in Form T.A. 26 in which Telegraphic Transfers and Drafts should be entered as they are paid, the daily totals being entered into the cash book. At the close of the day, all encashments made during the day as recorded in the Register should be listed in a schedule in the form prescribed by the Reserve Bank and the schedule should be forwarded to the Accountant-General the same day after the total in it is agreed to the total payments for the day under the head "Reserve Bank of India Remittances" in the cash book. The receipted drafts including payees, receipts in the case of telegraphic transfers should accompany the schedule as vouchers.

(The day-book used in the treasuries in the State of Andhra Pradesh corresponds to the cash book mentioned in the Comptroller and Auditor-General's Rules).

### C. — DRAWINGS AND ENCASHMENT AT SUB-TREASURIES

**Article 83.** Where Reserve Bank of India remittances are drawn by or encashed at sub-treasuries the sub-treasuries will maintain Register in Forms T.A. 25, T.A. 25-A and TA. 26 prepare the schedules of drawings and encashment in duplicate and submit daily the original copy direct to the Accountant-General in the same way as district treasuries. The Sub-treasury Officer will forward the duplicate copy of the schedules of drawings and encashments to the Treasury Officer along with the daily lists in the usual way together with a certificate that all the schedules for the day have been despatched to the Accountant-General. The Treasury Officer should arrange to check the duplicate copy with the daily lists to see whether all the schedules have been forwarded by the sub-treasuries to the Accountant-General. He should in this way ensure that all the schedules are promptly sent to the Accountant-General on the same day of the transactions. Sub-treasury schedules for all the days of the month upto and including the date of closing the sub-treasury accounts for that month should prominently marked as relating to the accounts for that month, the schedule for subsequent days of the month being marked as pertaining to the accounts of the month following.

(The total drawings and encashments for the day should be incorporated in the sub-treasury accounts just as any other sub-treasury transactions).

### D. — DRAFTS, ETC., CANCELLED

**Article 84.** When a Reserve Bank of India remittance is cancelled, the fact of cancellation should be noted in the Issue-cum-Drawing Schedule Register against the relevant entry and intimation sent to the treasury (or the Bank) drawn upon, by which the fact should be noted conspicuously on the advice originally received. The amount when refunded by the drawing treasury should then be entered in the Register of Reserve Bank of India Remittances Encashed and it must appear in the Register even though issue and cancellation take place on the same day. The amount of the cancelled Draft should simultaneously be entered in the proper columns of the schedule of Drafts Encashed for the day in which cancellation takes place, suitable remarks being made in the schedule indicating that the payment is on account of cancellation of a Draft already drawn by the treasury. The cancelled Draft should accompany the schedule of Encashments.

(Memo. NO. 12065/526/Accts/71-8, Finance, dated 27-2-1974)

**E. — DRAFTS ETC., EXCHANGED**

**Article 85.** When a Draft is exchanged for another, the originally should be treated and entered as a Draft presented for payment and the amount again credited as received for the issue of a new Draft.

**LOCAL RULING UNDER ARTICLES 78-85****Drawings and Encashments at Treasuries served by Treasury Pay offices of the State Bank of India**

The transactions should be treated as relating to the treasury concerned even though cash is received or paid at the Treasury Pay Office of the State Bank, and the procedure laid down for Treasury Agencies will apply.

**SECTION 4-A — ACCOUNTS OF MILITARY TREASURE  
REMITTANCES**

**Articles 86-88.** x x x x

**Article 89.** [*Deleted*].

**SECTION 5— MISCELLANEOUS ACCOUNTS**

**Article 90.** In every treasury from which revenue advances are made, one or more plus and minus memoranda (Form T.A. 46) should be kept, in which the advance should be debited and all recoveries credited. One of these plus and minus memoranda should be the ordinary account of revenue advances; and other special accounts may be opened from time to time for any special officers authorized to make such advances, who may, under the orders of revenue authorities, keep and submit accounts separate from the accounts of the district officer. Unless the Government requires otherwise, the treasury shall keep no detailed accounts of these advances.

**Note :—**An advance held to be irrecoverable by the revenue authorities should be written off the treasury plus and minus memorandum under the authority of the Accountant-General; any subsequent recoveries should not effect the treasury plus and minus memorandum but should be taken direct to revenue.

**LOCAL RULINGS UNDER ARTICLE 90**

1. In the Andhra Pradesh State, the treasury keeps plus and minus memoranda for the following classes of advances and other recoverable amounts:-

- (i) cost of survey of estates not under the management of the Court of wards;
- (ii) advances to cultivators made by officers of the Revenue Department, the Agricultural Department and Industries Department;
- (iii) Imprests for minor irrigation works;
- (iv) survey advances;
- (v) advances under Special Laws; and
- (vi) miscellaneous loans and advances.

2. *Cost of survey of estates not under the management of the Court of wards:-* The Treasury Officer should maintain a plus and minus memorandum for each estate for watching the amount deposited, the expenditure recoverable and the balance available.

He should enter in the debit column the amounts shown in the Survey Officer's monthly bills for recovery from that estate, and in the credit column the amounts already recovered. The balance on account of each estate should be worked out monthly so as to see that sufficient funds remain to cover the anticipated further expenditure. If at any time it is found that the balance is insufficient, prompt intimation should be given to the officer-in-charge of the survey of the estate to enable him to call for a further deposit from the proprietor and stop the survey in default of payment.

3. *Advances to cultivator* :—In every treasury from which advances to cultivators have been made, a plus and minus memorandum should be kept for each class of advance. In it the amount of each advance should be debited and each recovery credited. One of these plus and minus memoranda should be the ordinary account of advances to cultivators. Other special account should be opened from time to time for any special officers authorized to make advances who may under the orders of the revenue authorities concerned, keep and submit accounts separately from the general accounts of the Collector.

Every Government servant who is authorized to make advances should see that the debits and credits made to his account in the plus and minus memoranda correspond accurately with those which enter his own registers and returns. A departmental officer should obtain from the treasury a copy of the plus and minus memorandum with which he is concerned. Special care should be taken to see that, when any recovery is paid into the treasury, the amount of principal and interest recovered are shown separately and distinctly. The recovery towards principal should be credited both in the plus and minus memorandum and in the treasury account, while the recovery of interest should be credited in treasury account alone.

Advances to cultivator made by the Director of Industries and Commerce and the Director and Deputy Directors of Agriculture on account of pumping installations and agricultural implements should be debited in the plus and minus memorandum (but not in the body of the treasury account) on receipt of the intimations from the Accountant-General. Repayments received by the treasury on account of such advances should be adjusted in the plus and minus memorandum in the manner prescribed in the previous sub-paragraph.

The departmental officers of the Revenue Department are responsible for maintaining the accounts and furnishing the returns relating to advances to cultivators as prescribed in the Takkavi Manual. The departmental accounts of these advances are maintained in the Collector's Office. They are posted from the Tahsildar's returns of advances and recoveries. They should be reconciled with the plus and minus memorandum in the treasury. With a view to securing agreement between the departmental accounts and the plus and minus memorandum, the Collector should see that the totals of the figures entered in the departmental accounts actually relate to the transactions up to the dates on which the accounts of sub-treasuries and the district treasuries were closed.

With every return of "advances to cultivators" sent to a superior Revenue Officer, a memorandum should be submitted setting forth the figures of the treasury plus and minus account and agreeing them with the figure in the return.

4. *Survey advances* :—The treasury should maintain a separate plus and minus memorandum for each survey party for advances under the head "Revenue advances - Revenue survey advances - Survey Officers".

A plus and minus memorandum should also be kept in the treasury for the head "Revenue advances - Cost of survey marks - Survey officers - No Party" for watching the amounts recoverable by Collectors. When advances are drawn in one district on account of survey operations in another district, the Collector should, on receipt of the monthly cost rate statement in duplicate from the Survey Officer, forward one copy to the Treasury Officer of his district and the other to the Collector of the district in which the survey operations take place. The Collector of the latter district should work out the demands and effect recoveries, and the debit of the advance should therefore be made in the plus and minus memorandum of the treasury of this district, quoting reference to the advice from the other Collector. The debit in the treasury account should, however, be made in the district which the advances was drawn.

5. The provision in Local Ruling 3 regarding the submission of a memorandum giving the figures of the treasury plus and minus account with every return of "Advances to cultivators" sent to a Superior officer, applies also to "Survey advances".

In order to avoid the differences between the administrative accounts and the treasury accounts under all classes of survey advances, the departmental officers should see that their accounts are compared monthly with those of the treasury and take the necessary steps for the removal of differences between the two sets of accounts.

6. When any advance becomes irrecoverable it should be written off the plus and minus memorandum in the treasury under the orders of the Accountant-General after the competent authority has sanctioned the write-off from the accounts. It should nevertheless be registered by the departmental officer concerned in a separate account or record in order that any possible eventual recovery may be made. If any recovery is made after an advance has been written off the plus and minus memorandum, it should be credited as revenue in the treasury account, but should not be credited in the plus and minus memorandum.

**Article 91.** In addition to the registers prescribed in the foregoing Articles, the following subsidiary registers should be kept for the record of transactions specified against each. Separate registers should be kept, where necessary, in State treasuries for transactions relating to the Central Government :—

(i) Register in Form T.A. 31 for the record of the advances (other than those mentioned in Article 90) made/recovered under the heads "Loans and Advances" and "Advances Repayable".

(ii) x x x x

(iii) Register in Form T.A. 33 for payments of Pensions. Separate registers should be kept for different classes of pensions, such as pensions debitable to "268. Miscellaneous General Services Pensions in lieu of resumed Jagirs, Land, Territories, etc." and "266. Pension and other retirement benefits" etc., "363. Compensation and Assignments to Local Bodies and Panchayat Raj Institutions", etc.;

(iv) Register in Form T.A. 34 for payment of Coupons on Bearer Bonds;

(v) Register in Form T.A. 35 for payment of interest on Promissory Notes/Stock Certificates.

## CHAPTER 4

### ACCOUNTS RETURNS TO BE RENDERED BY TREASURIES

#### A. — GENERAL

**Article 92.** Except as specified otherwise the directions in this Chapter shall apply to all bank and non-bank treasuries at the headquarters of the district. In Andhra Pradesh in which the treasuries render classified accounts to the Accountant-General, the directions in this Chapter shall apply subject to such modifications as may be authorized by the Accountant-General, Andhra Pradesh, to meet local requirements.

**Article 93.** The returns prescribed in this Chapter should be prepared from the Accountant's cash book and the registers subsidiary thereto and despatched to the Accountant-General punctually on the prescribed date. The returns due for despatch on a holiday may be sent one day (but not more than one day) late.

**Article 94.** Separate returns should be rendered by State Treasuries in respect of transactions of the Central Government and in respect of those taken against the State

#### *LOCAL RULINGS UNDER ARTICLES 92-94*

1. In the State of Andhra Pradesh sub-treasuries render classified accounts to the district treasury in the same way as the district treasury to the Accountant-General. The Comptroller and Auditor-General's Rules and the Local Rulings in the Chapter accordingly apply mutads mutandis to sub-treasuries also.

All treasury returns, except those which the Bank is required to furnish under the special orders of the Government or the Accountant-General, should be prepared in the treasury and not in the Bank.

#### B. — COMPILATION OF MONTHLY ACCOUNTS

##### *I. Cash Accounts and List of Payments Articles 95, 96 & 97. x x x x*

##### *II. Supporting Schedules*

##### (a) General

**Articles 98 & 99.** x x x x

#### *LOCAL RULINGS UNDER ARTICLES 95-99*

1. The Treasury Officer should render separate monthly classified accounts to the Accountant-General for transactions of the Central Government and for transactions taken against the State Government; each of these accounts should be supported by separate list of payments, schedules, vouchers etc. The main treasury account as well as the account relating to Debt and Remittance heads should be split up into two parts, one for Central and the other for State transactions. Similarly, there should be separate lists of payments for Central and for State transactions for each of the subsidiary accounts. The consolidated list of payments should also be prepared separately for Central transactions and State transactions.

The opening and closing balances of the treasury will appear only in the State section of the main treasury account. The Central section of the main treasury account will be a balanced account with no opening and closing balances as explained in clauses (d) and (e) of Local Ruling 2 under Articles 50-54.

### **Preparation of the Classified Accounts**

2. *Daily classified list of receipts and payments* :—A classified list of each day's receipts and payments should be prepared in Form T.A. VII from the Accounts day-book. Before being entered in this list, the items in the day-book should be arranged in the order of the heads under which they will ultimately appear in the monthly classified account. The heads of account under which items of the same nature are classified should be entered in column 1 of the list and the detailed sums under that head will appear in column 2, the total of all items under the same head of account being entered in column 3.

The receipts and charges entered in the classified list should be totalled and agreed with the totals in the day-book.

The classified list should be laid before the Head Accountant along with the day-book and he should sign the list after satisfying himself that the entries have been correctly classified. Each sheet of the classified list should be signed by the Head Accountant. The entries in the classified list are then posted into the posting register, and the classified list is filed in the poster's file.

3. *The posting register* :—This is an intermediate register used in compiling the monthly account from the daily accounts. There should be separate registers for State receipts, State charges, Central receipts and Central charges.

The sub-treasury posting register should be posted from the daily classified lists before the despatch of the vouchers to the district treasury.

The posting register of a district treasury is used for compiling the transactions of the whole district. The transactions of the district treasury itself should be posted daily from the daily classified lists - See Local Ruling 2 above. The sub-treasury figures should be posted at the end of the month from the respective monthly sub-treasury classified accounts below the posting of the district treasury. A grand total should then be struck for the whole district under each head of Account.

*Note* :—The Treasury Officer should prescribe the heads of account to be opened in the sub-treasury posting register. It is not always necessary to have a separate column for every detailed head. The subsidiary registers maintained in the sub-treasury give the total receipts and charges of each detailed head concerned for the month and the totals of those detailed heads required for entry in the sub-treasury monthly account can be taken from them. In such cases it is sufficient to post only the totals from the subsidiary register in the posting register.

4. *Monthly classified treasury account* :—The grand totals from the posting registers should be posted against the heads in the appropriate classified district treasury account, details of vouchers being given on the expenditure side in the column provided.

There should be a separate account for each departments or group of departments as fixed by the Accountant-General and a separate account for the transactions relating to Debt and Remittance heads. The main treasury account should contain only the major head totals of the revenue, service, debt, remittance, etc., heads appearing in the separate



departmental and debt head accounts. After all the subsidiary accounts prescribed have been compiled and the major head totals therein posted into the main treasury account the figures in the latter should be totalled and the account closed by effecting an agreement in the State section of the account between the total opening balance of the month plus the receipts during the month and the total of the disbursements plus the closing balance of the month.

In the case of the head "886. Adjusting Account between Central (Non-Railways) and State Governments", the gross figures in the posting registers for receipts and charges should not be taken separately to the receipts and payments sides of the treasury account. Only the net difference between two figures should be taken to the appropriate side (receipts or disbursements) of the treasury account.

*Note 1* :—The Treasury Officer should have no difficulty in applying an effective check to the monthly account when it is laid before him. Its opening and closing balances are not deducted from accounts but are statement of facts certified by the District Treasury Officer to have been verified by actual enumeration of coin. He should see that the entries in the monthly account agree with the totals of the subsidiary registers, whenever they are maintained. If, at any time he is unable to compare them he should at least compare some. In particular he should compare the entries in the plus and minus memoranda of deposits, stamps, etc., with the entries in the account. If, for example, the plus and minus memorandum shows an issue of judicial stamps to the value of Rs. 5,000 he should see that there is a credit of Rs. 5,000 in the monthly account from the sale of judicial stamps, or if the credit is less, that the difference is properly accounted for, e.g., by an acknowledgment from another treasury for stamps supplied.

*Note 2* :—In the printed forms of the monthly classified sub-treasury account only such heads as are frequently used are given; when receipts and charges occur under other heads they should be opened manuscript. To determine the correct heading a copy of the monthly classified district treasury account should be obtained from the district treasury and kept corrected for ready reference. The instructions at the foot of each page of the district treasury account should be carefully noted and observed in classifying items. Special attention should also be paid to the complication of the appendices and the plus and minus memoranda to be attached to the monthly account .....

*Note 3* :—In case where new sub and detailed heads have been included in the Budget and when no such printed heads appear in the Treasury Accounts, the Treasury Officers themselves may open such heads in manuscript in the Treasury Account with reference to the Budget, without any authorization from the Accountant-General.

5. *Transfer slips* :—The grand totals in the posting register may sometimes require alteration before they are posted into the monthly district treasury account.

In support of each such alteration a transfer slip in Form T.A. VIII should be prepared and signed by the Head Accountant.

A transfer slip may have either—

- (i) one major head on the credit side and one major head on the debit side;
- (ii) one major head on the credit side and two or more major heads on the debit side; or
- (iii) one major head on the debit side and two or more major heads on the credit side.

It should not have several major heads on both the debit and credit sides.

Care should be taken to see that the debit is supported by Vouchers when debited to a charge head and by a properly certified extract from the accounts when debited by deduction from receipts sufficient to show that the item really exists before it is expunged and that it has not been previously expunged. The credit given by the transfer slip, when given to a receipt head, should be notified to the departmental officer concerned so that he may take credit for it independently in his Departmental Accounts, and may not remain in ignorance of the credit until communicated to him or his superior officers through the treasury accounts.

Each transfer slip should be given a serial number and a new series of number should be started at the beginning of each month.

When the item is posted in the monthly account, the serial number of the transfer slip should be entered against the item and the page of the posting register should be entered on the transfer slip to ensure that one slip is posted in two places and to facilitate reference.

If the transfer slip effects both charges and receipts, it will affect the grand total of charges and the grand total of receipts, In such cases the necessary plus or minus entries should be made against the grand totals. and these should also be supported by the transfer slip number.

When the entries are completed, the posting registers should be put up to the Head Accountant who should initial all the entries in the posting register affected by the transfer, and also initial the transfer slip in token of the fact that it has been duly posted.

Every transfer slip should be pasted into the poster's file, unless sent as a voucher to the Accountant-General.

6. The Treasury Officer should always personally satisfy himself of the necessity of any alteration in classification which the district treasury proposes to make while compiling the sub-treasury accounts of the month. The clerk concerned should be instructed not to accept any alteration memorandum affecting the sub-treasury account which does not bear the Treasury Officer's initials.

7. In sub-treasuries, if a mistake in posting a receipt into a subsidiary register is discovered before the subsidiary register is closed for the month, the correction should be made not by altering the erroneous entry, but by making a correcting entry at the time the error is discovered. For example, supposing that a mistake has been made in the register by posting on the "12th April, say, Rs. 50 in the column 'Ryotwary' instead of in that of Local Funds. Rent, etc., on Fisheries" and the error is discovered on the 20th April, a correcting entry should be made as shown below—

	Ryotwary	Local Funds, Rent, etc., on Fisheries
	Rs.	Rs.
12th	50-A	80
20th, error of 12th corrected	- 50-A	+ 50

Should an entry affect two subsidiary registers, the corrections may be made in the same way. A reference letter should be entered against the original plus entry and the corresponding correcting minus entry or entries. Each correcting entry should be initialled by the check incharge and by the Head Accountant.

If a mistake is discovered after the subsidiary register has been closed for the month, or affects a head for which there is no Subsidiary Register it is corrected by making a minus entry below the total of the column in the posting register in which the transaction was incorrectly entered and reducing that total and by making a plus entry underneath the total of the column in which it should have been entered and increasing that total. Each of these corrected totals should be signed by the Sub-treasury Officer and a short note made of the reasons for the correction. If such entries are numerous, a consolidated transfer slip should be prepared in support of them, signed by the Sub-treasury Officer and filed in a separate file.

#### **Alterations in Accounts, etc.**

8. When, after the despatch of the monthly treasury account, the Treasury Officer discovers that the classification of any item in that or in a previous month's account is erroneous or when a departmental officer brings any misclassification in the accounts to the notice of the Treasury Officer, he should prepare an alteration memorandum in Form T.A. IX explaining clearly the necessity for the alteration and showing the addition or deduction to be made under each head of account affected and sign it in full. The Treasury Officer should certify in every alteration memorandum that he has personally satisfied himself that the alteration proposed is necessary.

The alteration memorandum need not be sent to the Accountant General for previous approval; and the alterations may be carried out in the accounts of the month under preparation at the time without his formal permission. The alteration memoranda should, however, accompany the next treasury account in support of the additions or deductions made therein on account of the corrections. If any mistake is deducted by the Accountant-General, the account will be corrected and communicated through the outgoing objection statement.

Every alteration memorandum should be prepared in such a way as not to effect more than two subsidiary accounts — (See Local Ruling 14 above) - or more than one subsidiary account and the main treasury account. When an alteration memorandum affects only a single account, it should be attached in original to the account affected. When an alteration memorandum affects two accounts it should be prepared in duplicate with the accounts to which it relates distinctly marked on it and should be attached to the respective accounts in support of the alterations made.

*Note* :—Corrections made by the Treasury Officer should be communicated to the departmental officers concerned who are responsible for watching the progress of revenue and expenditure.

9. The above procedure should not, however, be followed in the case of alteration affecting the accounts of a past year or those relating to April, May and June which affect fasli returns or those affecting Forest Remittances, or Forest Accounts. In those cases alteration memoranda should be submitted to the Accountant-General for approval. He will make the necessary corrections in his accounts by means of transfer entries and

send intimation in the prescribed form. On receipt of the intimation, a note should be made against the original head of account. As an exception to the above rule, alterations in the accounts of a previous year affecting deposit heads should be adjusted through the treasury accounts.

These alteration memoranda should be sent to the Accountant-General as a rule in two batches, on the 1st and 16th of each month.

Alterations for sums not exceeding Rs. 10 affecting revenue or service heads should not be proposed to the Accountant-General, as the rules prohibit transfer entries for such sums. A note of the error should be entered in the treasury account and in the departmental registers.

10. All corrections affecting the accounts of a previous year should be submitted to the Accountant-General by the 20th May. Any alteration sent after that date should be accompanied by an explanation for not detecting the error before that date. If the explanation is unsatisfactory, the Accountant-General will submit it to the Government for orders.

**Note** :—In the case of districts where the Jamabandi work extends to June, the corrections in the accounts of the previous year relating to land revenue receipts may be reported up to 1st July, but corrections which can be communicated by the 7th June should be sent by then.

11. *List of payments and schedules of vouchers* :—Lists of payments in Forms TA. X, X-A, X-B and X-C should be sent to the Accountant-General supported by the necessary vouchers and departmental schedules referred to in Local Ruling I above and in Articles 101 and 104. They should be prepared in the following manner—

(a) As each voucher is received from the Treasurer after being paid at the district treasury, it should at once be entered in the departmental list of payments or schedule prescribed for the purpose by the Accountant-General. Similarly vouchers received from sub-treasuries should be entered each in these lists of payments or schedules as they are received. In the case of transactions relating to service heads the totals of the next amounts of the departmental lists of payments should be entered in the main list of payments (Form T.A. X). In the case of debt and deposit heads the total of the gross transactions should be entered in the main list (Form T.A.X), the sums abated being treated, as if they were cash realizations.

**Exception** :—In the case of postal Insurance premia and Income-tax deducted from the pay and pension bill of officers and establishments under the jurisdiction of another accounting circle, the gross amount of the bills should be charged to the state concerned and the deductions an account of premia and Income-tax credited direct to the Postal Departments and to “021. Taxes on income other than Corporation tax” respectively. The main list of payments should thus indicate the gross debit in these cases.

(b) Each entry in the departmental list of payments or schedule should be given a monthly serial number which should also be entered in the top right hand corner of the voucher.

(c) On the 10th and on the last day of each month, each departmental list of payments and schedule should be totalled and the total entered in the main list of payments (Form T.A. X) which should then be totalled.

(d) The list of payments should then be despatched with the vouchers and schedules by registered post to the Accountant-General.

*Note 1* :—Deposit repayment vouchers paid up to the 10th of the month should be retained till the despatch of the second list of payments - see Local Ruling 1 under Article 108 below.

*Note 2* :—The detailed division and classification of the lists of payments or schedules and vouchers will be regulated by the Accountant-General, who will issue the necessary instructions from time to time.

*Note 3* :—In the case of village service charges, and cattle-pound transactions which are subject to local audit at the treasury (see Part II of the Special Funds Code), the vouchers for the charges which are subject to local audit should be retained in the treasury itself, but in support of the debits in the treasury account, consolidated statements of village service charges and cattle pound transactions should be furnished to the Accountant-General in such form and on such dates as may be prescribed by him.

*Note 4* :—It is not necessary to send separate covering schedules for the vouchers relating to withdrawals by Local Funds and from personal deposit accounts to the Accountant-General along with the lists of payments. If the University authorities desire that covering Schedules for vouchers relating to the University Fee Funds should be sent to them, the Accountant-General will instruct the treasuries to submit separate schedules for these vouchers along with the lists of payments.

12. *Safe custody of vouchers* :—As soon as the vouchers received from the Treasurer have been entered in the appropriate lists of payments or schedules (see Local Ruling 11 above), the Head Accountant should lock them up.

Vouchers paid at sub-treasuries should be handed over on receipt to the clerks concerned to be checked and entered in the appropriate lists of payments or schedules. If this work is not completed the same evening the clerk incharge should prepare a list of the vouchers he will require next day and should hand all the vouchers serially arranged to the Head Accountant to be locked up. Next morning the clerk should take out the vouchers he requires, replacing them by the list he has previously prepared, but they should all be returned the same evening.

Vouchers which have been entered in the schedules may be secured in separate boxes but all the keys should remain with the Head Accountant. All vouchers should be secured under the Head Accountant's lock and key every evening.

13. *Schedules of receipts* :—When a schedule of receipts has to be prepared in regard to any class of receipts (e.g., extract register of deposits referred to in Article 105 below) for submission to the Accountant-General, such receipt at the district treasury should be entered in the schedule each day before the office closes and such receipts at sub-treasuries should be entered in the schedule as soon as the daily sheets are received.

14. The schedules of receipts or payments should be written up daily before the office closes in order to ensure the punctual despatch of the list of payments on the 11th of the current or the following month.

#### **Returns and accounts to be sent to the Accountant-General**

15. The monthly classified account, the lists of payments, the schedules of receipts or payments prepared from day to day, the vouchers supporting them and all other prescribed returns and accounts should be despatched to the Accountant-General on the

prescribed dates. The District Treasury Officer should see that there is no avoidable delay in submitting them. The Treasury Officer see that all returns and accounts which have to be sent to the Accountant-General are written up daily before the treasury closes.

*Note 1* :—Under Local Rulings 11 and 12 above the vouchers pertaining to each list of payments or schedule be numbered in separate series and kept under lock and key, in the order of payment till they are despatched; before despatch of the list of payments and schedules, the Treasury Officer should, after inspection, satisfy himself that the required vouchers are all attached. He will find it profitable at intervals during the month to take up a list of payments or schedule and see that all the vouchers relating to it are present and in proper order. (See Local Ruling 4(v) under Article 50-54.) There should be a voucher for every disbursement other than a remittance of coin or notes.

The Treasury Officer should see that the totals of the different lists of payments or schedules agree with the entries in the treasury account and list of payments.

The Treasury Officer should also see that the total under each major head in a sub-account agrees with the corresponding entry in the main accounts.

*Note 2* :—Special attention should be given to the subsidiary rules and instructions under Treasury Rule 4 (3) regarding the verifications and certification of the monthly cash balance and the signing of the monthly classified account.

16. The Accountant-General will issue a calendar of returns due to him from Treasury Officer showing the date on which each should be despatched. The Treasury Officer should have it kept up to date, and should see daily what returns are due and arrange in time for their punctual despatch, nothing in a check register the actual date of despatch as each return is posted.

Holidays should not be allowed to interfere with the transaction of urgent business, such as the submission on the date prescribed of the returns and accounts to be sent to the Accountant-General.

*Note 1* :—Similarly the Treasury Officer should issue a calendar of returns due to him from sub-treasuries, showing the date on which each should be despatched. The Sub-treasury Officer should see that the returns are punctually despatched on the prescribed dates, maintaining check register as in the case of the district treasury.

*Note 2* :—The returns due for despatch on a postal holiday may be sent one day (but not more than one day) late.

17. If the Treasury Officer should find it necessary to retain any paid vouchers in the treasury for any purpose when despatching the first list of payments, he should briefly explain either in the remarks column of the list of payments against the entries relating to the vouchers or in a separate memorandum attached to the list the reason for not sending them with the list, but the list of payments should embody all paid bills whether enclosed with it or not. If the note in the remarks column or the memorandum shows that the retention of the vouchers is not due to any irregularity in the working of the treasury, the Accountant-General will not count it as an irregularity against the treasury in the record of irregularities maintained in his office.

#### **(b) Schedule of Income Tax Receipts**

**Article 100.** Apart from the schedules of income-tax receipts, if any, required by the Income-tax Officer concerned, two separate schedules of receipts should be prepared

in respect of income-tax deductions from bills for salaries and pensions - (a) one for the tax collected on salaries and pensions wholly debitable to the Central Govt. and (b) another for income-tax deducted from salaries and pensions debitable to other Governments. If income-tax is recovered at a higher rate from any Central Government servant or pensioner or account additional income from properties situated in a State. the entire amount of tax realized should, nevertheless, be taken to the schedule relating to deductions from Central emoluments. Similarly the income-tax deducted from a pension which is debitable partly to the Central Government and partly to the State Government, should be taken to the schedule relating to deductions from Central emoluments. Any refund allowed in such a case during the course of the year should also be taken to that schedule.

**(c) Schedules for Railways and Departmental Disbursing Officers**

**Article 101.** Save as provided in Articles 102 to 104 below, the schedules of receipts and expenditure for Railways and those Departments which render separate cash accounts to Audit and Account Offices (vide Article 57) should be prepared in the same forms and with the same details as have been prescribed in Chapter III for the Registers of Receipts and Payments of those Railways and Departments concerned.

**Article 102.** A simple schedule of Forest Remittances showing separately the cash received into the treasury from each Forest Division and acknowledged in the Consolidated Treasury Receipt (Article 58) should be prepared in Form T.A. 39.

**Articles 103 and 103-A.** x x x x x x

**Article 104.** For each Railway and the Public Works Departments, x x x a separate schedule of cheques paid payments made on account of each department should be prepared in Form T.A. 42 and attached to the List of Payments.

***LOCAL RULING UNDER ARTICLE 101-104***

The cheques on which payments have been made at a treasury to officers of the Forest and the Public Works Departments should be sent by the Treasury Officer to the Accountant-General in support of the debits in his accounts accompanied by a covering list working up to the total debit. The covering list should show the serial number; the number of the cheque and the amount of the cheque.

**(d) Schedules of Deposit Transactions**

**Articles 105 to 107.** *[Deleted]*. Memo. No. 45071/Accts, '64-IO, Dt. 11-2-1969)

**Article 108.** An "Extract Register of Receipts and Payments of Personal Deposits." Form T.A. 45 should be written up from the Register of Personal Deposits (Form T.A. 52). The return should show only the monthly totals of receipts and repayments on each personal ledger the totals of the two columns, "Receipts of the month" and "Payments of the month" alone will be traceable in the Cash Account and the List of Payments. The monthly totals brought out on the return should be the same at those brought out by summation of the daily total columns of Form T.A. 24.

***LOCAL RULINGS UNDER ARTICLES 105-108***

1. An Extract Register of Repayments of Deposits during the entire month, with vouchers appended, should be submitted with the second list of payments. The vouchers

relating to deposits ordered to be transferred to another head of account should be forwarded to the Accountant-General with the list of payments accompanied by a memorandum in Form T.A. XI.

2. The payments exhibited in the “Extract Register of Receipts and Payments of Personal Deposits” (Form TA. 45) should be supported by the original pay cheques which should be retained in the treasury after payment.

3. *Civil and Criminal Courts Deposits* :—(a) In regard to deposits in Civil Courts in the mufassal dealing with treasuries which do not transact their cash business through the Bank and deposits in all Criminal Courts in the mufassal, the procedure prescribed in Articles 105-107 should be followed.

(b) In regard to deposits in Civil Courts in the mufassal dealing with treasuries which transact their cash business through the Bank, the detailed record of the deposit transactions is kept by the Court concerned and not by the Treasury - see Article 71. Each of these Courts should send to the Treasury Officer concerned every month an extract of the registers of receipts and repayments in Forms T.A. 43 and 21 (omitting the last four columns anti altering the heading of the later form). The Treasury Officer should then consolidate the extract registers received from all such Courts in his district and send the consolidated extract to the Accountant-General. In consolidating the lists of repayments, the Treasury Officer should include only the items actually paid during the month; the “Paid” orders of the Civil Courts received from the Bank should be attached to the extract register in support of payments.

(c) Civil or Criminal Courts in Hyderabad City maintain the registers of receipts and repayments relating to deposits in the Court. (See Local Ruling 2 (b) under Article 71.) These Courts, with the exception of the City Court of Small Causes, should send monthly to the Accountant-General extract registers of receipts and repayments. The detailed records of deposits in the City Court of Small Causes are kept in the Court.

4. *Sub-treasury extract registers of deposits* :—On the day on which the sub-treasury accounts are closed for the month, extract registers of receipts and repayments of revenue deposits and Civil and Criminal Courts deposits for the entire month should be submitted to the district treasury in Forms T.A. XII and Xlii. A schedule of cash orders paid should also be appended.

On receipt of the extract registers of the various sub-treasuries in the district treasury, each item should be traced in the district registers (See Articles 75-77 and Local Rulings under them). The Sub-treasury number should be noted below the district number of each item for reference. The district number for each item should then be communicated to the sub-treasury, and should be noted against the corresponding entry in the sub-treasury receipt register. Only the district numbers should be quoted in subsequent references.

5. (a) *Deposits for work done for public bodies, etc.,* .—The Treasury Officer should forward extract registers monthly (in Forms T.A. 43 and 21;) to the Accountant-General.

As soon as the Land Acquisition Officer issues an award, the full amount thereof should be paid by the local body concerned and credited in the treasury account. The



award statements should contain a certificate of credit in the treasury account and should be forwarded to the Accountant General invariably with the extract register for the month in the treasury account of which the amounts awarded have been credited. In cases, however, where the estimated cost of compensation is paid in advance by local bodies before the passing of the awards, a note should be made in the extract register of deposits that the necessary award statements will be furnished as soon as the awards have been passed.

On the orders or vouchers on which payments are made should be entered the head 843. Civil Deposits - "Deposits for work done for public bodies etc". The number and date of the award statement as well as the date on which the amount was credited in the treasury should be noted on the vouchers before they are forwarded to the Accountant- General with the list of repayments of the deposits;

(b) *Local Funds* :—At the end of each month the Sub-treasury Officer should forward an extract from the register of receipts of Universities (see Local Ruling under Articles 73-74) to the Treasury Officer. The latter should prepare a similar extract from his own register for the purpose and enter at the foot of the page the total amount shown in the extract received from each sub-treasury. Items relating to sub-treasuries should not be included in the body of the district treasury extract. The grand total, which should, agree with the credit in the treasury account should then be worked out and the several extracts should be forwarded in original to the Examiner of Local Fund Accounts.

#### (e) Schedule of Seamen's Money Orders

**Article 109.** x x x x

### *III. Plus and Minus Memoranda*

#### (a) General

**Article 110.** Plus and Minus memoranda should be prepared in Form T.A. 46 for the transactions on account of each class of deposits including cash orders of each Local Fund, of each kind of stamps (non-judicial, Court-fee, postage etc.), of match excise banderols (India and Burma), tobacco excise duty labels and of excise opium. The deductions from balance should tally with the corresponding entries of receipts in the accounts (except as regards stamps referred to in Article 114 and stamps sent to other treasuries or sub-depots), and the closing balances should be certified as agreeing with the stock registers and accounts maintained in the treasury. Memoranda may also be required of the outstanding balances of any class of advances which the District or other Revenue Officer has authority to make [vide Articles 90 and 91(i)].

The monthly plus and minus memo in Form T.A. 46 to be rendered to audit office, in respect of Revenue Deposits will indicate the opening balance in respect of each detailed head of Security Deposits. The plus and minus memoranda of Civil and Criminal Court Deposits will give similar particulars in respect of each Court, The payments will be supported by vouchers containing full details of payments.

(Memo. No. 45071/Accts/64-IO, Finance, dated 11-2-1964)

**Note 1** :—The plus and minus memoranda should be prepared in such separate parts as may be determined by the Accountant-General. Those relating to particular departments may be furnished wherever this is possible on the reverse of the receipts schedules concerned.

**Note 2** :—No difference should ever exist between the closing balance of one month and the opening balance of the next, any addition to or deductions from the balance should be made by a special entry to be explained by a foot note.

### (b) Deposits

**Article 111.** Each head of deposit and each Local Fund should be detailed separately in the appropriate memorandum. The balance in the plus and minus memorandum of deposit transactions for the month of April, should be reduced by the amount reported for lapse under Article 127, so that it may agree with the aggregate of repayable deposit balances upon the deposit register.

**Note** :—In the case of local funds, which have a State balance, the balance columns should not be filled up.

(The note applied to local funds which have accounts in more than one district).

### *LOCAL RULINGS UNDER ARTICLE 111*

1. When the account of a local fund is maintained at a sub-treasury the Sub-treasury Officer should send a plus and minus memorandum for it to the district treasury on the day on which the monthly accounts are closed.

2. Each sub-treasury should submit to the district treasury a plus and minus memorandum for Revenue Deposits and Civil and Criminal Courts Deposits, along with the extract registers on the day on which the monthly accounts are closed. At the end of every quarter, the actual items outstanding should be totalled up and agreed with the closing balance of the plus and minus memorandum.

### (c) Stamps

**Articles 112 & 113.** x x x x

**Article 114.** The value of damaged and obsolete stamps should be deducted from the plus and minus memorandum after they have been destroyed or otherwise disposed of in accordance with the prescribed rules.

### *LOCAL RULING UNDER ARTICLE 114*

1. (a) In the case of stamps received back from vendors, the debit in the treasury account should be supported by the following certificate :—

“Certified that the amount of refund has been correctly calculated as under :—

Face value of stamps received back	Rate of discount	Amount of discount	Balance refund
---------------------------------------------	---------------------	-----------------------	-------------------

*Treasury Officer*

(b) When spoiled stamps are presented for issue of fresh stamps in lieu thereof the value of the spoiled stamps should be debited to “Refunds” by transfer credit to the appropriate receipt head.

2. The Treasury Officer should see that in the case of spoiled stamps, the debits in the treasury account agree with the entries in the plus and minus memorandum of

stamps attached to the account. In the case of funds on account of serviceable stamps, the debits in the treasury account will be less than the entry in the plus and minus memorandum of stamps by the amount of discount that was allowed when the stamps were sold.

### Miscellaneous Local Rulings

1. *Cost of survey of estates not under the management of the Court of Wards* :—The Treasury Officer should append to the treasury account a copy of the plus and minus memorandum working out the balance recoverable on account of each estate. The debit should be supported by the Survey Officer's bills.

2. *Advances to cultivators* :—The plus and minus memorandum for each class of advance should be submitted with the monthly treasury accounts. The Accountant-General will verify whether the memoranda accurately represent the credits, debits and balances as shown in his accounts for revenue advances of the district or office concerned.

3. *Imp rests for minor irrigation works* :—At the end of each financial year, the Treasury Officer should send a statement of imprests outstanding against each taluk in the district to the Accountant-General after verification with the plus and minus memorandum. The statement should also show the amount sanctioned, if any for the following financial year and the reasons for any excess in the amount outstanding over the amount sanctioned.

4. *Advances to officers of the Revenue and Survey Departments in connection with survey work* :—The treasury should maintain a plus and minus memorandum for these advances. Treasury Officers should obtain from the administrative officers concerned certificates showing the balances at the end of each year according to their accounts and should forward the certificate to the Accountant-General so as to reach him not later than the 10th July with an explanation of any difference between the treasury and the departmental figures. The balances should include all adjustments made in the accounts for March final.

5. *Temporary advances for demarcation purposes* :—On receipt of the monthly cost rate statements from the Survey Officer countersigned by the Collector, the Treasury Officer should credit the total amount shown therein to the head "Revenue advances - Survey Officers" by debit to the head "Revenue advances — No Party". The statement should be sent to the Accountant-General as a voucher in support of the debit under the latter head.

### IV. Statement of Lapsed Sub-treasury Cash Orders

**Article 115.** A Statement of Cash Orders which are held as lapsed under the rules of Government should be prepared monthly specifying (i) in the case of cash orders issued for service payments, the number and date of the vouchers in which the charges were drawn originally and the name of the officer by whom they were drawn, and (ii) in the case of cash orders issued on behalf of a Ward's Estate or a Municipality, the number and date of the cheques.

**Article 116.** The total amount of cash orders included in the monthly statement should be deducted from the closing balance in the plus and minus memorandum (Article 110) and a note should be made at the same time against the items concerned in the

Ledger (Form T.A. 23) that they have been reported to the Accountant-General for adjustment as lapsed.

#### **LOCAL RULING UNDER ARTICLE 116**

The Treasury Officer should carry out the adjustments referred to in this Article in the accounts of a month in respect of cash orders which lapsed in the previous month owing to their not having been cashed within three months from the date of issue and attach to his accounts a statement in Form T.A. XIV giving the details of the amounts so adjusted. The total amount adjusted as per column 5 of the form should be debited to "Personal deposits" by per contra credits to the head indicated in column 6 which will be determined with reference to the purpose for which the cash order was issued as indicated below:-

(a) In the case of each order issued for service charges in respect of bills presented at the treasury, the head of account to be noted in columns 6 should be "Suspense accounts - Recoveries of service payments - Cash orders". The clearing of this later head will be attended to by the Accountant-General.

**Note** :—If a lapsed cash order is presented at a sub-treasury, payment should be refused and the person presenting it asked to apply to the district treasury, through the officer at whose instance the order was granted, for the issue of a fresh cash order. The officer who obtained the cash order should return it to the treasury officer together with a fresh bill in the usual form for the charges, for payment of which the cash order was originally obtained. The lapsed cash order should be sent to the Audit Office with the fresh bill.

(b) In the case of cash orders issued for ward's or attached estates, the head of account should be "843, Civil Deposits Personal deposits" and a reference to the number of the items of the lapsed statement should be made in the plus and minus memorandum of the wards or attached estates concerned in support of the balances raised, and an intimation should also be simultaneously sent to the Administrator of the Estates and the surrender of the lapsed cash orders demanded. The surrendered orders can be destroyed at once.

#### **C — SUBMISSION TO ACCOUNTANT-GENERAL**

**Article 117.** On the 8th, 16th, 24th and the last day of each month (or on the previous open day if any of these days is a holiday), or at such other convenient intervals as may be settled between the Accountant-General and the Government of the State, State non-bank treasuries should forward to the Accountant-General a statement in Form T.A. 47 showing separately (i) Central transactions other than Railways, and (ii) Railways, the later being further classified by each Railway separately. No voucher should accompany these statements.

(In lieu of Form T.A. 47, the Government have prescribed tin cc special Forms for the purpose - see Forms TA XV to XVII).

**Article 118.** Statement in the same form should be submitted to the Accountant-General by the treasury weekly or after such periodical intervals as may be settled between the Accountant-General and the Government separately in respect of (i) Central transactions other than Railways and (ii) Railway transactions occurring in State non-bank sub-treasuries subordinate to a State bank treasury.

**LOCAL RULING UNDER ARTICLES 117-118**

Treasury Officers should send to the Accountant-General on the 8th, 16th, 24th and the last day of each month statements showing Central (non-railways) transactions in non-bank treasuries in Form T.A. XV. Treasury Officers should send similar statements to the Accountant-General in regard to railway transactions in Form T.A. XVI on the 8th, 16th and 24th of the month and the 3rd of the succeeding month.

Treasury Officers should also send to the Railway Accounts Officers concerned on the 8th, 16th and 24th of the month and the 3rd of the succeeding month lists of payment and schedules of receipts in Form T.A. XVII (separate statements being invariably prepared for payments and receipts) with the statement in Form T.A. XVI-A "nil" statement in Form T.A. XVI should be sent to the Accountant-General if there are no transactions on account of Railways during a week.

**Note** :----The Treasury Officer should see that the totals of the four weekly lists of payments and schedules of receipts agree with the figures shown under the head "887. Adjusting accounts with Railways" in the monthly treasury accounts and, if any difference is noticed in the final compilation, a special supplement list of payments and schedule of receipts in Form T.A. XV should be sent to the Accounts Officers of the Railway concerned copies thereof being sent to the Accountant-General so as to reach his office before the 6th of the next month.

**Article 119.** x x x x

**Article 120.** The following and such other schedules as the Accountant-General may require (vide Article 98) should accompany the accounts mentioned above. (See also Note 2 to Local Ruling 11 under Articles 95-99).

(Schedules relating to the Central transactions which do not affect the treasury accounts have been omitted from the list below Articles 120).

(Reference is to the monthly accounts to be submitted by treasuries to the Accountant- General).

**(a) With the Cash Accounts**

- |                                                                                                 |                                   |
|-------------------------------------------------------------------------------------------------|-----------------------------------|
| (1) Schedule of Forest Remittances .....                                                        | Form T.A. 39 (vide Article 102)   |
| (2) Extract from Register of Railway Receipts                                                   | In the same form as the registers |
| (3) Extract from the Register of Public Works                                                   | (vide Article 101).               |
| Department receipts.                                                                            |                                   |
| (4) Schedule of receipts in respect of Income tax deductions from bills for salaries & pensions | Vide Article 100.                 |

**(b) With the List/Schedule of Payments**

- |                                                                |                                                      |
|----------------------------------------------------------------|------------------------------------------------------|
| (1) Schedule of Forest Cheques paid                            | In the same form as the Register (vide Article 101). |
| (2) Schedule of payments on account of Public Works Department | Form T.A. 42 (vide Article 104).                     |

(3) Schedule of payments on account of  
Railways

(4) Schedule of payments of pensions                      Form T.A. 33 (vide Article 91(iii))

**(c) Other Returns (to be submitted monthly)**

(1) Extract Register of Receipts and                      Form T.A. 45 (vide Article 108)  
Payments of Personal Deposits  
(supported by the original paid cheques).

(In Andhra Pradesh, “Extract Register of receipts and payments of personal deposits” is not sent to the Accountant General. A “Schedule of personal deposit payments” (Supported by the original paid cheques) is sent to the Accountant-General monthly).

(2) Plus and minus Memoranda                              Form T.A. 46 (vide Article 110)

(3) Statement of Lapsed Cash Orders                      Vide Article 115

**Article 121.** The Cash Account should be signed and certified by the District Treasury Officer.

**Article 122.** (1) The Cash Account should be supported by a certificate that the cash balance shown in the account has been verified according to prescribed rules and agrees with the balance reported in the Cash Balance Report of the treasury for the last day of the month.

(The procedure for the verification of the cash balance in the treasury is prescribed in Subsidiary Rule 7 under Treasury Rule in Part II of the Andhra Pradesh Treasury Code, Vol. 1),

(2) Where the cash business of the district treasury or any of its sub-treasuries is conducted by the Bank, a certificate to the following effect should be given on the Cash Account

*“Certified that the net amount credited/debited under the head “875. Deposits with Reserve Bank - Deposits with Reserve Bank” Central/State agrees with the net disbursements/receipts shown in the daily statements of Central/State receipts and disbursements received from the Bank during the month, the totals of which were checked and agreed with the totals shown in the copy, received in this treasury, of the daily schedule rendered by the Bank to its Head, Office “.*

**LOCAL RULING UNDER ARTICLE 122**

A statement reconciling the net amount debited or credited to the head “875. Deposits with Reserve Bank - Deposits with Reserve Bank’ State” during a month by the Bank with that appearing in the treasury account for the month should be furnished along with the monthly account for each of the treasuries and sub-treasuries banking with a bank.

**Article 123.** (1) The plus and minus memoranda in respect of stamps and opium transactions should be accompanied by a certificate of actual count or weight of stock in the treasury and the sub-treasuries subordinate to it. The certificate should be given in such form and at such intervals as may be prescribed by Government in consultation with the Accountant-General.

(2) A certificate should also recorded monthly on the plus and minus memorandum for cash orders (Article 110) or Form T.A. 45 to the effect that the balance of cash orders on sub-treasuries shown in Form T.A. 45 corresponds with the totals of the outstanding shown in detail in Form T.A. 23.

### **LOCAL RULING UNDER ARTICLE 123**

**Stamps** :—(i) Treasury Officers should attach to the plus and minus memorandum for September and March, rendered to the Accountant-General a certificate of actual examination and count of stamp in stock as required in Standing Order No. 73 of the Stamp Manual.

(ii) Treasury Officers should also in the monthly plus and minus memorandum that the balance of stamps of each kind shown therein agrees with that shown in the various stock registers and accounts kept at the treasury.

(iii) In regard to the spoiled stamps, a certificate as indicated below should be given monthly.

*“I do hereby certify that the spoiled stamps to the value of Rs ..... entered in the stamp account for ..... 19 ..... last as detailed below were counted and destroyed and burnt in my presence :—*

Rs. P.

1. Stock-Damaged Stamps -

A. Judicial Stamps –

Court-fee adhesive stamps, etc.,

B. Non-Judicial Stamps –

Non-judicial Stamp papers, etc.,

2. Value of spoiled, etc., Stamps refunded –

Non-judicial stamps

Court fee stamps

**Total**

\_\_\_\_\_  
\_\_\_\_\_

*Destroying Officer”.*

**Opium** :—The Director of Treasuries and Accounts should send a half-yearly verification report of stock in Form (0)15 of the Excise Manual to the Commissioner of Excise and Prohibition and send a copy of the above report to the Accountant-General. Treasury Officers should certify in the monthly plus and minus memorandum that the balance of opium as shown therein agrees with that shown in the various stock register and accounts kept at the treasury.

**Articles 124 & 125** :—Deleted by G.O. Ms. No. 37, Fin. & Pin., Dt. 2-3-1981.

**Article 126.** For other classes of deposits which are accounted for as personal deposits, 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 sent with the Clearance Register.

**Note 1** :—In respect of sub-treasury personal ledger accounts, the Treasury Officer should certify annually that the credit balance of each sub-treasury personal ledger account agrees with the sum of cash orders ascertained to be outstanding.

**Note 2** :—If the certificate of balances are not received from the Administrators by the Treasury Officer within the stipulated time (six months) the Treasury Officer may withhold further payment. In respect of cheques presented direct at the Bank also the treasury can advise the Bank not to honour the cheques of the Administrators in the event of non-furnishing of certificate of Balances of the Administrators by the stipulated time.

(G.O. Ms. No. 45, Fin. & Plug. Dt. 24-2-1987)

### LOCAL RUUNGS UNDER ARTICLE 126

1. The certificate to be furnished regarding the balances of wards' and attached estates on the 31st March should be in the following form—

“I do hereby certify that the balance on the 31st March, 19 personal deposits relating to the wards and attached estates shown below are Rs. and that the credit balance or each estate as shown below agrees with the balance of the Treasury Officer and there were no outstanding cheques on that date:-

	Rs. Ps.
Estate A	
Estate B	
Estate C	
<b>Total</b>	_____ _____
Date 19	<i>Administrator</i> ”.

2. The certificate regarding the credit balances of sub-treasury personal deposit accounts (relating to cash orders) should be in the following form:

“I do hereby certify that the balance on the 31st March, 19 of personal deposits relating to the sub-treasuries shown below is Rs..... and that the credit balance of each account agrees with the sum of the cash orders ascertained to be outstanding :

	Rs. Ps.
Sub-treasury A	
Sub-treasury B	
Sub-treasury C	
<b>Total</b>	_____ _____
Date 19	<i>Treasury Officer</i> ”.

**Article 127.** Immediately after 31st March each year, a list of deposits or balances of that year, which lapse under the rules of Government, should also be submitted to the Accountant-General in Form T.A. 49. The list should be signed by the District Treasury Officer.

For this purpose, the registers of deposits should be taken up early in March and an extract made on ruled paper of those of each class which will, in ordinary course, whether from age or pettiness, lapse at the end of the month. This list should then be reviewed by the District Treasury 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 (vide Article 125) for that class, full detail of the reasons why it is not to laps 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 checked again with the register of receipts in which the items pertaining to the list should be marked off as having lapsed and been credited to Government on 31st March.

*Note* :— In preparing the lapsed statement the items should be entered in chronological order and separate totals should be given for deposits relating to different years.

#### **LOCAL RULING UNDER ARTICLE 127**

1. *General* :—The treasury Officer should simply deduct the total amount of lapses front the plus and minus memorandum of deposits for March and not make any transfer adjustments of it in his account as this is made in the office of the Accountant-General after the statements have been verified.

2. *Civil Courts' deposits* :—(a) The High Court and the City Civil Court :—The High Court and the City Civil Court will prepare annual statement of lapses and send them to the Accountant-General.

In the case of the City Court of Small Causes, when deposits lapse by efflux of time, the Court clears the deposit head by actually drawing a cheque to the credit of the Government out of the deposits and remitting it to the bank for adjustment.

Extract registers of receipts and repayments, annual clearance registers and statements of lapses are not sent to the Accountant-General. The detailed records in this Court are inspected locally by the Outside Audit Staff of the Accountant-General's Office.

(b) *Mufassal Civil Courts* :—(i) Courts dealing with treasuries which do not transact their cash business through the Bank — Each year the Judge should sent to the Treasury Officer two statements of sums received in his Court and in Courts subordinate to it as deposit which have lapsed under the rules and are to be credited to the Government under the orders of the competent authority. The Statements should specify for each deposit the date of receipt, the number and the existing credit balance. One of the statements should include deposits not exceeding five rupees, unclaimed for one whole year ending with the 31st December, of the previous year, balances not exceeding five rupees of deposits partly repaid during that year and of all sums deposited in the Court on account of batta to witnesses, and of all sums paid into such Court for securing the services of Government Officers, which balances and sums have been unclaimed for the whole of that year. The Judge should attach a certificate to the Statement stating that he has accorded sanction for crediting to the Government, the items shown in the statement. This statement should be sent to the Treasury Officer on or before the 15th March of each year. The other statement should include all sum other than those mentioned in the statement of items not exceeding five rupees, etc., lapsing on the first January of that year, if they have remained unclaimed for more than three full years, the period of three full years being computed with reference to the date of last payment and not from the date of original deposit. The Judge should append a certificate to the statement that he

has accorded sanction for crediting to the Government the items shown in the statement. This statement should be sent to the Treasury Officer by the 15th March each year.

(ii) Court dealing with treasuries which transact their cash business through the Bank - At the end of each financial year the presiding Judge of each Court should furnish direct in the Treasury Officer of the district two statements of lapses in the manner prescribed in clause (I) above.

3. Criminal Courts :—The annual statements of lapses relating to the City Magistrates Courts should be prepared by the presiding Magistrates and sent to the Accountant-General. The annual statements of lapses relating to mufassal Criminal Courts should be prepared by the treasury in which the detailed accounts of the deposits are maintained.

4. When the list of lapses of deposits is made up by the Judge or Magistrate, notice of the amount which has lapsed should be sent to the Treasury Officer or the Bank so that the amount may be deducted in the personal ledger. All items which have lapsed should also be excluded from the plus and minus memorandum furnished by the Court for the month of March of each year.

5. Lapses of Official Receiver's deposits :—Official Receivers should prepare lists of items which will lapse to the Government and submit them to the treasury by the 31st March in each year with a cheque in favour of the Treasury Officer for the total amount of these items. The Treasury Officer should submit the lists to the Accountant-General along with the monthly treasury account.

6. Lapsed deposits in sub-treasuries :—In April of each year the Treasury Officer should prepare statements of lapses of revenue and Criminal Courts' deposits and forward them to the sub-treasuries of the district. Mufassal Civil Courts should prepare statements of lapsed City Courts Deposits in April of each year and send them to the sub-treasury Officer concerned through the Treasury Officer. On receipt of these statements the Sub-treasury Officer should make an entry under his own initials, of the lapsing of each deposit in the register of receipts.

When the month accounts are closed, the sum lapsed should be subtracted from the balance in the plus and minus memorandum.

---

## **PART III**

### **CHAPTER V**

#### **ACCOUNTS OF SMALL COIN DEPOTS**

[*Note* :—This chapter relates solely to Central transactions and has therefore been omitted.]

---

---

---

**The**  
**Andhra Pradesh**  
**Accounts Code**

**Volume III**

---

---

# THE ANDHRA PRADESH ACCOUNTS CODE

## VOLUME III

### CONTENTS

#### PART I — GENERAL

##### CHAPTER I

###### General

	<i>Art.No.</i>	<i>Page No.</i>
A. <a href="#">Introductory</a> .....	1	247
B. <a href="#">Public Works and Forest Departments</a> .....	2-3	247
C. <a href="#">Other Departments</a> .....	4-8	248
D. <a href="#">Definitions</a> .....	9	249
E. <a href="#">Miscellaneous</a> .....	9-A	254

#### PART II— PUBLIC WORKS ACCOUNTS

##### CHAPTER II

###### Classification of Public Works Receipts and Expenditure

A. <a href="#">General</a> .....	10-13	255
B. <a href="#">Transactions with other Governments and Departments</a> .....	14-17	256
C. <a href="#">Inter-Divisional Transfers</a> .....	18-19	257
D. <a href="#">Revenue Receipts</a> .....	20-21	257
E. Works Expenditure—		
I. <a href="#">Original Works or Repairs</a> .....	22	258
II. <a href="#">Civil Works</a> .....	23-24	261
III. <a href="#">Irrigation, Navigation, Embankment &amp; Drainage Works</a> .....	25-30	261
IV. <a href="#">Non-Government Works</a> .....	31-34	263
V. <a href="#">Famine Relief Works</a> .....	35	263
VI. <a href="#">Road Development Works</a> .....	36	263
F. <a href="#">Expenditure on Stores</a> .....	37	263
G. <a href="#">Establishment and Tools and Plant charges</a> .....	38-42	264
H. <a href="#">Grants-in-aid</a> .....	43-46	264
I. Suspense Transactions—		
I. <a href="#">General</a> .....	47	269
II. <a href="#">Purchases</a> .....	48-50	269
III. Stock:		
(a) <a href="#">General</a> .....	51	269

	<i>Art. No.</i>	<i>Page No.</i>
(b) <a href="#">Manufacture</a> .....	52	269
(c) <a href="#">Land and Kilns</a> .....	53	269
IV. <a href="#">Miscellaneous P.W. Advances</a> .....	54-57	271
V. <a href="#">London Stores</a> .....	58-61	272
VI. <a href="#">Workshop Suspense</a> .....	62	273
J. <a href="#">Workshop Transactions</a> .....	63-64	273
K. <a href="#">Recoveries of Expenditure</a> .....	65-72	274
L. <a href="#">Deposits</a> .....	73-74	276
M. <a href="#">Miscellaneous Transactions</a> .....	75-78	277

### CHAPTER III

#### Accounts to be kept in Public Works Offices

##### *Section 1 - Cash Accounts*

A. <a href="#">General</a> .....	79	278
B. Cash Book:		
I. <a href="#">Upkeep</a> .....	80-81	278
II. <a href="#">Balancing</a> .....	82-83	279
III. <a href="#">Rectification of Errors</a> .....	84-85	279
C. <a href="#">Imprest Account</a> .....	86-87	279
D. <a href="#">Temporary Advance Account</a> .....	88	280
E. <a href="#">Settlement of Accounts with Treasuries</a> .....	89-90	280

##### *Section 2 - Store Accounts*

A. <a href="#">General</a> .....	91-93	281
B. Stock—		
I. <a href="#">General</a> .....	94-95	287
II. <a href="#">Initial Accounts</a> .....	96-99	288
III. <a href="#">Subsidiary Accounts</a> .....	100	290
IV. <a href="#">Rectification of Errors</a> .....	101-103	295
C. <a href="#">Special Tools and Plant</a> .....	104	297

##### *Section 3 - Transfer Entries*

A. <a href="#">General</a> .....	105	297
B. <a href="#">Transfer Entry Orders</a> .....	106- 109	298
C. <a href="#">Transfer Entry Book</a> .....	110-111	299

##### *Section 4 - Revenue Receipts*

A. <a href="#">General</a> .....	112	299
B. <a href="#">Register of Revenue</a> .....	113-116	299

	<i>Art No.</i>	<i>Page No.</i>
<b><i>Section 5 - Works Accounts</i></b>		
A. <a href="#">General</a> .....	117-119	302
B. Detailed Records:		
I. Cash Charges—		
(a) <a href="#">Introductory</a> .....	120	303
(b) <a href="#">Muster Rolls</a> .....	121-122	303
(c) <a href="#">Measurement Books</a> .....	123-124	305
(d) <a href="#">Bills and Vouchers</a> .....	125	309
II. Charges on account of Materials—		
(a) <a href="#">Introductory</a> .....	126	314
(b) <a href="#">Issues to Contractors</a> .....	127	316
(c) <a href="#">Issues direct to Works</a> .....	128-130	317
(d) <a href="#">Carriage and Incidental Charges</a> .....	131	321
III. <a href="#">Book Adjustments</a> .....	132	322
C. Consolidated Records—		
I. Works Abstracts—		
(a) <a href="#">General</a> .....	133-134	322
(b) <a href="#">Sub-heads</a> .....	135-136	323
(c) <a href="#">Record of Progress</a> .....	137	327
(d) <a href="#">Liabilities against the Work</a> .....	138-139	327
(e) <a href="#">Preparation, Completion and Disposal</a> .....	140	329
II. Register of Works—		
(a) <a href="#">Form and Preparation</a> .....	141-142	330
(b) <a href="#">Closing of Accounts on Completion of Works</a> .....	143-148	331
(c) <a href="#">Correction of Errors after the Closing of Accounts</a> .....	149	333
III. Contractor's Ledger—		
(a) <a href="#">Form and use</a> .....	150-151	333
(b) <a href="#">Posting</a> .....	152	334
(c) <a href="#">Balancing and Reconciliation</a> .....	153-154	334
<b><i>Section 6 - Manufacture Accounts</i></b>		
A. <a href="#">General</a> .....	155-156	336
B. <a href="#">Operation Accounts</a> .....	157-158	336
C. <a href="#">Outturn Accounts</a> .....	159-160	337
D. <a href="#">Consolidated Accounts</a> .....	161	337
E. <a href="#">Closing of Accounts</a> .....	162-163	338

	<i>Art. No.</i>	<i>Page No.</i>
<b><i>Section 7 - Accounts of Deposits and Suspense Transactions</i></b>		
A. <a href="#">Accounts of Heads other than “London Stores” and “Workshop Suspense”</a> .....	164-166	338
B. <a href="#">Accounts of Suspense Head “London Stores”</a> .....	167	339
C. <a href="#">Accounts of “Workshop Suspense”</a> .....	168-169	339
D. <a href="#">Unadjusted Balances</a> .....	170-172	339
<b><i>Section 8 - Workshop Accounts</i></b>		
A. <a href="#">General</a> .....	173-174	340
B. <a href="#">Detailed Accounts of Jobs</a> .....	175-178	341
C. <a href="#">Annual Account</a> .....	179	344
<b><i>Section 9 - Transactions with other Divisions, Departments and Governments</i></b>		
A. <a href="#">General</a> .....	180	345
B. <a href="#">Transactions originating in the Division</a> .....	181-183	345
C. <a href="#">Transactions originating in another Division, Department or Government</a> .....	184-186	346
D. <a href="#">Settlement of Accounts</a> .....	187-189	347
<a href="#">Section 10 - Accounts of Cemetery Endowments</a> .....	190-194	348
<b><i>Section 11 - Other Directions</i></b>		
A. <a href="#">Monthly Closing of the Accounts</a> .....	195-196	348
B. <a href="#">Review of Unsettled Accounts</a> .....	197-198	348
C. <a href="#">Closing of the Accounts of the Year</a> .....	199	349
D. <a href="#">Corrections in Accounts</a> .....	200-201	349
E. <a href="#">Pro-forma Accounts</a> .....	202	350
F. <a href="#">Accounts in Offices to be Reconstituted</a> .....	203	351
<b>CHAPTER IV</b>		
<b>Accounts Returns Rendered by Public Works Officers</b>		
A. <a href="#">General</a> .....	204	351
B. <a href="#">Sub-divisional Accounts</a> .....	205	352
C. Compilation of Monthly Accounts—		
I. <a href="#">Introductory</a> .....	206-208	354
II. <a href="#">Schedule Dockets</a> .....	209-212	355
III. Schedules		
(a) <a href="#">Schedule of Monthly Settlement with Treasuries</a> .....	213	356
(b) <a href="#">Schedule of Revenue Receipts</a> .....	214	356
(c) <a href="#">Schedule of Works Expenditure</a> .....	215	356

	<i>Art.No.</i>	<i>Page No.</i>
(d) <a href="#">Schedule of Suspense Transactions</a> .....	216-218	357
(e) <a href="#">Schedule of Deposit Transactions</a> .....	219-220	359
(f) <a href="#">Schedule of Takavi Works</a> .....	221	359
(g) <a href="#">Schedule of Debits/Credits to “Adjusting Account between Central and State Governments” and “Adjusting Account with Railways”</a> .....	222	359
(h) <a href="#">Schedule of Debits/Credits to “Inter-State Suspense Accounts”</a> .....	223	360
(i) <a href="#">Schedule of Debits/Credits to Remittances</a> .....	224	360
(j) <a href="#">Schedule of Debits/Credits to Miscellaneous Head of Account</a> .....	225	360
IV. <a href="#">Consolidated Account of Contingent Expenditure</a> .....	226	361
V. <a href="#">Classified Abstract of Expenditure</a> .....	227	361
VI. <a href="#">Monthly Account</a> .....	228-229	362
D. <a href="#">Submission to Accountant-General</a> .....	230-239	362

### **PART III — FOREST ACCOUNTS**

#### **CHAPTER V**

##### **Classification of Forest Receipts and Expenditure**

A. <a href="#">General</a> .....	240	371
B. <a href="#">Transactions with other Departments and Governments</a> .....	241-243	371
C. <a href="#">Inter-Divisional Transfers</a> .....	244-245	371
D. <a href="#">Charges for Establishment, Tools and Plants, etc.,</a> .....	246-248	373
E. <a href="#">Forest Remittances</a> .....	249	373
F. Forest Advances—		
I. <a href="#">Advances to Disbursers</a> .....	250	373
II. <a href="#">Advances to Contractors, etc.,</a> .....	251-252	373
G. <a href="#">Recoveries of Service Payments</a> .....	253	374
H. <a href="#">Other Recoveries</a> .....	254	374
I. <a href="#">Forest Deposits</a> .....	255	374

#### **CHAPTER VI**

##### **Accounts to be kept in Forest Offices**

A. Cash Book—		
I. <a href="#">General</a> .....	256-261	375
II. <a href="#">Cancelled, Lost or Lapsed Cheques</a> .....	262-264	377
III. <a href="#">Closing and Balancing</a> .....	265-266	378



	<i>Art No.</i>	<i>Page No.</i>
B. <a href="#">Register of Cheques Drawn</a> .....	267	378
C. Works Accounts—		
I. <a href="#">Muster Rolls</a> .....	268	378
II. <a href="#">Measurement Books</a> .....	269	378
III. <a href="#">Register of Works</a> .....	270	383
D. <a href="#">Stores Accounts</a> .....	271	383
E. <a href="#">Contractors' and Disbursers' Ledgers</a> .....	272-276	384
F. <a href="#">Closing of the Accounts of the Year</a> .....	277	384
G. <a href="#">Correction of Errors</a> .....	278	385
H. <a href="#">Subsidiary Accounts of Commercial Undertakings</a> .....	279	386

## CHAPTER VII

### Accounts Returns Rendered by Forest Department Officers

A. <a href="#">General</a> .....	280	386
B. <a href="#">Incorporation of Subordinates' Accounts</a> .....	281	386
C. <a href="#">Compilation of Monthly Accounts</a> .....	282-287	387
D. <a href="#">Submission to Accountant-General</a> .....	288-297	387

## APPENDICES

### *Appx. No.*

1. <a href="#">Rules Governing the Allocation of Expenditure between Capital and Revenue and the Financing and Accounting of Capital Expenditure</a> .....	391
2. <a href="#">Detailed Heads prescribed by the Government in regard to Irrigation, etc., works with instructions as to the charges to be classified under them</a> .....	396
3. <a href="#">Rules for the Accounting and Distribution of Establishment and Tools and Plant Charges</a> .....	398

—

# The Andhra Pradesh Accounts Code

## Volume III

### DEPARTMENTAL ACCOUNTS

#### PART I

##### GENERAL

#### CHAPTER I

##### GENERAL

##### A. — INTRODUCTORY

The directions given below shall apply to departments of Government whose initial and subsidiary accounts are compiled in whole or part departmentally, the accounts to be compiled being rendered monthly or periodically to the Account and Audit offices.

##### B. — PUBLIC WORKS AND FOREST DEPARTMENTS

**Article 2.** The directions, in accordance with which the initial and subsidiary accounts should be kept in the Public Works and the Forest Departments and the forms in which compiled accounts of these departments should be extended to the Accountant General have been prescribed in detail in the following chapters of this volume. These directions are supplementary to the general directions contained in Volume I, which are applicable to these departments unless there be something repugnant in the subject or context and except to the extent that they are modified by the directions in the following chapters.

*Note* :—In their application to—

(1) the accounts to be kept in the Public Works and the Forest Departments of Part B State,

(2) the classification of the transactions in the accounts of the Central and the Part A States Public Works and Forest divisions or sub-divisions on behalf of the Part B State Governments, and

(3) the classification of the transactions in Part B State Public Works and Forest division on behalf of other Part B State Governments, Part A State Governments and the Central Government,

the directions shall have effect subject to such modifications as may be authorized by the Comptroller and Auditor-General of India, with the approval of the President, to suit the transitional arrangements for the settlement of transactions between the Central Government and Part B States, between Part A and Part B States and between one Part B State and another, on a cash basis.

**LOCAL RULING UNDER ARTICLE 2**

The rules in this Code which apply to the transactions of the Public Works Department will, except where otherwise indicated in any case, apply also to the transactions of the Electricity Department.

**Article 3.** The forms of initial and subsidiary accounts prescribed should be regarded as standard or model forms which may be modified by Government according to local requirements in consultation with the Accountant-General concerned. Similar the Accountant-General may introduce such changes in the detail of accounts returns as he may deem necessary.

**LOCAL RULING UNDER ARTICLE 3**

The forms and returns embodied in this Code are those prescribed by the Government in consultation with the Accountant-General to Suit local requirements. Any proposal to amend any of the accounts forms or to introduce a new forms should be submitted to the Government in the Finance Department through the Accountant-General.

**C. — OTHER DEPARTMENTS**

**Article 4.** Whenever an order is passed by competent authority, vide Article 33 of Volume I, transferring any Public Works to the administrative control of a department other than the Public Works Department and the department itself arranges for the execution of those works, the detailed classification of the transactions connected with the works so transferred should be such as the Accountant-General may determine in consultation with the Comptroller and Auditor-General may determine in consultation with the Comptroller and Auditor-General. Subject to such exceptions as may be authorized by the Accountant-General with the previous concurrence of the Comptroller and Auditor-General the transactions should be accounted for in the forms and in accordance with the directions prescribed in Chapters III and IV and for similar transactions of the Public Works Department.

**Article 5.** x x x x x

**Article 6.** In case of all other departments of the Central and State Governments whose initial and subsidiary accounts are compiled departmentally, the orders and instructions contained in the relevant departmental Code, Manual or Regulations in so far as they provide for the forms of initial and subsidiary accounts kept in any department, shall continue to be followed unless the Accountant-General considers it necessary to replace the existing forms or any of them by some other forms or form. In the event of any difference of opinion between the Accountant General and the departmental authority concerned, the question should be, be referred by the Accountant-General to the Comptroller and Auditor-General for issue of necessary directions under paragraph 4 (b) of the Initial and Subsidiary Accounts Rules (vide Appendix I to Volume I.)

**Article 7.** The directions regarding the accounts to be rendered to Audit by the departments mentioned in Article 6 and the forms in which such accounts are to be rendered have been issued separately and incorporated in the Manuals of the Audit Officers concerned.

[In respect of the Electricity Department, the definitions in this Chapter [e.g., as regards items (2), (9), (12), (17), (20) and (41)] should be supplemented by those in the Electricity Department Manual].

**Article 8.** Whenever the activities of a Government department are such as to require the maintenance of initial and subsidiary accounts not covered by the directions contained in Articles 6 and 7, the forms of the accounts should be such as may be settled by Govt. after consultation with the Accountant-General and subject to the previous concurrence of the Comptroller and Auditor-General.

#### **D. — DEFINITIONS**

**Article 9.** Unless there be something repugnant in the subject or context, the terms defined below should be interpreted in the following chapters and forms in the sense herein explained.

[In respect of the Electricity Department, the definitions in this Chapter [e.g., as regards items (2), (9), (12), (17), (20) and (41)] should be supplemented by those in the Electricity Department Manual].

(1) *Advance Payments* :—Means a payment made on a running account to a contractor for work done by him but not measured.

(2) *Assets* :—In the accounts of works this term indicates all outstanding or anticipated credits, which have to be taken in reduction of final charges.

Examples :—Recoveries of advances or recoverable payments, and sale-proceeds or transfer value of surplus materials.

(3) *Bank* :—The term “The Bank” means the Reserve Bank of India or any office or agency of the Reserve Bank of India and includes any branch of the State Bank of India acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act (Act II of 1934).

(4) *Cash* :—The term “Cash” includes legal tender coin, notes, cheques and drafts payable on demand. A small number of ten naya paise revenue stamps may be treated as part of the cash balance.

*Note* :—Government securities, deposit receipts of banks debentures and bonds accepted as security deposit under the rules of Government, do not fall under this term.

(4-A) *Central Division or Sub-division* :—Means any division or sub-division, not being a division or sub-division under the control of a State.

(5) *Competent Authority* :—The term “Competent Authority” means the Government or other authority to whom the relevant powers may be delegated by the Government.

(6) *Completion and Completed* :—The expression “completion of work” may be understood to include “abandonment of a work” and “completed” to include “abandoned”.

(7) *Contingencies* :—When used in respect of the accounts of works, the term “Contingencies” indicates the incidental expenses of a miscellaneous character which cannot be classified appropriately under any distance sub-head or sub-work yet pertain to the work as a whole.

(8) *Contract and Contractor* :—The term “Contract” means any kind of undertaking, written or verbal, express or implied, by a person not being a Government servant, or by a syndicate or firm, for the construction, maintenance of repairs of one or more works, for the supply of materials or for the performance of any service in connection with the execution of works or the supply of materials. The term “Contractor” means a person, syndicate or firm that has made such an undertaking, but often its use is restricted to contractors for the execution of works or for services in connection therewith.

(9) *Deposit Works* :—This term is applied to work of construction or repair the cost of which is met, not out of Government funds, but out of funds from Non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for Municipalities and other public bodies fall under this category when the cost is debitable either to cash deposits made for the purpose, or to their credit balances at treasuries.

(10) *Direct and Indirect Charges* :—“Direct Charges” are those charges pertaining to a work, project or job, which are incurred directly for its execution and are included in the regular accounts of it. “Indirect Charges” are those charges which pertain, or are incidental to a work, project, workshop job or manufacture job, but which are not incurred directly and solely in connection therewith and thus account be taken directly into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the Department.

(11) *Direct and Indirect Receipts* :—“Direct Receipts” are those items of revenue receipts which are realized in connection with a work or project either by officers of the Public Works Department or other Departments and are brought to account directly as appertaining to the work or project. “Indirect Receipts” are those receipts which pertain, or are incidental, to a scheme or work, but cannot be taken directly into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the Dept.

(12) *Division and Divisional Office* :—These terms are used to denote respectively the executive charge held by a Divisional Officer [clause (13) below] and the head office of such a charge. Thus, the office of an independent executive sub-division is a divisional officer for the purpose of its volume, as also that of the Superintendent of a Workshop working independently of a Divisional Officer.

(13) *Divisional Officer* :—This term is applied to an executive officer of the Public Works at Forest Department who is not subordinate to another executive or disbursing officer of the Department, even though the executive charge held by him may not be recognized as a “division” by the Government concerned. Thus the officer in charge of an independent sub-division is also treated as a Divisional Officer for the purpose of this volume.

(14) “*Final payment*” means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.

(15) “*Government*” means the “Central Government” in respect of matters relating to Central division and sub-divisions and “State Government” in respect of those relating to State divisions and sub-divisions.

(16) *Imprest* :—This term represents the standing advance of a fixed sum of moneys given to an individual to enable him to make certain classes of disbursements which may be entrusted to his charge by the Divisional Officer or the Sub-divisional Officer.

(17) *Intermediate Payment* is a term applied to a disbursement of any kind on a running account, not being the final payment. It includes an “Advance payment”, a “Secured advance” and an “On account payment (other than the final payment on a running account)”, or a combination of these.

(18) *Issue Rate* :—This term denote the cost per unit fixed, in respect of an article borne on the Stocks of the Department, at a valuation for the purpose of the calculation of the amount creditable to the sub-head concerned of the Stock account (i.e., the subhead under which the article is classified) by charge to the account or service concerned, when any quantity of that article is issued from Stock. This does not take into account the storage charges mentioned in clause (33).

(19) *Labour* :—When a separate materials account is kept for one or more sub-heads of an estimate and the term “Labour” is used in connection with such an account, it denotes all charges pertaining to each of those sub-heads, other than (1) the cost of materials issued direct and (2) carriage and incidental charges in connection with the materials,

(20) *Liabilities* :—When used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges, but have not been paid, regardless of whether or not they have fallen due for payment, or, having fallen due, have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the accounts of the work concerned.

(21) *Local Loan works* :—This expression indicates works executed by the Public Works Department on behalf of a Municipality, Port Trust, or other Corporation, when the cost of the works is to form part of a loan given to it by Government for the purpose.

(22) *Lump Sum Contract* :—is a contract for complete work which a contractor agrees to execute with all its contingencies for fixed sum subject to such conditions as the Government may lay down.

(23) *On Account Payment or Payment on Account* :—Means a payment made on a running account to a contractor in respect of work done of supplies made by him and duly measured. Such a payment or may not be for the full value of work or supplies; if it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

(24) *Operation* :—Used in respect of the accounts of manufacture and workshop transactions, this term indicates the charges incurred on the manufacture operations connected with specific jobs.

(25) *Outturn* :—Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs.

(26) *Progress* :—Means the up to-date quantities of work done or supplies made.

(27) *Quantity* :—In the accounts of works this expression is used to describe the extent of work done, supplies made or services performed, when these can be measured, weighed or counted.

(28) *Rate* :—In estimates of cost, contracts, contractors' bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service.

(29) *Rate of Cost and Inclusive Rate of Cost* :—Rate of Cost means generally the total cost of a work or supply divided by its quantity. In the accounts it represents the recorded cost per unit, as arrived at by dividing the up-to-date final charge on a sub-head. by the up-to-date progress thereof. Inclusive Rate of Cost means the rate of cost of the entire work relating to a sub-head, including the cost of materials if recorded separately in the accounts.

(30) *Recoverable Payment* :—Means a payment to or on behalf of a contractor which does not represent value creditable or payable to him for work done or supplied made by him, and has, therefore, to be made good to Government by an equivalent cash recovery or short payment of dues.

(31) *Running Account* :—Is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the account on the completion or determination of his contract.

(32) x x x x x x

(32-A) *State Division or Sub-division* :—Means a division or sub-division under the control of a State.

(33) *Storage Rate and Storage Charges*:—These expressions denote, respectively, the centage rate fixed for, and charges levied on, all issues of stock to cover such actual expenditure as is incurred, after the acquisition of the stores, on work-charged establishment employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godown or yards, etc.

(34) *Sub-divisional Officer* :—This designation is applied primarily to an official, whether a Gazetted officer or not, who holds the charge of a recognized sub-division in subordination to a Divisional Officer, but when the immediate executive charge of any works or stores has not been constituted into a regular sub-divisional charge, but is held by the Divisional Officer himself, the latter is also treated as the Sub-divisional Officer in respect of such charge. When a Divisional Officer holds the immediate charge of a recognized sub-division in addition to his own duties as the executive head of the division, he is treated as the Sub-divisional Officer in respect of the charge of the subdivision.

(35) *Sub-head* :—In the accounts of works and in wording estimates, this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-work if it is a large work) is divided for purposes of financial control and statistical convenience. The several types of work that have to be executed in the course of construction or maintenance of a work or sub-work, e.g., excavation, brick-work, concrete, woodwork, etc., are treated usually as the sub-heads of it.

(36) *Sub-work* :—In the case of a large work consisting of several buildings or smaller works, or groups thereof, the term sub-work is often applied to a distinct unit of work if that unit is sufficiently large or important to be kept distinct for the purposes of accounts. For example, the outer wall, the solitary cells, the cook-houses, the jailor's quarters, etc., in the case of a large central jail. In the case of Irrigation, Navigation, Embankment, Drainage and Water Storage projects, the Head Works, Main Line each branch of a canal, each group of distributaries relating to branch separately, the drainage and protective works, the Water-Course Scheme, and Special Tools and Plant, all form separate sub-works.

(37) *Supervision Charges* :—This term in relation to stores, is applied ordinarily to the charges which are levied, in addition to book value and storage charges, in respect of stock materials sold or transferred, and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value and are not include in the storage charges. [see clause 33]

(38) *Suspense Accounts* :—This term is applied primarily to certain heads of accounts, falling under the minor head "Suspense" of a major head of expenditure, which are reserved for the temporary passage of such transactions as must be taken at once to the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment, recovery or adjustment is awaited, or because it is necessary to keep an defective watch over the values of any stock materials, until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned, and the receipts in reduction thereof. For suspense accounts within the accounts of works, see Article 136.

(39) *Takavi Works* :—This term denotes works of construction or maintenance relating to water-course or any other works, expenditure on which is treated by Government as a takavi advance (i.e., an advance to cultivators) recoverable from the party or parties concerned.

(40) *Value* :—This term used in connection with the sale of stock materials (vide Article 55) or their issue to works (vide Articles 127 and 128) includes storage charges.

(41) *Work* :—The term "work", when by itself, is used in a comprehensive sense and applies not only to works of construction or repair, but also to other individual objects of expenditure connected with the supply, repair and carriage of tools and plant, the supply or manufacture of other stores, or the operations of a workshop.

(42) *Works Expenditure and Works Outlay* :—These terms are used to indicate respectively the expenditure, and the capital charges, on the special services connected with the construction, repair and maintenance of works. The charges falling under these categories may be net when under rule, any receipts are taken in reduction of the charges, but they do not include the cost of the general services, Tools and Plant and Establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts.

#### **LOCAL RULINGS UNDER ARTICLE 9**

(i) *Commercial Department* :—See Article 59 of Volume I.



(ii) *Detailed head*:- See Article 26 of Volume-I and Notes I and 2 below Article 10.

(iii) *Disbursers* :—In the Forest Department, this term denotes those superior officers, not in charge of District Forest Offices, such as Rangers, Foresters and other subordinates, permanent or temporary, who are entrusted with sums of money as advances for carrying on works or for current expenditure.

(iv) *Ledger (Contractor's and Distributor's)* :—The ledger account is a running account with each contractor and disburser, from which the amount due by or to him can always be easily ascertained.

(v) *Major Estimate* :—This term is applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

(vi) *Major head* :—See Article 26 of Volume I.

(vii) *Market Rate (Value or Price)* :—Used in respect of an article borne on the Stock Accounts of a division, this term indicates the cost per unit at which a stock of that article or a suitable substitute for it could be obtained at the time in question at the stores godown from the public market from which it could be obtained most advantageously.

(viii) *Minor Estimate* :—This term is applied to the estimate for a work, when the sanctioned amount of the works expenditure does not exceed Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

(ix) *Minor head* :—See Article 26 of Volume I.

(x) *Sectional Officer* :—This designation is used in this Code in respect of the Public Works Department to describe those officials, usually non-gazetted subordinates, who are placed in responsible executive charge of works or stores under the orders of the officers in charge of a recognized sub-division, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the sub-division.

(xi) *Special Officer* :—This term is applied in this Code, to such officials of the Public Works Department as are neither Divisional Officers nor officials subordinate to a Divisional Officer and have no Divisional Officers working under his control.

(xii) *Transfer Entry* :—See Article 105(1).

(xiii) *Treasury* :—This term means any treasury in the State of Andhra Pradesh and includes a sub-treasury.

(xiv) *Water-course* :—A water-course in a major system of irrigation for which Capital and Revenue Accounts are kept, is a minor channel intended for the supply of water to a particular block of fields and maintained by the joint labour of the ryots concerned.

## E. — MISCELLANEOUS

**Article 9-A.** The transactions of Railways, though they form part of the transactions of the Central Government, should be kept separate from other Central transact

tions. For classification in the accounts of the Public Works and Forest Departments, see Articles 15 and 243.

---

## PART II

### PUBLIC WORKS ACCOUNTS

#### CHAPTER II

##### CLASSIFICATION OF PUBLIC WORKS RECEIPTS AND EXPENDITURE

###### A. — GENERAL

**Article 10.** The major and minor heads prescribed for the classification of Public Works receipts and expenditure are set out in Appendix 2 to Volume I. Subject to any specific directions contained in this Code, the sub-heads, detailed heads or units of grants and appropriations will be determined by Government according to local requirements in consultation with the Accountant-General.

[The list of major and minor heads issued by the Comptroller and Auditor-General is printed separately as Appendix 2 to this Accounts Code, Volume I. The portion of this Appendix relating to State transactions are reproduced in Appendix A to the Andhra Pradesh Budget Manual].

[For the units of appropriation, see the Annual Detailed Budget Estimates.

**Note 1** :—For departmental purposes, Public Works Officers usually divide a detailed head into a number of “service heads” and the latter into a number of “departmental heads”; but, for purposes of account, the single term “detailed head” should be used for all divisions subordinates to a minor head.

**Note 2** :—In the case of Irrigation, Navigation, Embankment, Drainage and Water Storage Works, the sub-divisions into which the minor head “works” is divided for departmental purposes are called “sub-works” and the further sub-divisions of the latter, “detailed heads”.

**Article 11.** In the case of Irrigation and other works for which separate capital and revenue accounts are kept, the allocation of expenditure between capital and revenue should be determined in accordance with such principles and methods as may be prescribed by Government in consultations with the Accountant General.

###### *LOCAL RULINGS UNDER ARTICLE 11*

The rule framed by the Government in consultation with the Accountant-General in regard to the allocation of expenditure between capital and revenue are include in Appendix I.

The Appendix contains also the rules for the allocation of expenditure relating to commercial departments and undertakings (see Article 43 of Volume 1) and for the financing of capital expenditure generally.

**Article 12.** A transaction of receipt of expenditure should be classified under the final or the debt or remittance head to which it pertains, if that be known, but if the exact

head cannot be ascertained at once, the transaction should be classified temporarily under "Public works Deposits" if a receipt, or under "Miscellaneous P.W. Advances", if a charge.

**Article 13.** Heads 17, 18(1) and 19 are purely transfer heads, normally operated upon by the Accountant-General, in which the executive officers of the department are not directly interested. At the discretion of the Government, executive officers may operated upon the transfer head "19" monthly, provided that the expenditure recorded there under at the end of the year, is combined with the expenditure brought to account directly under the head "68" to show the total Capital expenditure relating to each canal and arrangements satisfactory to the Accountant-General are made for this purpose. When this procedure is adopted, the expenditure should be accounted for, separately for each irrigation project, in the same detail as regards minor and detailed heads as are prescribed for the major head "68".

*Note* :—A similar method of accounting may be adopted at the discretion of Government with regard to the transfer head 18(1) where this head is used.

### **LOCAL RULING UNDER ARTICLE 13**

The Government have directed that capital expenditure on Irrigation, Navigation, Embankment and Drainage Works which it is proposed to meet from current revenues, should be accounted for initially and finally under the head "19" with the same details as are prescribed for the head "68".

## **B. — TRANSACTIONS WITH OTHER GOVERNMENTS AND DEPARTMENTS**

**Article 14.** The general directions under which one department of the public service may raise debits against another department under the same Government or any department under another Government for services rendered or articles supplied to it are contained in Chapter 4 of Volume I.

**Article 15.** In State Division, all transactions other than those of Railways, originating on behalf of the Central Government should be classified initially under the appropriate central head of account but in the compiled accounts they should be collected together under the head "Adjusting Account between the Central and State Governments". Transactions originating in State Divisions on behalf of other State Governments and those originating in Central Divisions on behalf of all State Governments, should be classified both initially and finally under the heads "Inter-State Suspense Account-Government of ..... " and "Adjusting Account between Central and State Governments, Government of ..... respectively. Similarly, all transactions originating in a Central or State Division on behalf of a Railway should be classified both initially and finally under the head "Adjusting Account with Railways ..... Railway". The requisite adjustment against the balances of the Government concerned or the Railway Fund, as the case may be, will be made by the Accountant-General himself through the Central Accounts Section of the Reserve Bank. In Central Divisions, such Central (Non-Railway) transactions as are adjustable in another accounting circle should be classified under the Exchange Account head concerned (vide Appendix 2 to Volume I).

*Note* :—The expression Railway Fund used in this Article and other Articles of the Code is intended to represent a proforma account and not a real fund.

**Article 16.** All other remittance transactions, whether originating in the division or another division or department of another Government, should be accounted for under the head “Transfers between Public Works Officers” or “Public Works Remittances”, as the case may be (vide footnotes 399 to 402 in Appendix 2 to Volume 1), unless the Accountant-General directs otherwise.

(See footnote to Article 10 above).

**Note** :—Transactions on account of cheques drawn on, or remittances made to, treasuries should be treated as originating at “treasuries”.

**Article 17.** In the case of works done as a standing arrangement for other departments when the cost is debitable to those departments, the prescribed classification applicable to the connected transactions will be intimated by the Accountant-General to the Divisional Officers concerned.

### C. — INTER-DIVISIONAL TRANSFERS

**Article 18.** Services rendered or articles supplied by one division to another under the same Government will not be charged for, except in the following cases

(i) *Stores* — if they are issued from a Stock or Material Account or if their transfer affects a work for which a separate capital account is kept;

(ii) *Other Services* — if they affect the accounts of (a) any work for which a separate capital account is kept, (1) a work in progress, or (C) Suspense or Deposits.

**Article 19.** When the cost of a service undertaken on behalf of another division of the same Government is debitable to that division, the connected receipts and charges should be classified under the head “Transfers between Public Works Officers” and passed on for adjustment finally in the accounts of the latter division.

### D. — REVENUE RECEIPTS

**Article 20.** Public Works revenue should be brought to account in accordance with the classification prescribed by the Comptroller and Auditor-General, vide Article 10. Distinction should be made between receipts which are finally creditable to Government as revenue of the department and transactions which represent merely such cash or other value received as has either to be repaid eventually or to be utilized to meet the cost of some service to be rendered or already rendered or to be taken in reduction of expenditure previously incurred. Receipt of the latter class should be credited to the debt, or deposit or expenditure head concerned.

**Note 1** :—Should Government deem any source of revenue not specifically mentioned in the minor heads provided, to be of sufficient importance to justify the keeping of a separate account of it, a detailed head for the purpose may be opened under the minor head “Miscellaneous”.

**Note 2** :- x x x x x

### LOCAL RULINGS UNDER ARTICLE 20

I. When the fines collected for demanding toddy-yielding Government trees are credited to the Public Works Department the rewards payable to the Prohibition and Police Officers for detecting the case may be disbursed as refunds of revenue in this department under the authority of the Executive Engineer of the division.

2. Amounts realized by the sale of fruit, etc., should be credited to the "Revenue" head.

3. The sale-proceeds of trees felled in the compound of a public office should be treated as miscellaneous receipts of the Public Works Department, if the felling is done in the course of execution of works by the Public Works Department. In other cases, the sale-proceeds of the usufruct of trees felled should be credited to the department to which the cost of maintenance of the compound is charged.

4. The fees charged by Executive Engineers of divisions or the Electrical Engineer for testing the lighting conductors attached to explosive magazines should be credited to State Revenues under the head "XXXIX. - Civil Works".

**Article 21.** Refunds of revenue actually collected and brought to account under "XXXIX-Civil Works" or Irrigation heads, when made in cash, should be accounted for under the minor head "Deduct-Refunds" of the Revenue major head concerned. All other refunds of revenue, such as refunds of rents adjusted by short assessment or short realization in a subsequent month and repayment of receipts and recoveries on capital account, should be taken as reduction of revenue receipts or of "Receipts and Recoveries on Capital Account," as the may case be, under the heads concerned.

## **E. — WORKS EXPENDITURE**

### ***I. Original Works or Repairs***

**Article 22.** Subject to any general or special orders issued by Government in this behalf in consultation with the Accountant-General, the following principles should be observed in classifying the expenditure between "Original Works" and "Repairs".

(1) Original Works should comprise all new constructions, whether of entirely new works or of additions and alterations to existing works, except as hereinafter provided; also all repairs to newly purchased or previously abandoned buildings required bringing them into use.

(2) Repairs should include primarily operations undertaken to maintain in proper condition buildings and in ordinary use and also new works in circumstances indicated in clause (3).

(3) When a portion of an existing structure or other work, not being a road, surface, road bridge, cause way, embankment, ferry approach, protective or training work in connection with a road, is to be replaced or remodelled (whether or not the change involves any dismantlement) and the cost of the change represents a genuine increase in the value of the property, the work of replacement or remodelling, as the case may be, may be classed as "original work", the cost (which should be estimated if not known) of the portion replaced or remodelled being credited to the estimate for "original work" and debited to "repairs". In all other cases the whole cost of the new works should be debited to "repairs".

(4) When an existing portion of a road, road bridge, causeway, embankment, ferry approach, protective or training work in connection with a road is to be replaced or remodelled (whether or not the change involves any dismantlement) and the change represents genuine increase in the value of the property, the whole cost of replacement

or remodelling, as the case may be, should be classified as “new work” and the cost or value of the portion replaced or remodelled should not be debited to “repairs”.

(5) In addition to all repairs and renewals in material similar to that pre-existing, the following items of road work should be classed as “repairs”—

(i) ordinary repairs and maintenance including surface painting and the necessary addition of stone chips, gravel or sand, but not including asphaltic concrete, premix asphalt macadam, bitumen grout, bitumen semi-grout, mix-in-place, cement concrete or cement macadam;

(ii) special repairs and periodical renewals;

(iii) petty and miscellaneous items of work in any material which are classed ordinarily as “new works”, provided that the works in question do not in the opinion of the competent authority form part of any comprehensive scheme or project covered by a works estimate; and

(iv) surface dressing with precoated chips.

#### ***LOCAL RULINGS UNDER ARTICLE 22***

The following rules have been issued by the Government in consultation with the Accountant-General :—

1. The capital value of any portion of a building, which is abandoned or dismantled without replacement, should be written off the total capital value of the building in any pro-forma account of its cost.

2. The cost of restoration or special repairs to a building shall not be added to capital cost or present value, unless such restoration or repairs add to accommodation or involve replacement of the existing type of work by a work of a more expensive character.

***Illustration*** :—The cost replacing palmyra rafters by Karimarudu, or bamboo hurdling by teak wood reapers, or lime plastering by cement plastering should not be added to the capital Cost of a building. The cost of deepening a well in order to restore the normal water supply should also not be added to the capital cost of a building. But the cost of replacing country tiles by Mangalore tiles or a mud compound wall by a wall of brick in mortar plastered with cement, or a cement floor by tiles should be dealt with in accordance with clause (3) in the above Article.

***Exceptions*** :—Petty and miscellaneous items of work in any material, as hereinafter described, which ordinarily should be classed as “new works” should be debited to “repairs” up to Rs. 25,000/- in any one case, provided that the works in question do not in the opinion of the Superintending Engineer form part of any comprehensive scheme or project covered by a works estimate

(a) Super-elevation at curves.

(b) Widening the formation or carriage way of a road, widening a drain or cutting back a hill-side to improve vision at curves, provided that acquisition of land is not involved in any case.

(c) Improvements of alignment or gradients or changes of grade at Irish bridges or dips, carried out at the time of renewing a surface, provided that acquisition of land is not involved in any case.

(d) Improvements to or reconstruction of the surface of road in some different material where it is desirable to carry out such improvements or reconstruction at the time of renewing a surface.

(e) The construction or reconstruction of road surthees in different materials for the purposes of experiment.

(f) The construction or remodelling of bridges, culverts, causeways, embankments, ferry approaches, protective or training work in connection with road.

*Note* :—Item (f) includes “replacement of boats and other apparatus connected with ferries”.

3. When the book value of the portion dismantled is dealt with under clauses (1) and (3) in the above Article, the cost of dismantlement should be charged to “Repairs” and the value of the dismantled materials treated as follows:—

(a) If the dismantled materials are sold, the proceeds shall be credited against maintenance and repairs of the work during the year.

(b) If they are brought on stock the estimated value shall be credited to maintenance and repairs as under (a) and debited to stock.

(c) If they are utilized in the construction of a new work on the same building, the estimated value shall be credited to maintenance and repairs as under (a) and debited to the new work if it consists of repairs, no charge shall be credited or debited for the materials.

(d) If they are re-utilized in the construction of a new work on a different building, the estimated value shall be credited to maintenance and repairs of the building from which the materials have been removed as under (a) and debited to the new work, under original works or repairs as the case may be.

When the capital value of a building or a portion of a building is written off under Local Ruling 1 above, the proceeds under (a), (b), (c) and (d) above shall be credited to Revenue.

When land with building thereon is acquired and the latter have to be dismantled, the proceeds under (a), (b), (c) and (d) above shall be credited in reduction of the capital cost of the land instead of the “Repairs” or “Revenue”.

The transactions under these rules — if foreseen — shall be provided for in the estimates.

4. When an entire structure is reconstructed owing to the occurrence of fire, flood or other calamity or owing to wear and tear, the cost of reconstruction should be treated as capital cost, and on completion the Government will decide what amount should be written off from the original capital cost. See also Appendix I and the rules in the Electricity Department Manual.

## *II. Civil Works*

**Article 23.** The general principles to be followed in the classification of Civil Works expenditure are laid down in Article 33 of Volume I.

**Article 24.** In State Public Works Divisions, transactions relating to Central Civil Works, which are to be accounted for finally in the books of the Accountant-General to whom the divisions render accounts, should be classified under the central final heads concerned, those relating to other works of the Central Government under the remittance head concerned. For purposes of adjustment against the balance of the Central Government or the Railway Fund, the amounts involved should be included in the account of the head "Adjusting Account between Central and State Government" or Adjusting Account with Railways, as the case may be. vide Article 15.

## *III. Irrigation, Navigation, Embankment and Drainage Works*

**Article 25.** All works of Irrigation, Navigation, Embankment, Drainage and Water Storage should be classified primarily into the following two sections :—

(A) Irrigation Works :—This section should include Water Storage Works also.

(B) Navigation, Embankment and Drainage Works :—This section should include receipts and charges relating to waterways, navigable canals, embankments and other agricultural and drainage works undertaken primarily not for irrigation purposes but for the general improvement of the country or for general administrative purposes.

**Article 26.** Works for either of the two classes mentioned above, should be classified further into (1) Productive and (2) Unproductive in accordance with such general principles as may be determined by Government in consultation with the Accountant-General.

**Note** :—When under the rules of Government, a work is transferred from the productive to the unproductive category, or vice versa, no adjustment need be made in the general accounts in respect of past transactions but the necessary transfers may be made in the proforma accounts of the work.

### *LOCAL RULING UNDER ARTICLE 26*

For the rules framed by the Government in consultation with the Accountant-General for the classification of works into productive and unproductive, see Appendix 1.

**Article 27.** Works expenditure which under prescribed rules of allocation is debitable to the Capital account should be classified under the minor head "Works" of the major head "19, 68" as the case may be. That which is debitable to the Revenue account should fall under the minor head "Extensions and Improvements" or "Maintenance and Repairs" of the division "Working Expenses" of the major head "XVII" according as the expenditure pertains to the category of "Original Works" or "Repairs" vide Article 22.

[See also the Local Ruling under Article 13].

[See also footnote (F) in Appendix A to the Andhra Pradesh Budget Manual].

**Article 28.** The expenditure on a work or project which is classed as Productive by orders of Government, should be recorded in two sections separately for capital and



revenue charges. For unproductive works also, the arrangement should be similar where it is desirable or possible to maintain accounts on a quasi-commercial basis. When, however, a work of this class is too small to justify the maintenance of a separate account on such a basis, all expenditure upon it should be treated as a revenue charge, the work being classified as one for which no capital accounts are kept. In the category of Unproductive works should also fall “Miscellaneous Expenditures”, which is expenditure upon the preliminary survey of new project and also the cost of famine surveys required for the preparation of famine programme.

**Article 29.** Each of the three minor heads mentioned in Article 27 should be divided ordinarily into the following sub-divisions :—

- (1) Head Works
- (2) Main Canal and Branches
- (3) Tributaries
- (4) Drainage and Protective Works
- (5) Water-courses (for “Works” only)
- (6) Special Tools and Plant (for “Works” only)
- (7) Losses on Stock

Under the minor head “Maintenance and Repairs” an eighth head “Compensation” may be opened. The detailed heads subordinate to these heads will be such as may be prescribed by Government after consultation with the Accountant-General.

#### ***LOCAL RULING UNDER ARTICLE 29***

1. The detailed heads prescribed by the Government in consultation with the Accountant-General are enumerated in Appendix 2.

2. The following points should receive special attention :—

(a) When land is taken up for two or more of the above sub-divisions at the same time, its cost must be divided in the best way practicable;

(b) In the case of Storage Projects all works connected with supply channels to feed the head reservoir come under Head works;

(c) Water-power installations at the head-works of a canal, head-locks and head-regulators of main and branch canals, fall under “Main Canal and Branches”;

(d) When a canal or a distribution channel there from and a drainage in connection with it, are planned simultaneously and the two works intersect, the cost of the crossing should be charged to “Drainage Protective Works”;

(e) Buildings required for the general purposes of a canal system, such as workshops, headquarters station, etc., are chargeable to “Main Canal and Branches”.

3. For rules relating to Special Tools and Plant and Losses on Stock, see Articles 41 and 102, respectively. The head “Water-courses” is not necessary in the case of the

minor heads “Extensions and Improvements” and “Maintenance and Repairs”. The head “Losses on Stock” is intended for all general losses on stock which cannot be attributed to any work, the accounts on which are open.

**Article 30.** All works expenditure relating to Main Canal and Branches may be divided into (1) main line of a canal and (2) each of its branches separately: that relating to distributaries will also be grouped for the distributaries belonging to the main line of the canal and to each of its branches separately.

#### ***IV. Non-Government Works***

**Article 31.** Non-Government Works should, for purposes of classification, be divided into three broad classes (I) Deposit Works, (2) Local Loan Works, and (3) Takavi Works.

#### ***LOCAL RULING UNDER ARTICLE 31***

There are no Takavi Works in Andhra Pradesh.

**Article 32.** Expenditure incurred on Deposit Works should be debited against the amount advanced by the party concerned to the extent of that amount. Any excess over that amount and also any expenditure on a deposit work which has been authorized by competent authority in anticipation of receipt of money, should be classified under “Miscellaneous P.W. Advances” pending recovery. Expenditure incurred on District, Municipal, Cantonment and Port Trust Fund Works may if authorized by Government, be debited to the head “Deposits of Local Fund in cases where the balances of the fund part of the Public Account of the Government concerned.

**Article 33.** Expenditure on a Local Loan Work including the portion of expenditure on a joint work, which is incurred against, a sanctioned loan under orders of competent authority, should be classified under the head “Q.-Loans and Advances by the Central Government” or “R.-Loans and Advances by State Governments” as the case may be.

**Article 34.** xxxxx

#### ***V. Famine Relief Works***

**Article 35.** The directions regulating classification of expenditure of Public Works undertaken for the purpose of famine relief, are given in footnotes (271) to (273) of Appendix 2\* to Volume I.

#### ***VI. Road Development Works***

**Article 36.** The expenditure on works or portion of works, the cost of which is met from Central Road Fund, should be classified in accordance with the directions contained in footnote (334) of Appendix 2 to Volume I. [See Footnote to Article 10 above]

#### **F. — EXPENDITURE ON STORES**

**Article 37.(a)** As a general rule, the cost of the acquisition of stores should be debited to the final head of account concerned or the particular work for which they are required, if either of these can be determined at once. Otherwise, it should be kept in a

suspense account pending clearance as the materials are issued actually by debit to specific heads of account or works.

(b) In accordance with this general rule, the cost of the supply of all stores required as tools and plant for the general use of the division should be debited at once to the minor head "Tools and Plant" subordinate to the major head under which such charges for the division are classified, and special item of tools and plant which are required not for general purposes but for a specific work should be debited to the work. The question whether a particular item of supply should be treated as ordinary tools and plain or special tools and plant should be decided by Government.

(c) Similarly, all road metal required for the maintenance of a road or section of a road should be debited at once to the minor head "Repairs (Communications)" under the major head concerned against the estimate sanctioned for the collection of it, and when road metal is required specially for use in the construction of a road or other work, cost should be debited to the estimate for such construction.

(d) In the case of other materials when the purchases are made for the requirements of works generally, the cost should be accounted for under the suspense head "Stock". Materials purchased specially for work should, however, be debited to that work.

#### **LOCAL RULINGS UNDER ARTICLE 37**

1. In cases of doubt, the Chief Engineer should decide whether any item of tools and plant should be classified as ordinary or special.

2. As an exception to the rule in clause (b), tools and plant, except tents, are held in the Public Works Stores Division. Hyderabad as part of "Stock" and are accounted for as such as they are intended for issue to other divisions and departments. The tools and plant and spare parts thereof kept in the Stores of the Krishna Central and Godavari Head Works Divisions for issue to other divisions and departments may also be accounted for as "Stock". When these are transferred to other divisions, the division receiving them will deal with them wider the rules in Section 2 of Chapter III. In the Electricity Department, tools and plant are held as part of 'Stock' and accounted for in accordance with the procedure specified in the Andhra Pradesh Electricity Department Manual.

#### **C. — ESTABLISHMENT AND TOOLS AND PLANT CHARGES**

**Article 38.** Charges on account of general services, like Establishment and Tools and Plant, should be classified in the accounts under the appropriate sub-head under the minor heads "Establishment" and Tools and Plant, as the case may be, of the major head under which the division is classified for the purpose and, save as provided hereafter, no attempt should be made ordinarily to include in the cost of an individual work or another major head of expenditure any portion of expenditure on account of those services. See also Article 118.

**Article 39.** As an exception to the foregoing rule, the under mentioned special establishments should be debited as indicated below :—

(i) xxxxxx

(ii) establishment employed on large irrigation surveys for new projects, to the surveys concerned under the head “18-Other Revenue Expenditure financed from Ordinary Revenues-Miscellaneous Expenditure”;

(iii) establishment employed on famine relief works, to the head “54-A-Famine Relief”;

(iv) establishment employed in workshops of a quasi-commercial character, to the workshop concerned under the major head under which its maintenance charges may be classified.

**Article 40.** Subject to such general or special order issued by Government in this behalf, pay and allowances of such temporary establishment as is employed upon the actual execution, as distinct from the general supervision, of a specific work or upon the subordinate supervision of departmental labour stores, and machinery in connection with such a work may be debited to the account of that work.

**Article 41.** The cost of special tools, and plant, i.e., tools, plant, machinery, etc., obtained to meet the special requirements of a particular work or project and of a nature not usually to be found in the general stores of the State or Administration, should be treated as a direct charge to that work or project; vide Article 37.

**Article 42.** When the charges on account of Establishment and Tools and Plant of a division are met out of a single major head in the first instance, a share of such charges may be debited, where necessary, to other major heads or accounts concerned in accordance with such methods as may be prescribed by Government in consultation with the Accountant-General. Similarly, the cost of special tools and plant (such as dredgers, etc.), debited to a single head in the accounts, may be distributed over the several sub-heads of works, in accordance with such methods as the Government may determine in consultation with the Accountant-General.

#### ***LOCAL RULING UNDER ARTICLE 42***

The rules for the accounting and distribution of establishment and tools and plant charges prescribed by the Government in consultation with the Accountant-General are contained in Appendix 3

#### **H. — GRANTS-IN-AID**

**Article 43.** The general directions for the classification in the accounts of transactions relating to contributions by the Central or State Government to Local Funds and Public Bodies and vice versa, are given in Article 34 of Volume I.

**Article 44.** In the Public Works accounts, contributions made to local bodies, whether in cash or in the shape of work done by the Public Works Department on their behalf, should be debited to the minor head “Grants-in-aid” under the major head “50-Civil Works” or “18-Other Revenue Expenditure”, according as the contribution is made by the Civil Works or Irrigation Branch of the Public Works Department.

**Article 45.** When the Public Works Department entrusts to the agency of a District Board or other local body, the maintenance of Government buildings or roads without transferring the property to the local body, the payment made to it on this account

should be debited to the estimate of the maintenance of the work and not classified as “Grants—in—aid”

#### ***LOCAL RULINGS UNDER ARTICLES 43-45***

I. If lumpsum payments have been agreed upon, the procedure for settling the account periodically, and for recording the cost of the works, may be simplified, with the concurrence of the Accountant-General, provided

(a) that a certificate that the work has been done in accordance with the conditions agreed upon is placed on record by the Executive Engineer or a Sub-divisional Officer deputed by him for the purpose:

(b) that if the payment is made for a number of works, expenditure on all of which cannot be classified in the accounts under a single head of account, the necessary detailed classification of the charged is set forth: and

(c) that, as far as possible, the Liability of a year is settled within that year (see also Article 146).

See also Article 118.

#### **Government works partly contributed for by local bodies or private parties**

2. (a) Annual contributions recovered from local bodies or private parties, which, have been fixed as a specific sum without reference to the amount actually spent by the Government on certain works, eg., maintenance of roads, bridges, hospitals, etc., taken over under Government control, or Government irrigation works, etc., should be credited finally in the accounts to the appropriate heads of revenue — See Article 66. The actual expenditure on the works will be charged in the Public Works Accounts in the same manner as on other Government works.

Note: The Accountant-General will maintain a list of contributions recoverable annually and will watch the recoveries in audit through the Register of Special Recoveries.

(b) In the case of contributions which are not fixed once for all as a specific sum but which are fixed on each occasion either with reference to the total cost of the work or on the basis of certain revenue figures as in the case of Tank Restoration Scheme Works, the contribution should be credited to “Public Works Deposits” and the outlay incurred should be charged against it in the first instance. After the deposit has been exhausted, any further outlay should be charged to the Government under the relevant head of account, and any adjustment which may become necessary on the basis of the agreed share of the cost or the Collector’s distribution in the case of the Tank Restoration Scheme Works, should be carried out first before the accounts of the works are closed.

**Note :** - Centage charges in respect of such contributions should, in addition, be recovered at the rates specified in the Andhra Pradesh Public Works Department Code. This will not apply to estimates 11r works (relating to the maintenance of existing irrigation or navigation works) started before 21st December, 1932 for which centage charges were not collected.

Kudimaramath works, works connected with railway affecting tanks and irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943.

3. The following procedure is prescribed for the accounting of expenditure incurred by the Public Works Department

(i) under Board's Standing Order No. 86(5) and (6) when the ryots fail to do Kudimaramath works — Vide the Andhra Pradesh Public Works Department Code;

(ii) on the execution of measures in respect of any irrigation work for the protection of any railway under Section 9 or 11 of the Madras Railway Protection Act, 1886 (Madras Act IV of 1886); and

(iii) on the irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943.

(i) **Kudimaramath works** :—When the Public Works Department is entrusted with the execution of Kudimaramath works, the expenditure incurred should be debited in the divisional accounts to “Public Works Remittances—III—Other Remittances—Payments on account of Civil” and then transferred to the final head “18-A. Irrigation Works—Minor Irrigation—In charge of Civil Officers-Maintenance and Repairs” in the books of the Accountant-General. On the completion of the work, the Executive Engineer shall intimate to the Revenue Department the date of completion of the work and the actual cost. No centage charges on account of establishment and tools and plant will be leviable on such works. The Revenue Department shall watch and effect the recoveries due from the ryots. The recoveries will be treated as “Revenue Receipts” under the major head “XVIII. Irrigation, Navigation, Embankment and Drainage Works for which no Capital accounts are kept— A. Irrigation Works—Minor Irrigation—Direct Receipts—Miscellaneous’.

This procedure will take effect from 1942-43.

(ii) **Railway protection works** :—The expenditure on the works (including the centage charges) should be debited to the Railway Administration by book transfer month by month as it occurs, the recovery of the centage charges—vide note below— being adjusted as laid down in Rule 10 of Appendix 3. When recoveries from landholders are effected through the Revenue Department, the full amount of the recovery which will include the centage charges should be credited to the Railway Administration concerned. The Collector will arrange for the recovery of the amounts due from the land holders and see that the amounts recovered are passed on through the Treasury accounts to the credit of the Railway Administration concerned.

This procedure will apply to works started on or after 1st April, 1937.

Note :—In the case of these works, centage charges will be calculated at the following percentages—

For establishment	10-1/2	percent on the works outlay
For tools and plants	1	do
For audit and accounts	1	do
For pensionary charges	1-1/2	do
<b>Total</b>	<b>14</b>	do

Centage charges at the above rates should be levied (a) in cases where advance payment is made and (b) in cases where it is paid later without resort to a civil suit. If

a suit is necessary, only the actuals limited to 14 per cent on the works outlay, even though the actual expenditure may exceed 14 per cent, should be claimed in the plant. As the particulars necessary for the purpose should be in the form of documentary evidence for production in Courts, a separate account should be maintained in the case of all these works showing the items covered by centage charges, viz., time and traveling allowance of inspecting officers, hire charges of tools and plant and the like for the purpose. No charges for the preparation and checking of plant and estimates should be included in the account. This account should be filed in the Court to show that the Government actually incurred that expenditure in connection with the execution of the work and that the claim is not merely an arbitrary one but is based on actual expenditure. If the question is raised in the Court why the Government have limited the claim to 14 per cent, it may be pointed out that this has been done in the interests of uniformity, as this is the percentage charged by Government in the case of works executed by them on behalf of local bodies and others.

(iii) *Irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943* :—In the case of repairs or improvements to irrigation works in private ownership or construction of new works on land situated in an estate as defined in the Madras Estates Land Act, 1908, the expenditure on the works executed by the Public Works Department should be charged under the major head “18. irrigation—Other Revenue Expenditure financed from Ordinary Revenues—A. Irrigation Works—Public Works Department’ and the expenditure on works executed by the Revenue Department should be charged under the major head “18. Irrigation—Other Revenue Expenditure financed from Ordinary Revenues—Minor Irrigation-Revenue Department”. Recoveries of the above expenditure which should include the cost of actual services rendered should be credited in respect of works executed by the Public Works Department to the head “XVIII. Irrigation, Navigation, Embankment and Drainage Works for which no capital accounts are kept—Irrigation Works—Public Works Department—Direct Receipts—Recoveries of Expenditure” and in respect of works executed by the Revenue Department to the head “XVIII. Irrigation, Navigation, Embankment and Drainage Works for which no Capital accounts are kept—Minor Irrigation—Direct Receipts-Recoveries of expenditure”.

In cases where the works are executed by the Public Works Department, the Executive Engineer should on completion of the works, intimate the dates of completion of the works and the actual costs of the works to the Revenue Department, which will watch and effect the recovery of the costs of the works in such cases also. To ensure a regular watch being kept over the recoveries due, Executive Engineers should maintain a special register and review it periodically on the lines prescribed for works connected with railway — affecting tanks.

*Note* :—The provisions of the Note under item “(ii) Railway protection works” will apply in the case of these works also.

**Article 46.** When works already constructed or land already purchased are transferred, free of charge, to local bodies, no re-adjustment of the accounts of cost should be made unless Government otherwise directs.

*Note* :- This direction shall not apply to Irrigation, Navigation, Embankment and Drainage Works for which capital accounts are kept.

## I. — SUSPENSE TRANSACTIONS

### *I. General*

**Article 47.** Suspense transactions should be classified under the minor head “Suspense” of the major head of expenditure concerned, unless they are required to be taken to the accounts of works—vide Article 136. The subdivisions into this minor head should be divided and the nature of transactions to be classified under each are described below.

### *II. Purchases*

**Article 48.** When materials are received from a supplier or from another division or department, their value should be credited to Purchases—

(i) immediately on their receipt, if they have been received for a specific work, so that, per contra, the cost may be included at once in the accounts of the work and those accounts, as well as the connected subsidiary accounts, may take cognizance of the receipts of materials at the earliest opportunity (see Articles 127 and 128); and

(ii) on closing the accounts of the month, if they have been received for stock and payment has not been made for them during the month so as to secure agreement between the quantity and value accounts.

**Article 49.** When the actual value of the materials is not known, an estimated figure should be adopted, any difference being adjusted, as soon as known, by a plus or minus credit to Purchases, as the case may be.

**Article 50.** When the price of the materials is paid or adjusted by transfer, the payment should be debited to Purchases, and the outstanding credit thus cleared.

*Note* :—If the amount admitted in payment exceeds the amount credited to Purchases, the difference should be debited direct to Stock or to the work concerned.

### *III. Stock*

#### **(a) General**

**Article 51.** To the account head “Stock” should be debited all expenditure connected with the acquisition of stock materials and with all manufacture operations and the expenditure incurred on storage. To it should be credited the value of materials issued to works, sold, transferred, or otherwise disposed of, and the balance of the account will represent the book value of the materials in Stocks plus the unadjusted charges, etc., connected with manufacture plus the unadjusted expenditure on storage.

#### **(b) Manufacture**

**Article 52.** The manufacture transactions (detailed in Section 6 of Chapter III) should be classified in accounts as follows

(a) “Operation” charges should be shown as receipts of Stock under the sub-head “Manufacture”, charges representing value of Stock materials issued to manufacture being treated simultaneously as issues of Stock under the sub-heads concerned.

(b) All out-turn should first be brought formally on the Stock account, by credit of its value to “Manufacture”, and the simultaneous exhibition of the articles as receipts of Stock under the sub-heads concerned.



**(c) Land and Kilns**

**Article 53.** When land is acquired for extracting road metal primarily intended for—

(i) the maintenance of an existing road, or

(ii) the construction of a new road or the raising in class of an existing road, the following principles of classification should be followed in adjusting the charges connected with the land and quarries

(a) When the charges do not exceed Rs. 1,000/- or such other limit as may be prescribed by Government in consultation with the Accountant-General, the amount should be debited direct to “Repairs” or to “Original Works”, according as the quarry is intended to serve the purposes specified in clause (i) or (ii) above.

(b) When the charges do not exceed Rs. 1,000/-, or such other limit as may be prescribed by Government in consultation with the Accountant-General and the road metal is required for the maintenance of an existing road or roads for a series of years, the total initial outlay should be debited to the sub-head “Land, Kilns, etc.,” of the Stock Account, and this sub-head should be relieved gradually, by debit to the collection estimates of each year, in the manner prescribed in Articles 158 for similar charges connected with manufacture operations.

(c) When the charges exceed Rs. 1,000/-, or such other limit as may be prescribed by Government in consultation with the Accountant-General, and the road metal is required for the purpose specified in clause (ii) above, a proper portion of the cost should be debited direct to the original work concerned. Any balance should be debited to the sub-head “Land and Kilns, etc.,” of the Stock Account, and this sub-head should be cleared eventually by debit to “Repairs” in the manner prescribed in Article 158(b).

***LOCAL RULING UNDER ARTICLE 53***

The following Procedure should be followed in Andhra Pradesh :—

(a) When land is acquired for extracting road metal, if the cost of acquiring it and opening up a quarry is Rs. 1,000/- or less, the whole cost shall be debited direct either to “Repairs” or to “Original works” according to the nature of the work for which the quarry was primarily intended, irrespective of whether the produce of the quarry is expected to be used up in full or not the.

(b) In the case of a quarry, the cost of which exceeds Rs. 1,000/- but does not exceed 10 per cent of the estimated cost of the work for which it was primarily acquired, the following procedure shall be followed :—

(i) If the procedure of the quarry is expected to be used up in full on the work, for which it was primarily acquired, its cost shall be debited at once to that work. If, later on, when the work is nearing completion, it is found that the quarry contains surplus metal which is likely to be used on other works, credit shall be given to the work to which the full cost of the quarry was debited in the first instance. The credit which will represent the cost of the quarry proportionate to the quantity of surplus metal

still available, will be set off by a corresponding debit under the sub-head "Land, Kilns, etc., under the suspense head "Stock" which will be finally cleared by debit to the work or works (repairs or original works) on which the surplus metal is utilized.

(ii) If, however, it is known at the outset that the quarry is likely to supply metal exceeding the requirements of the work for which it was primarily acquired, and if such surplus metal is likely to be used on other works, the Executive Engineer shall debit to the former work such portion of the cost of the quarry as he deems proper, and take the balance under the head "Land Kilns, etc.," under "Stock" pending clearance later on by debit to the work or works on which the surplus metal is used.

(c) In the case of a quarry, the cost of which exceeds 10 per cent of the estimated cost of the work for which it is acquired, the procedure laid down in clause (b) (ii) above shall be followed.

#### ***IV. MISCELLANEOUS P. W. ADVANCES***

**Article 54.** Transactions recorded under the head "Miscellaneous P.W. Advances" should be divided into the following classes :—

(1) Sales on credit.

(2) Expenditure incurred on Deposit Works in excess of deposits received or in anticipation of receipt of money (Article 32).

(3) Losses, retrenchments, errors, etc.

(4) Other items.

**Note** :—No charges should be debited to this head on the ground of absence or insufficiency of sanction or appropriation, except as provided in item (2).

#### ***LOCAL RULING UNDER ARTICLE 54***

Personal advances drawn from the treasury, and audit retrenchments made from bills cashed direct at the treasury do not appear in the accounts of Divisional Offices. Advances made to contractors appear in the accounts of works.

**Article 55.** When stores of any kind are sold on credit, their value (plus, if recoverable, the supervision charges) should be debited to Miscellaneous P.W. Advances under the sub-head "Sales on credit", so that (1) the accounts of Stock or works from which the materials are issued may be kept correctly, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

#### ***LOCAL RULING UNDER ARTICLE 55***

No stores should be sold on credit without specific permission in each case from the Executive Engineer of the division.

**Exception** :—In the Electricity Department, such of the materials in stock as are required may be issued in advance of the counter-signature of the Executive Engineer, in the following cases :—

(a) for the propulsion of vehicles of officers who have to move urgently on inspections and breakdowns; and

(b) for subordinates out-of-the-way places.

**Article 56.** Under the heading “Losses, retrenchments, errors, etc.”, should appear the followings

- (a) deficiencies in cash or stock,
- (b) actual losses of cash or stock,
- (c) errors in accounts awaiting adjustment, and
- (d) retrenchments and losses of other kinds recoverable from Government servants.

**Article 57.** The head “Other items” should be used for all debits, the allocation of which is not known or which cannot be adjusted until recovery or settlement is effected or write-off-ordered.

The following are cited as examples :—(1) debits, the classification of which cannot be determined at once, (2) recoverable debits not pertaining to the accounts of a work, and (3) recoverable outstandings pertaining to works, the accounts of which are closed.

X X X X X X X X

#### **V. LONDON STORES**

**Article 58.** The head “London Stores” is the suspense head through which should be passed all transactions connected with stores obtained through the India Stores Department, London. The objects of this account are (i) that the stores received from England may be brought on the accounts of Stock or works immediately on their receipt without waiting for the advice of the payment made in England by the High Commissioner, (ii) that when the advice precedes the stores the receipt of the latter may be watched, and (iii) that in all cases agreement may be secured between the charge to Stock or works, and the payments made in England.

**Article 59.** When the stores arrive, to the head “London Stores” should be credited, and to the accounts of the works concerned or Stock should be debited, the cost of the quantities actually received, the amount being determined by the conversion of the invoiced sterling value into rupees at the average rate of exchange (which will be communicated by the Accountant-General) for the month in which the payment was made in England.

**Note** :—If the month of payment is not known, the average rate exchange for the month in which the stores were dispatched from England should be adopted provisionally, subject to adjustment on receipt of the advice of payment.

**Article 60.** When the debit for the payments made in England, which will be calculated in rupees at the average rate of exchange for the month of payments, is received from the Accountant-General, the head “London Stores” should be debited and the minor head “Public Works Remittances”, credited.

**Article 61.** Indian charges (e.g., balance of sea-freight and carriage and incidental charges) should be debited direct to Stock or works concerned unless incurred prior to

the arrival of the stores in the division, in which case they should be debited to “London Stores” and on receipt of the stores the charge should be transferred to the relevant accounts of works or Stock, when the adjustment of cost is made as laid down in Art.59.

#### **LOCAL RULING UNDER ARTICLE 58-61**

Customs duty should be included in the cost of stores and debited either to “Stock” or to the works concerned.

#### **VI. Workshop Suspense**

**Article 62.** Save as provided in Articles 63 and 64 below, direct outlay on the jobs executed in a workshop should be passed through the suspense head “Workshop Suspense”. On the completion of a job, all outstanding charges on it should be debited, as soon as possible, to the head concerned, but in case where this cannot be done, as in the case of expenditure incurred in excess of the deposit received, the unadjusted amount should be transferred to the head “Miscellaneous P.W. Advances” pending settlement.

**Note** :—Incidental charges connected with the stock of materials should be dealt with under Article 64.

#### **J. — WORKSHOP TRANSACTIONS**

**Article 63.** Receipt and expenditure transactions in connection with workshop should be classified as follows

(a) where capital accounts are kept of a workshop intended mainly for the needs of the Irrigation Branch (i.e., if the workshop is to be regarded as being on a quasi-commercial basis), the capital expenditure should be classified under the relevant division and sub-division of the major head “68” ; receipts representing recoveries of capital expenditure should be taken in reduction of such expenditure, while revenue receipts and working expenses should be classified under the minor heads opened under the corresponding division and sub-division of the major head “XVII” divided so as to meet the requirements of the proforma accounts of the shop;

**Note** :—The procedure described above will apply mutatis mutandis to the transactions of a workshop established on a quasi-commercial basis in connection with any other system or project for which regular capital accounts are kept

(b) where capital accounts are kept of a workshop intended mainly for the needs of Civil Works Branch, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be classified under the major head “50”, recoveries of capital expenditure should be taken in reduction of such expenditure; revenue receipts should be booked under the minor head, opened under the major head “XXXIX”, entitled “Receipts from Workshop”, divided so as to meet the requirements of the proforma accounts of the shop; and

(c) where no capital accounts are kept of a workshop, for whichever branch intended, all expenditure should be classified under the major head “18” or “50”, as the case may be, and all receipts, whether “recoveries of expenditure” or “revenue receipts” under the minor head “Miscellaneous” of the corresponding revenue head “XVIII” or

**LOCAL RULING UNDER ARTICLE 63**

The procedure indicated in clause (c) above is followed in Dowleshwaram and Hyderabad workshops the expenditure and receipts are booked under the heads, “50. Civil Works”, and “XXXIX Civil Works” respectively. In the Seethanagaram workshops the procedure contained in clause (a) above is followed.

**Article 64.** All capital charges on buildings, plant and machinery and stock materials, and all Revenue charges incurred on their maintenance and on the upkeep of the necessary general establishment, should be classified as ordinary Public Works transactions under the major head concerned, in accordance with the preceding Article and under the general directions in this Code. These are charges which neither pertain to any individual job executed in the shop, nor capable of direct apportionment amongst all the jobs, and their distribution over individual jobs should be made in accordance with the rule in Article 177.

**K. — RECOVERIES OF EXPENDITURE**

**Article 65.** The general directions to regulate the exhibition of recoveries of expenditure are given in Chapter 5 of Volume I. The following Article indicate their application to Public Works transactions.

**Article 66.** Subject to the provisions of Article 75 of Volume I, all recoveries of expenditure appearing in the accounts of Public Works offices should be treated as revenue receipts and not as minus expenditure. Recoveries in respect of over payments made during the current year, however, should be adjusted ordinarily by deduction from the current year’s charge under the detailed head previously over charged.

**Article 67.** Receipts and recoveries on Capital account, in so far as they represent recoveries of expenditure previously debited to a capital major head, should be taken in reduction of expenditure under the major head concerned. For convenience of accounting, they should be treated as receipts in the first instance and classified as “Receipts and recoveries on Capital Account”, the necessary transfer at the end of the month being made to the capital major head of expenditure in a lumpsum.

**Article 68.** Recoveries under stock and other suspense accounts and recoveries of expenditure upon works in progress should be treated as reduction of gross expenditure. The recoveries in the latter case should comprise sale-proceeds of surplus materials and plant acquired specially for any work or of materials received from dismantled structures, irrespective of whether the estimates for the works make allowance for such recoveries or not.

**Article 69.** Recoveries on account of establishment and tools and plant charges should be treated as follows :—

(i) *Recoveries of establishment charges at percentage rates* :—These recoveries, in so far as they are effected from outside bodies and from other departments of the same Government, should be adjusted by deduction from expenditure under the minor head “Establishment”. Recoveries for works carried out by one Government on behalf of another, however, should be treated as revenue receipts unless the recoveries relate to

expenditure previously debited to a capital head in which case the credits should be adjusted in reduction of expenditure of the capital major head concerned:

Provided that if the works are carried out as a standing arrangement, the recoveries may be adjusted as reduction of expenditure.

(ii) *Recoveries of tools and plant charges at percentage rates* :—Recoveries from other departments of the same Government should be adjusted as reduction of expenditure under the minor head “Tools and Plant”. In the same way, recoveries relating to expenditure previously debited to a capital head of account should also be treated as reduction of expenditure. All other recoveries should be treated as revenue receipts under the major head concerned:

Provided that if the recoveries relate to works carried out by one Government on behalf of another as a standing arrangement, those recoveries may be adjusted as reduction of expenditure.

(iii) *Pro rata share of the charges for establishment and tools and plant* :—The pro rata shares calculated at the end of the year should be treated as reduction of expenditure under the minor heads “Establishment” and “Tools and Plant”, respectively, if the major head to which the total charges were debited in the first instance.

(iv) *Recoveries of charges for leave and pension* :—When the recoveries on account of establishment charges include as a distinct and separate factor, an element of the charges for leave and pensions, the portion of the recoveries representing leave should be treated as revenue receipts under the Public Works major head concerned. Recoveries of pensionary contribution should in the case of Civil Works, be credited to ‘XLIV.—Receipts in aid of Superannuation,’ while such recoveries in the case of the Irrigation Department should, be credited to the Irrigation major heads concerned, as receipts or recoveries of expenditure according as they relate to Revenue or Capital major heads. In cases, however, in which the rates for leave and pension contribution are combined, the recoveries in the case of Civil Works should be taken to “XLIV—Receipts in aid of Superannuation”, while such recoveries in the Irrigation Department should be credited to the Irrigation major heads concerned as revenue receipts or recoveries of expenditure according as they relate to Revenue or Capital major head.

**Article 70.** Recoveries of outlay on water-courses [xxx] which are made by a general levy whether for a specified or indefinite period should be treated as follows :—

(a) *When the actual recoveries are to be set off against the outlay*—as receipts on capital account of the project, if the levy takes the form of a lumpsum recovery of cost in one or more years.

(b) *When the actual recoveries are not to be set off against the outlay*—as revenue receipts of the project, if the levy takes the form of an enhancement of revenue, the exact classification being determined by the form in which the recoveries are made.

**Note** :—Recoveries of outlay on water-courses, where such recoveries have to be set off against the outlay, may at the discretion of Government, be taken in reduction of expenditure under the sub-head. “Water-courses”.

**Article 71.** The recoveries of expenditure which are finally creditable as revenue receipts should be recorded under the minor head. “Recoveries of expenditure of the

major head XVII, XVIII or XXXIX, as the case may be, while those which are adjustable in reduction of expenditure under the capital major head should appear under the minor head "Receipts and Recoveries on Capital Account" of the capital major head concerned.

*Note* :—Receipts on account of sale-proceeds of land, building, special tools and plant or other assets purchased or constructed at the cost of a special project may, at the discretion of Government, be taken in reduction of expenditure under the appropriate sub-head subordinate to the capital major head concerned.

**Article 72. Recoveries on account of the cost of audit and accounts** :—These recoveries, when they are made in connection with works done for Railways, Defence, Posts & Telegraphs and other Departments of the Central Government should be treated as reduction of expenditure under the head "26. Audit". In all other cases such recoveries should be adjusted as receipts under the minor head "Fees for Government Audit" subordinate to the major head XLVI,—Miscellaneous".

### L. — DEPOSITS

**Article 73.** The following transactions should be classified under the head "Public Works Deposits" :—

- (a) cash deposits of subordinates as security;
- (b) cash deposits of contracts as security;
- (c) deposits for work (other than Takavi Work) to be done;
- (d) sums due to contractors on closed accounts; and
- (e) miscellaneous deposits.

*Note 1*:—x x x x x

*Note 2* :—The head "Miscellaneous Deposits" should also accommodate until clearance, all items of receipt, the classification of which cannot be determined at once, or which represent errors in accounting awaiting adjustment.

#### LOCAL RULING UNDER ARTICLE 73

The following transactions should also be classified under the head "Public Works Deposits" (see Part V of Appendix 21 of the A. P. Financial Code, Volume II)—

(i) Deposits from consumers or others for service connection works and other works covered by the Indian Electricity Act, 1910 (India Act IX of 1910).

(ii) (a) Sums due to labourers on nominal muster rolls and to monthly work-charged establishment on pay rolls in the Electricity Department (accounted for under the head "Net Wages Account");

(b) Sums due to contractors on their bills in the Electricity Department (accounted for under head "Contractors' Balances").

**Article 74.** Percentage deductions for security deposit made from contractors' bills should be credited to the head "Public Works Deposits — Cash deposits of contractors".

*Note* :—As an exception to this rule, when the security is exacted by withholding from payment the required percentage of the value of work actually measured and passed, the amount

so withheld may appear in the suspense account "Contractors — Other Transactions" of the work concerned.

#### **LOCAL RULING UNDER ARTICLE 74**

1. The procedure indicated in the Note to this Article should not be followed in regard to any work when it would result in postponing to the next financial year the debit to works accounts of an amount exceeding Rs. 500 for work actually measured and passed on account of that work.

2. The rule in the main Article above does not apply to works executed under contracts based on lumpsum tenders as defined in the Madras Detailed Standard Specifications except in the following respect, viz., that the amount withheld from the final bill for such works at 2-1/2 per cent on the total value of the work done should be credited to the head "Public Works Deposits" until it becomes due for payment under the terms of the contract.

#### **M. — MISCELLANEOUS TRANSACTIONS**

**Article 75.** The expense attendant upon the necessary examination of the soil for the foundation of works ordered by competent authority should be treated as outlay on works and not as a contingent charge.

**Article 76.** Municipal or other rates and taxes on public buildings, residential or non-residential, when debitable to the Public Works Department, vide Article 40 of Volume 1, should be treated as expenditure on repairs and debited to the maintenance estimates of the buildings concerned.

**Article 77.** Every payment made to a member of the work charged establishment, whether on account of his wages or in recoupement of actual traveling expenses should be debited to the work on which he is employed. See Article 40 also.

#### **LOCAL RULING UNDER ARTICLE 77**

The traveling allowance drawn by lascars of work-charged establishments for journeys to cash cheques at treasuries or to take moneys from one office to another should, however, be debited to the contingencies of the sub-division or division to which the subordinates are attached.

**Article 78.** The following transactions recorded in the initial cash and stock accounts, which are counter balanced either at once or after an interval by a similar transaction of the reverse character, should be classified as indicated below, care being taken to see that all such transactions are cancelled by each other in due course—

(i) *Cash from treasury* :—A cheque drawn to replenish the cash chest should be debited to this head in the Cash Book, and per contra, the amount of the cheque should be entered at once, as cash received, under the same head. A cheque drawn in favour of self being cashed even though not cashed at once;

(ii) *Transfers within Division* :—Remittances of cash and stock by one accounting officer of the division to another should be debited or credited to this head when the remittance is actually made or received.



**LOCAL RULING UNDER ARTICLE 78**

Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries should be accounted for as remittance transactions — See the 'Note' under Article 16 above.

---

**CHAPTER III****ACCOUNTS TO BE KEPT IN PUBLIC WORKS OFFICES****SECTION I****Cash Accounts****A. — GENERAL**

**Article 79.** The directions in this section shall apply to cash transactions other than those relating to cash obtained on bills presented at treasuries. The payments on such bills will be brought to account by the Accountant-General himself from the data furnished to him direct by treasury officers.

**B. — CASH BOOK****I. Upkeep**

**Article 80.** An account of their cash transactions should be maintained in the Cash Book, Form P.W.A. 1, by all Government servants authorized, as a regular arrangement, to receive money on behalf of Government, as well as by those entrusted with disbursements out of cash received by them in transfer from the divisional cash chest or obtained by cheques drawn on the treasury.

**Note** :—As an exception to this rule, Government may authorize Divisional Officers not to pass through the Cash Book earnest money received from, and returned to, contractors on the same day the tenders are opened, provided that the contractors concerned are required to give a stamped receipt for the money in the Register of Tenders maintained in the divisional office and that the Register is, to that extent, treated as a subsidiary Cash Book and consequently as an accounts form.

**LOCAL RULING UNDER ARTICLE 80**

Cheques accepted in payment of Government dues should be entered in the cash account as "Receipts" as and when received and as Disbursements when remitted into the treasury for encashment, just like moneys received by a Government servant. If a large number of cheques is received daily, they should be initially entered in a subsidiary register in M.T.C. Form 14-A for watching the encashment of the cheques and only the daily total of receipts and remittances accounted for in the Cash Book.

**Article 81.** The Cash Book should be treated as one of the most important account records of the department. The detailed instructions given in the notes on Form P.W.A. 1, should be observed strictly in practice by all concerned.

## *II. Balancing*

**Article 82.** The Cash Book should be balanced on the date prescribed for closing the cash accounts of the month, but when the transactions are numerous, a weekly or daily balance is recommended, and it is advisable that the cash be counted whenever a balance is struck, or at convenient intervals' as this affords an independent check on the accuracy of the postings. The results of such intermediate counting may be record in the form of a note (specifying the actual cash and also the outstanding balances of imprests and temporary advances) in the body of the Cash Book (column 8) SO as not to interfere with the up-to-date totals; the actual words and figures. The details of the actual cash found at the monthly counting should be recorded in Form P.W.A.2 and a certificate of the reconciliation of the book balance with the actual one, recorded below the closing entries of the month.

**Article 83.** Whenever, on the content of the cash chest being counted, the balance as per Cash Book is found to be incorrect, it should, unless the error can be detected and set right at once, be rectified forthwith by making the necessary receipt or payment entry "To cash found surplus to chest" under "Miscellaneous P.W. Advances", as the case may be.

## *III. Rectification of Errors*

**Article 84.** An entry once made in the Cash Book should, in no circumstances, be erased. If mistake has been made and it is discovered before the copy of the Cash Book has been submitted to the divisional office, the mistake should be corrected by drawing the pen through the incorrect entry and inserting the corrected one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials. When the mistake is discovered too late for correction in this way, an intimation of the necessary correction should be sent at once to the divisional office accompanied by a proposed transfer entry, if necessary. Except as indicated above, no correction of an entry once made in his Cash Book should be made by a Sub-divisional Officer unless authorized by the divisional office to do so.

**Article 85.** The same principles should be observed in correcting errors noticed in the divisional Cash Book. If the accounts of the month have been closed, no corrections of errors in amount, classification, or name of work, should be made in that book, but a transfer entry should be prepared for the necessary correction, a suitable remark in red ink (quoting reference to the correction in accounts) being recorded against the original erroneous entry in the Cash Book.

## **C. — IMPREST ACCOUNT**

**Article 86.** An account of imprest cash should be kept in duplicate by the imprest holder in Form P.W.A. 3, "Imprest Cash Account" in accordance with the directions given in that form. The counterfoil should be retained by the imprest holder and the original supported by the necessary vouchers should be forwarded to the officer from whom the imprest is held, whenever the imprest holder finds it necessary to have the account recouped, or when it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account should, in any case, be rendered to the officer from whom the imprest is held, in time to enable him to examine and

incorporate the account in Cash Book (vide notes on Form P.W.A. 1 and P.W.A. 2) before it is closed for the month on the date fixed for the purpose.

#### **LOCAL RULING UNDER ARTICLE 86**

In Andhra Pradesh the Imprest Cash Account (Form P.W.A. 3) should be printed so as to facilitate copies being taken by carbon process. The fast sheet should be retained by the imprest holder and the detachable sheet forwarded to the officer from whom the imprest is held, as prescribed in the above Article.

**Article 87.** If any item in an imprest amount appears to the recouping officer to be open to objection, that item may be entered in his Cash Book as “item awaiting adjustment in the imprest account under “Miscellaneous P.W. Advances” to be watched that head until either the objection is removed or the amount is made good by the imprest holder.

#### **LOCAL RULING UNDER ARTICLE 87**

The imprest should always be recouped in full subject to the observance of the procedure indicated in this Article.

**Exception** :—In the case of the Electricity Department, where the imprest holders are many, the account may be recouped to the amount not admissible, disallowed items being included in the Cash Balance.

#### **D. — TEMPORARY ADVANCE ACCOUNT**

**Article 88.** When a disbursing officer makes a remittance to a subordinate officer to enable him to make a number of specific petty payments on a muster roll or other voucher which has already been passed for payment, the amount remitted should be treated as a Temporary Advance and accounted for in Form P.W.A. in the same way as an imprest. The account of a Temporary Advance should be closed as soon as possible.

**Note** :- This rule shall apply also to cash taken out of the chest by the disbursing officer himself to make payments at a distance.

#### **E. — SETTLEMENT OF ACCOUNTS WITH TREASURIES**

**Article 89.** As soon after the expiry of the month as possible, the divisional office should effect a monthly settlement with all treasuries in respect of the transactions of the entire division in accordance with such procedure as may be prescribed in the Treasury or Financial Rules of Government.

[See Instruction 49 under Treasury Rule 16 in the Andhra Pradesh Treasury Code, Volume I. See also the Local Ruling under Article 61 of the Andhra Pradesh Account Code, Volume II.]

**Article 90.** As sub-divisional cash books are closed on various dates before the last date of the calendar month (vide Article 195), and the accounts of sub-treasuries are similarly treated, transactions recorded in the cash books of the Public Works Department for a month may be reported sometimes by the treasury in an earlier or a subsequent month. This disturbing factor should be borne in mind. Differences which are neither due to this cause, nor represent amounts of uncashed cheques, should be settled expeditiously in consultation with the Treasury Officer concerned.

**SECTION 2****Stores Accounts****A. — GENERAL**

**Article 91.** The four classes into which the Public Works Stores are classified, vide Article 37, should be divided into two distinct categories as shown below :—

(1) Stores debited to final heads—

(i) Tools and Plant.

(ii) Road metal.

(iii) Materials debited to works. (2 Stores debited to Suspense— (iv) Stock.

**Article 92.** Save as provided in this volume, the initial records of the stores which fall under category (1) will be kept in such forms and such manner as may be prescribed by Government with the object of controlling their balances until the stores are disposed of finally either by consumption on works or otherwise. The accounts of the stores mentioned in category (2) should be kept in accordance with the directions in Article 94 to 103.

**LOCAL RULING UNDER ARTICLE 91-92****(i) TOOLS AND PLANT****I. General**

1. The tools and plant of a division are of two kinds

(a) General or ordinary tools and plant, i.e., those required for the general use of the division.

(b) Special tools and plant, i.e., those required not for general purposes but for a specific work.

The cost of the supply, repairs and carriage of articles of class (a) is charged to the minor head “Tools and Plant”, whereas similar charges relating to articles of class (b) are borne by the work concerned. In both cases, estimates for the purchase of the tools and plant should be prepared and sanctioned and the expenditure incurred against sanctioned estimates, in the same way as expenditure on works.

2. Numerical accounts of articles of both classes should be kept in accordance with the following rules, a separate set of accounts being maintained in each subdivision and one in the Divisional Office for tools and plant directly under the Divisional Officer.

**Note 1** :—The rules relating to numerical accounts of tools and plant apply also to imperishable articles, e.g., typewriters, furniture of rest houses, surgical instruments and hospital furniture of canal dispensaries, etc., whether acquired by charge to heads of accounts other than “Tools and Plant” or received free of cost.

**Note 2** :—The sub-divisional returns in Forms P.W.A.I and II of the monthly accounts of Receipts and Issues, respectively of tools and plant should be carefully filed to either in the Divisional Officer after audit, see Local Ruling 9 below.

3. The accounts of tools and plant issued for use by subordinates of the subdivision, or temporarily lent to contractors, as well as those of articles lent to local bodies and others under competent authority, should be specially reviewed periodically and it should be seen that the articles are returned without unnecessary delay and in good condition.

**Note** :—This rule also applies to tools and plant sent out for repairs.

## II. Numerical Accounts

### (a) Receipts

4. All articles received should be examined and counted when delivery is taken, and the transaction should be posted in the Account of Receipts of Tools and Plant, Form P.W.A. 1. Such acknowledgment as may have to be given to the person from whom the articles are received, can be signed only by the Divisional or Sub-divisional Officer. An acknowledgment should invariably be given when articles lent are received back.

**Note 1** :—In the case of purchasers from suppliers, the record of the detailed account should be kept in the Measurement Book in the manner prescribed under Article 123.

**Note 2** :—The entries in Form P.W.A. I regarding the receipt back of articles lent or sent out (see Local Ruling 3 above) should be made in red ink, with a reference to the original entries on the Account of issues of Tools and Plant.

### (b) Issues

5. All transactions of issues (including those of articles referred to in Local Ruling 3 above) should be posted in the Account of Issues of Tools and Plant, Form P.W.A II. Except in the case of cash sale, unstamped but dated acknowledgments must be obtained in support of all issues and in the case of tools, etc., lent to contractors, such acknowledgments should further set forth the valuation of the articles lent, as determined by the Sub-divisional Officer. See also the Note to Local Ruling 4 under Article 96.

**Note** :—The entries relating to the articles referred to in Local Ruling 3 above should be made in red ink.

### (c) Register of Tools and Plant

6. A consolidated account of the receipts, issues and balances of tools and plant should be maintained in the Sub-divisional Office in Form P.W.A III, Register of Tools and Plant. This account should be for the twelve months ending September, that is, it should embrace transactions upto to the date on which the accounts of the sub-division for the month are closed. It should be taken in three parts as follows

Part I — Articles in hand.

Part II — Articles temporarily lent or sent out (see Local Ruling 3 above).

Part III — Shortages awaiting adjustment.

In Part I articles should be grouped under the prescribed sub-heads, which are — (1) Scientific instruments and drawing materials, (2) Plant and Machinery, (3) Tools, (4)

Navigation plant. (5) Camp equipage, (6) Live-stock, and (7) Officer furniture. In Part II the entries should be made in a separate section for each contractor or other person to whom the articles are lent or Sent out for repairs, etc. Part III is brought into use only if any shortages come to notice, and the instructions relating to it are given in Local Ruling 20 below.

7. Parts I and II of the Register should be posted thus :—

(a) The Accounts of Receipts and Issues, Forms P.W.A. I and II should first be totalled up monthly when closing the accounts of the month.

(b) The total receipts and issues of each article thus arrived at should be posted in Part I of the Register, Form P.W.A. iii, in the column for Receipts and Issues, respectively.

(c) Each separate transaction connected with articles lent or sent out (see Local Ruling 3 above) should further be posted in Part II in the section reserved for the contractor or person concerned, article lent, etc., being shown under “Debit” and those received back under “Credits”.

8. As soon as the transactions for the month of September have been posted, the account should be closed and balanced, and the closing balances should be carried forward to the next year’s return.

*(d) Check in Divisional Office*

9. The monthly accounts of Receipts and Issue of Tools and Plant in Forms P.W.A. I and II received from the Sub-divisional Officers should be checked in the Divisional Office so as to see that all tools and plant purchased or transferred from other divisions or sub-divisions have been brought on to Form P.W.A. I and that all issues of tools and plant are supported by receipts of the parties concerned and that, in the case of transfers, they have been brought on to the Account of Receipts in Form P.W.A. I of the sub-divisions concerned, The annual returns of the sub-divisions in Form P.W.A. III, Register of Tools, and Plant, should also be checked with the monthly returns in Forms P.W.A. I and II before submission to the Accountant-General (see the Locate Ruling under Article 239).

**III. Payment for Supplies**

10. Payments for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts (see Local Ruling 2 under Article 100). But when the Mathematical Instrument Department is unable to supply any instruments indented for and arranges for their purchase, the supplier’s bill will, if that department so desires, be paid in cash or by a Government Draft.

**IV. Recoveries**

*(a) For use of Tools and Plant*

11. The procedure to be observed in charging the cost of tools and plant in the accounts of a division and in making adjustments on account of cost of tools and plant used on works executed on behalf of other divisions, departments, etc., and on certain works of the division itself, is described in Appendix 3.

12. When tools and plant are lent to local bodies, contractors or others (see Local Ruling 3 above), the hire and other charges should be recovered regularly in accordance with the rules in the Andhra Pradesh Public Works Department Code.

13. The incidence of the cost of carriage of Government tents belonging to the Public Works Department for use during tours is governed by the rules against Item 56 in Appendix 7 of the Andhra Pradesh Financial Code, Volume II.

*(b) For Sales and Transfers*

14. The Sub-divisional Officer is responsible that, when tools and plant are disposed of, by sale or otherwise, with the sanction of the competent authority, the amount recoverable from the parties concerned is realized at the earliest opportunity. If the amount is not recovered within the month in which the articles are delivered, it should be charged to Miscellaneous Public Works Advances as a sale transaction by the issue of a transfer entry.

*Note* :—A Sale Account in Form P.W.A. VII should be prepared in support of every transaction.

15. When tools and plant are transferred to other divisions or departments, the Sub-divisional Officer should note their value in Form P.W.A. ii in red ink just below the entries of quantities, if the value is recoverable under the rules in Section 9 below. The Divisional Office will then make necessary adjustment.

16. Local Rulings 14 and 15 above apply equally to the adjustment or transfer of the cost of special tools and plant charged to a work or project.

On the completion of a work or project on which special tools and plant were used or when these tools and plant are no longer required for use thereon, the Divisional Officer concerned may transfer them, if in efficient condition to another work or project in the same division or in any other division where they may be required for immediate use, after suitable valuation in consultation, if necessary, with the General Superintendent, Public Works Stores Division, Hyderabad crediting the values thus determined to the work from which they are transferred by debit to the new work.

A list of such tools and plant, whether originally purchased from the Public Works Stores Division or from any other source, should, when not required for immediate use on any other work or project in the same division or any other division, be circulated by the Executive Engineer concerned to all other Executive Engineers requesting them to report if any of the plant in the list is likely to be required for any work or project in their divisions in the near future. Such of the plant, as can be used on any works or projects in the near future, should be transferred to the Public Works Stores, with the information regarding the works for which they have to be reserved and the probable date when they will be required for the works.

Whenever it is proposed to return to the Public Works Stores articles purchased therefrom for use on any project work the Executive Engineer of the division concerned should inspect them personally and satisfy himself if the articles, in their then condition, have a value more than, or at least equal to, the transport charges that may have to be incurred in returning them. In such cases only, should be given orders for the return of the articles to the Public Works Stores.

In cases where the Executive Engineer is of opinion that the articles are in such a bad condition that they will not be valued even at an amount equal to the transport charges that may have to be incurred, he should take necessary action to dispose of them locally or to write them off, according to the merits of each case, with the sanction of the competent authority.

The Public Works Stores Division should not take into its stock articles of special tools and plant, unless it is known that they are likely to be required for use somewhere in the near future. Even in the case of ordinary plant offered by any division to the Public Work Stores, such as pumps, roller, portable engines and all other articles that are in common and regular use in the department, the General Superintendent shall have the option taking them over to the Stores stock or not, according to the stock existing at the time of the offer in the Stores.

*Note 1* :—It is not permissible to write back the cost of special tools plant in anticipation of the possibility of the articles being utilized on another work or project at some distant date.

*Note 2* :—No articles may be removed from the numerical accounts on the plea that the accounts of the work to which the cost of the articles was charged have been closed, until they are actually transferred or until, owing to their having become unserviceable sanction has been accorded by the competent authority to write them off.

17. When the General Superintendent, Public Works Stores Division, takes over any tools and plant from a division to the Stores stock under Local Ruling 16 above, he should value it by taking into consideration its life, its then actual condition, the then prevailing market price for new plant of the kind and the charges (to be estimated) that may have to be incurred on overhauling and repairs to the plant. Credit to the extent of the value so arrived at should be given to the work concerned by the Public Works Stores Division. In this case, the cost of overhauling and all repairs to the plant and replacements should be borne by the Public Works Stores Division but the freight charges to Hyderabad should be borne by the work from which the Plant is transferred.

If any plant, although serviceable, is not required for immediate use on any other work in any division or is not taken over by the Public Works Stores Division, it shall be sold with the sanction of the competent authority either by public auction at the place at which it is kept, or by calling for sealed tenders, or by any other means considered desirable by the sanctioning authority.

If any plant is considered unserviceable, it should be condemned and the sanction of the competent authority obtained on a survey report for its disposal either by auction as a whole at the place at which it is kept or by breaking it up for its competent materials to be transferred to the stock of the Public Works Stores Division, Hyderabad or the Divisional Stores at Vijayawada, or Dowlaishwaram as scrap cast-iron or gun-metal, etc., for remelting, credit of the amount of the sale or the valuation of the scrap, as the case may be, being given to the work to which the value of the plant stands charged.

## V. Verification

18. The rule in Article 102(a) regarding verification of stock applies also to verification of tools and plant, with the exception that, when any articles are found deficient, the note of the deficiency should be made in red ink in the Account of Issues, Form P.W.A. II, without making any entries in the quantity columns, so that the articles



may continue to be borne on the accounts of tools and plant, until the loss is adjusted by a recovery or a sanctioned write-off (see also Local Ruling 20 below).

### VI. Rectification of Accounts

19. Clerical errors in the numerical accounts should be dealt within the manner prescribed in Article 101 for stock accounts, except that no transfer entries are necessary.

20. Discrepancies in quantities and losses should be dealt with as under—

(a) When they are noticed, action should be taken as indicated in Local Ruling 18 above, losses being treated as deficiencies.

(b) When writing up the register. Form P.W.A. III, the deficiencies should be registered in Part III under “Debits” and their clearance should be watched. Articles found surplus should be treated as receipts in Part I, and will, therefore, require no further action.

(c) If the deficiencies are made good in kind, the receipt or recovery should be shown in the Account of Receipts, Form P.W.A. I, without making any entry in the quantity columns, and when posting the account into the Register, Form P.W.A. III, the articles received should not be entered in Part I, but taken (with a suitable remark) direct to Part 111, under “Credits”, in clearance of the debit outstanding therein.

(d) If the deficiencies are made good by recovery of cost or their write-off is sanctioned, the articles should be shown, as issued, in the Account of Issues, Form P.W.A. II, with a suitable remark, and when this entry is transcribed into the Register, Form P.W.A. III, it should not only be entered in Part I in the ordinary way, but also entered with a suitable remark in Part III, as in Case (c), thus clearing the debit outstanding therein.

*Note* :—The authority to write-off should be obtained on a Survey Report in Form P.W.A. VI.

#### (ii) ROAD METAL

### I. Quantity Accounts

21. Supplies of road metal should be measured and paid for in the same way as supplied of other materials for works (see Section 5 below). But as metal is often kept in store at the road-side being laid down, a quantity account of it should be maintained in the Sub-divisional Office in Form P.W.A. IV, Statement of Receipts, Issues and Balances of Road Metal, copies on loose sheets being submitted monthly to the Divisional Office within a fortnight of the submission of the monthly accounts.

*Note 1* :—This statement should show, mile by mile, the receipt, disposal and balances of road metal of each kind (stone, kunker, etc.). The balance of metal in each mile should be shown, whether there are any transactions on it during the month or not.

*Note 2* :—This statement should show the total metal received and issued on each mile of the road and at the end of the account for any road or section of a road, an abstract should be worked out to show the receipts and issues according to estimates for the purpose of check with the works accounts. Reference should also be given in the abstract to the measurement books showing the receipt of metal and to paid vouchers showing the labour charges for spreading the same. The total balance according to this abstract should agree with the total balance of the statement.

22. Unused balances of road metal should be verified atleast once a year in the manner prescribed in the Andhra Pradesh Public Works Department Code. Whenever the Sub-divisional Officer performs this verification, he should prepare a report of verification of the road metal, showing the balances according to the account in Form P.W.A. IV and the actual verified balances, with explanations for discrepancies and recommendations as to their adjustment. A similar verification should be performed when the officer is responsible for the balance of road metal transferred.

## II. Rectification of Accounts

23. Metal found surplus, as the result of check measurement or otherwise, should at once be brought on the quantity accounts. Deficits should, however, not be removed from the quantity accounts until their value has been recovered or sanction has been received for their write-off; but a red ink remark should be recorded at once and carried forward, from month to month, until the discrepancy is set right.

*Note* :—The authority to write-off should be obtained on a Survey Report in Form P.W.A. VI.

## III. Schedule of Rates

24. A rate-book or Schedule of Rates showing the lowest rate at which metal can be supplied to the road-side throughout the division should be kept in the Divisional Office in Form P.W.A. V with such modifications as may be considered necessary to suit local conditions. The rates should be revised, from time to time, as old quarries are exhausted or new ones opened, or as other circumstances affect the rates.

### (iii) MATERIALS DEBITED TO WORKS

25. The account procedure relating to materials obtained specially for a work is described in Section 5 below. Special tools and plant charged to works do not fall under the category of “materials debited to works” (see Local Ruling 1 and 2 above).

### (iv) PUBLIC WORKS STORES, HYDERABAD

26. In regard to the Public Works Stores, Hyderabad, the rule in the Public Works Stores Manual should be observed as supplementing the rules in this Code.

**Article 93.** In all cases, the initial record of the detailed count or measurement of all materials received, the cost of which has to be paid for or adjusted by book transfer in the accounts of the division, should be kept in the Measurement Book prescribed in Article 123.

## B. STOCK

### I. — General

**Article 94.** Unless Government directs otherwise, the records and returns of all stores kept or rendered by sub-divisions should take account of quantities only, the value accounts being maintained in the Divisional Office.

**Article 95.** The stock account should be divided into the following sub-heads: (1) Small Stores, (2) Building Materials, (3) Timber, (4) Metals, (5) Fuel, (6) Painters Stores, (7) House Fitting, (8) Miscellaneous Stores, (9) Land, Kilns, etc., (10) Manufacture,

and (11) Storage. Numbers (1) to (8) may be replaced locally by other suitable heads, if necessary.

### **LOCAL RULING UNDER ARTICLES 94-95**

1. The stock of a division is sometimes kept in a single godown or yard in the charge of a store-keeper or other officer, or each Sub-divisional Officer may have a separate stock in his charge, either at his headquarters or scattered over the sub-division in the direct custody of subordinates or other sectional officers. Against the stock although scattered over the entire division, may be in the general charge of a single official and the Sub-divisional Officers may merely indent upon him, he keeping all the accounts. The rules in this section apply to all divisions.

2. Stock accounts may be maintained in a Sub-divisional Office even though the officer in charge is not authorized to keep a chase account in Form P.W.A. 1. A separate account should be kept in the Divisional Office of any stock which is directly under the charge of the Divisional Officer or of an office under his orders and not under the orders of a Sub-divisional Officer.

3. The Vijayawada and Dowlaishwaram Sub-divisions may maintain value accounts of their stock in view of their heavy transactions.

### **II. Initial Accounts**

**Article 96.** All transactions of receipts and issues—in quantities only—should be recorded by each officer authorized to receive and issue stock on behalf of Government in “Register of Stock Receipts/Issues,” Form P.W.A. , in the order in which and as soon as they occur.

**Note 1** :—These registers need not be kept in cases where a detailed account of any particular kind of stores is maintained in the form of card or leaf ledgers provided that suitable arrangements are made for the completion of the Abstracts of Stock Receipts and Stock Issues (Article 97).

**Note 2** :—Where this course is authorized by Government, the issues of petty stores by a sectional officer direct to works under his supervision may be shown in the accounts collectively once a month when the accounts of the month are closed.

### **LOCAL RULING UNDER ARTICLE 96**

#### **Quantity Accounts**

##### **(a) Receipts**

1. Materials may be received on stock from the following sources

- (a) Suppliers,
- (b) Store Department, London,
- (c) Other sub-divisions, divisions or departments (including Government workshops),
- (d) Manufacture, and
- (e) Works buildings, etc.

In all cases, there should be proper authority for the receipt, by the store-keeper or the sectional officer concerned, of materials to be brought on stock. This authority should be given in writing by the Divisional Officer or if so authorized under the Divisional Officer's orders, by the Sub-divisional Officer.

2. All materials received should be examined and counted or measured, as the case may be, when delivery is taken. Only the Divisional or the Sub-divisional Officer is authorized to sign an acknowledgment to be given to a supplier for stores received from him. Any certificate that the store-keeper or sectional officer concerned may be called upon to record regarding the receipt of stores, for this or any other purpose should be in the following form :—

“Received on ..... and duly recorded in the Register of Stock Receipts.  
See also pare Measurement Book No .....

Date .....

(*Signature*)

In the case of the P.W. Stores Divisions, Hyderabad the record of detailed count or measurement is made in a Register in Form P.W.A. VIII, “Stores Receipt Book”. A daily report of receipts — one for each sub-section of the Stores — should also be simultaneously prepared in Form P.W.A. IX, from which the quantity and value ledgers are subsequently posted.

#### (b) *Issue*

3. Materials may be issued from stock for the following purposes

- (a) Use on works either by issue to contractors or direct,
- (b) Despatch to other sub-divisions, divisions or departments, and
- (c) Sale to contractors, employees, other persons or local bodies.

They should be issued only on receipt of an incident in Form P.W.A. X, signed by the Divisional or the Sub-divisional Officer. But when a section officer has to issue stock materials for the requirements of works under himself, the use of this form is not obligatory, if the sectional officer has been authorized under the Divisional Officer's orders to draw materials from his stock upto any assigned limit not exceeding the provision made for materials in sanctioned estimates.

**Note 1** :—When examining Register of Stock Issues and Works Abstract, Sub-divisional Officers should see that, in practice, this rule is observed strictly and they should deal suitably with instances of unauthorized and excessive issues to works made by sectional officers without due cause.

**Note 2** :—The term “Works” includes manufacture operations. See definition (41) in Article 9 above.

4. When issuing materials from stock, the store-keeper or sectional officer should examine the Indent in Form P.W.A. X and sign it in the space provided for the purpose, after making suitable alterations (attested in each case by his dated initials in the description and quantities of materials, if he is unable to comply with the indent in full). He should then prepare and sign the form of the invoice attached to the indent according to the

supply actually made, and simultaneously make an entry in his Register of Stock Issues. Form P.W.A. 4. The indent should be returned at once to the indenting officer and the signature of the officer receiving the materials should be obtained, as soon as possible, on the invoice, which should be treated as a voucher in support of the entry in the register.

**Note** :—It should be seen that the acknowledgment of materials is signed either by the person to whom they are ordered to be delivered or despatched, or by a duly authorized agent. This precaution is specially necessary in the case of issues to contractors and private persons, whose, acknowledgments should set forth full particulars of the materials, the rates and the values chargeable to them. Acknowledgments should be taken in the same way when issue are made to contractors by the sectional officer himself without the production of an indent signed by higher authority (see Local Ruling 3 above).

**Article 97.** The receipt and issue transactions of the entire sub-division, as entered in Form P.W.A 4, should be abstracted monthly, by the Sub-divisional office in a single “Abstract of Stock Receipts” (Form P.W.A. 5) and in a single “Abstract of Stock Issues” (Form P.W.A. 6), in accordance with the instructions printed on these forms. No entries need be made in the Sub-divisional Office in any of the money columns in either part of the form, as these will be filled up in the Divisional Office, vide Article 94.

**Article 98.** These abstracts should be completed in the Divisional Office in respect of (1) the values of quantities shown as received and issued, (2) the calculation of the storage charges on the issues and (3) cash or adjustment charges on account of manufacture operation, storage and incidental charges, such as those for carriage, the loading and unloading of stock materials. The cash and transfer entry debits and credits to stock should be agreed with the transactions pertaining to Stock brought to account in the Cash Book and the Transfer Entry Book, vide Article 207. Carriage and other incidental charges should be debited to stock only when they are incurred in connection with the general book requirements. These charges should be adjusted against the particular sub-head under which the item is classified or the sub-head “Storage” of the Stock account, according as the charges have been incurred before or after the acquisition and delivery of the stores at the godown.

**Article 99.** The general account of receipts, issues and balances of the suspense head “Stock” for the entire division should be kept in the Suspense Register prescribed in Article 164.

### *III. Subsidiary Accounts*

**Article 100.** Sub-divisional and Divisional Offices will keep Subsidiary Registers of Stock in such form as the Government may determine in consultation with the Accountant-General, the objects being to effect a periodical reconciliation, after verification of the quantity accounts with the general accounts (vide Article 99) and to revise the Issue and Storage rates fixed by competent authority.

### *LOCAL RULINGS UNDER ARTICLE 100*

#### *I. Quantity Accounts*

#### **Half-Yearly Balance Return**

1. (a) The total quantities of the receipts and issues of each article of stock as recorded in the Monthly Abstracts. Forms P.W.A. 5 and 6, should, before the Abstracts

are transmitted to the Divisional Office be posted in the Half-yearly Balance Return, Form P.W.A. XI, in the columns provided for the month concerned under both "Receipts" and "Issues". As soon as the receipts and issues of the last month of the half-year are posted, the closing balances should be worked out and entered both in column 21, "Closing balance carried forward" of the return for that half-year and in column 6, "Balance brought forward," of the return for the next half-year.

(b) A separate return in this form should be prepared for each of the half-years ending September and March that for the September half-year embracing only transactions up-to-date on which the monthly accounts of the sub-division are closed. The return for each half-year should embrace all articles in stock.

(c) Columns 22 and 23 of the form of the return are provided so as to give the Sub-divisional Officers an opportunity of commenting on the condition of the stores or on the rates, and of noticing cases in which the balances are in excess of requirements.

## **II. Value Accounts**

### **(a) Payment for stock received**

2. The general rules in Chapter 4 of Volume I and the relevant instructions in Sections 3,5 and 9 below should be observed carefully.

### **(b) Receipts for Stock Issued**

#### **(i) Issue Rates**

3. An Issue Rate is assigned to each new article as it is brought on stock. This rate is fixed on the principle that the cost to be charged to works on which the materials are to be used should approximately equal the actual cost of the stores, so that there may be no ultimate profit or loss in the stock accounts. It should provide for carriage and other incidental charges, if any, actually incurred on the acquisition of stores in addition to the original price paid.

*Note 1* :—It is not necessary that the Issue Rate for an item should be the same in all subdivisions, but a uniform rate should ordinarily be prescribed for all localities in a sub-division.

*Note 2* :—The Issue Rates should be worked out to the nearest anna, as far as possible.

*Note 3* :—In the case of the plant and machinery of the Public Works Stores Division, Hyderabad which are done under "Stock" (see Local Ruling 2 under Article 37), the original book value should include the original price fixed and the cost of carriage to the Stores. This value should be depreciated annually by the percentage fixed for "depreciation" in the Andhra Pradesh Public Works Department Code.

The Superintending Engineer, Headquarters Circle, should sanction every year an estimate for working expenses of plant and machinery in the Stores Division under the sub-head "Stock", and the depreciation charges referred to in the first sub-paragraph of this note should be debited thereto by credit to "Stock". The handling charges as well as all repair and renewal charges which are not recovered from the party hiring the plant should also be debited to the estimate. The handling charge realized from the hirers of plant and machinery and the portion of the hiring charges comprising the percentages for repairs and renewals and depreciation shall be credited to the estimate and the net figures

shall, at the end of the year, be transferred to “50. Civil Works—Civil Works—Losses on stock” or to the receipt head “XXXIX Civil Works — Miscellaneous”, according as the net result is to a loss or a profit. The portion of the hiring charges realized representing “interest” should be credited direct to the head “XXXIX. Civil Works-Miscellaneous”.

4. As purchases are made or contracts for the supply of materials as entered into, variations in cost should be watched, and if there are appreciable, Issue Rate may, and in important cases should, at once be raised or lowered, as may be necessary. Further, when closing the Half-yearly Register of Stock (Local Ruling 11 below), all rates must be reviewed and revised, if necessary, to bring them within the market rates.

*Note* :---In the Godavari Head-works Division, stock issue rates may be revised once a year, in the case of items under which there have been no receipts during the year.

5. If the issue Rate of an article of stock is appreciably less than the market rate, the following precautions should be taken in addition to any restrictions on sales or on issues outside the division which the Divisional Officer may prescribe:

(a) Issues to contractors should be restricted to the bona fide requirements of the works. Excess issues to contractors and sales should be charged at the market rates;

(b) Issues to other divisions and departments may be made at a rate higher than the Issue Rate.

#### (ii) Storage Charges

6. A storage rate is fixed annually for the Public Works Stores, Hyderabad and the Stores attached to the Krishna Central and Godavari Head Works Divisions on the basis of the actual storage charges (see Article 9) incurred in the year preceding the year previous to the year in question. This rule may, with the sanction of the Government, be extended to any other Stores in which appreciable storage charges are incurred.

#### (iii) Mode of Recovery

7.(a) The Sub-divisional Officer is responsible that the value of materials sold to municipalities, local funds and the public and of issues made to contractors for private use, is recovered in cash at the earliest opportunity.

*Note* :—A sale account in Form P.W.A. VII should be prepared in support of every such sale.

(b) All adjustments of the value of stock issued except on sale should be made by the Divisional Officer as in the case of receipts. The Sub-divisional Officer is, however, responsible for the clearance from works accounts, of all outstandings against contractors on account of the recoverable value of materials issued to them by charge to works;

(c) The 10 per cent supervision charge should be realized in addition to the value of stock in all cases in which it is recoverable but the amounts recovered on this account should not be treated as receipts on account of stock, but as revenue receipts or receipts on capital account, as the case may be.

*Note* :—The 10 per cent charges referred to in clause (c) above should not be levied on stock materials issued to the works mentioned in items (a), (b), (c) and (d) of Rule 5 of Appendix 3, as centage charges are leviable separately on them.

### ***III. Half-yearly Register of Stock***

8. An account should be maintained in the Divisional Office to record, month by month, separately for each sub-division, the transactions relating to each item of stock. This account should be in Form P.W.A. XII, Half-yearly Register of Stock, which is in three parts :—

Part I - The Register

Part II - The Summary

Part III - The Review

9. Part I should, as regards quantities, be posted monthly from the sub-divisional abstracts. Forms P.W.A. 5 and 6 and balanced half-yearly, in the same manner as the sub-divisional half yearly balance returns, (see Local Ruling I above). The only values to be posted should, ordinarily, be the aggregate values of the total receipts and issues for each sub-head, as recorded in the upper part of these abstracts; but, if it is desired to maintain a value account of the receipts, issues or balances of any particular item, there is no objection to values being recorded in red ink, immediately below the respective quantities.

*Note* :—The Register should be laid before the Divisional Officer within a week after the submission of the Monthly Account to the Accountant-General.

10. At the end of the half-year, the closing balances of quantities should be reconciled with those shown in the Half-yearly Balance Returns received from Sub-divisional Officers. The closing balance of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II (see Local Ruling 12 below).

11. The register should then be closed, the following instructions being observed in respect of money columns 20 to 24 :—

(a) *Market Rates (column 24)* :—This column should be filled up, in respect of each item under the order of the Divisional Officer, by a person other than a ministerial subordinate. It should be written up at or about the close of the half-year, but before any entries are made in the column for Future Issue Rates;

(b) *Current Issue Rates (column 20)* :—This column would have been filled up at the commencement of the half-year in respect of items brought forward from the previous half-year, and subsequently, from time to time, in respect of new items and items the rates of which are revised during the half-year;

(c) *Value at Current Issue Rates (column 21)* :—This column should be written up at the close of the half-year and should represent the value of the closing balance at the Issue Rates current during the last month of the half-year;

(d) *Future Issue Rates (column 22)* :—This column should show the rates for issues during the following half-year. The rate should be fixed, separately for each item in accordance with the principles laid down in Local Ruling 3 above, but should in no case be in excess of the market rate. When opening the register for the following half-year, the rates as shown in this column should be transcribed into column for Current Issue Rates of the register;



(e) *Value at Future Issue Rates (column 23)* :—This column should show against each item the value of the closing balance at the Future Issue Rates. The entries in this column should be totalled by sub-heads of stock for each sub-division, and to or from this total should be added or deducted, as the case may be, amounts which have been debited to stock in advance of the actual receipt of stores and other debits or credits which are awaiting adjustment under the sub-head concerned for inane reasons (to be recorded). If the resultant figure does not agree with the corresponding book balance as brought out in column 29 (see Local Ruling 10 above), an adjusting entry (plus or minus representing respectively the deficit or surplus due solely to the revision of rates) should be made and a further total struck which should agree with the book balance.

12. *Part II, Summary, is intended to serve two purposes* :—(1) to prove the value balances brought out in column 19 of Part I (see Local Ruling 10 above), and consequently the amounts of the surpluses and deficits requiring adjustment in consequence of the revision of rates and (2) to abstract the value balance, so as to bring out, by sub-heads of stock, for the entire division, the aggregate value at Current Issue Rates side by side with the balances as shown in the accounts.

13. When Part II is completed, the Divisional Accountant should write up his report in Part III and submit to the Divisional Officer, who will then review the Register of Stock and record his remarks and orders in Part III.

*Note* :—The review should be directed to seeing specially that stores are priced in accordance with the rules, that stocks are taken periodically by responsible officers and that stocks of individual items are regulated on a consideration of actual requirements of the near future and with due regard to the average consumption of the past and to the prevailing market conditions. The object is to make sure that the stock on the register consists only of efficient and necessary articles priced within the rates at which they could be purchased at the time.

14. Annual instead of half-yearly stock registers may be submitted by the Executive Engineer, Krishna, West Godavari Headworks and Visakhapatnam Divisions, and reviewed once in a year. It is open to the Government, in consultation with the Accountant-General, to prescribe the maintenance of yearly registers of stock in respect of other divisions also and to permit that they may be closed and reviewed annually. Important revisions of Issue Rates necessitated by fluctuations of cost should, however, be made at once and not deferred till the close of the year. (see Local Ruling 4 above).

#### ***IV. Ledger***

15. The maintenance of a continuous ledger for each article of stock is not necessary. It is permissible, however, to use loose card or leaf ledgers, in suitable form, in cases, e.g., electrical stores, where the number of articles handled is large and the frequency of transactions renders it desirable to maintain, in respect of each article, a day-to-day record of the quantities received and issued, presenting the resultant balance after each transaction. Where this system is adopted, the following instructions should be observed:-

(a) The card or leaf ledgers should be written up in respect of quantities only; if values are entered therein for any purpose, they will not be recognized for purposes of accounts.

(b) They should not replace the Register of Stock. Form P.W.A. XII, but should, on the other hand, be reconciled therewith at convenient intervals.

(c) If the maintenance of the Registers of Stock Receipts and Stock Issues, Form P.W.A. 4, is dispensed with under Note 1 to Article 96, the Abstracts of Stock receipts and Stock Issues, Forms P.W.A. 5 and 6, should be written up, as transactions take place, either by a responsible official or on the authority of written reports signed by such an official, and supported by the necessary vouchers.

(d) The ledgers may, if necessary, be kept in a convenient position in the store godown, but they should be kept locked up and the keys should be in the custody of the person responsible for making entries in the ledgers.

#### *IV. Rectification of Errors*

**Article 101.** (a) Any errors that may be discovered in the Registers of Receipts and Issue or in the Monthly Abstracts, before the accounts for the month are closed, should be set right by the Sub-divisional Officer. Such corrections should be made nearly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials. Mistakes noticed subsequently should not be corrected except in accordance with a formal transfer entry or under instructions received from the Divisional Office.

(b) Clerical errors in value accounts should be dealt with generally in accordance with the directions in Article 84. Corrections of errors discovered after the accounts of the month are closed, should be made, when permissible (i) by entries of value (without quantities) in the Stock Accounts of the current month when no change is to be made in the head of account affected, and (ii) by transfer entries in other cases.

#### *LOCAL RULINGS UNDER ARTICLE 101*

1. Store-keepers and sectional officers may similarly correct their respective Registers of Receipts and Issues before submitting them to the Sub-divisional Office.

2. Erroneous entries noticed in a Half-yearly Balance Return, which has not been submitted to the Divisional Office, may be corrected by the Sub-divisional Officer only if the corresponding entries in the Monthly Abstracts concerned, or in the previous Half-yearly Return are correct or have been duly set right.

**Article 102.** Other corrections which may be necessary as the result of stocktaking or periodical revision of rates or declaration of stores as unserviceable, should be effected in the following manner :—

(a) Both in quantity and value accounts, all additions, to quantities should be treated as Receipts, and reductions therein as Issues, a suitable remark being made in the entries in Forms P.W.A. 5 and P.W.A. 6. These entries must be made as soon as differences in quantities come to notice, but in the case of materials to be declared unserviceable, no adjustment should be made until receipt of orders of competent authority.

(b) The net surplus or deficit resulting from the periodical revision of rates should be adjusted by making suitable value entries, without any correction in quantities, in the Abstracts of Receipts and Issues, Form P.W.A. 5 or P.W.A. 6, as the case may be, the values being classified in accordance with the principles enunciated below.

(c) (1) The value of stores found surplus should be credited at once as a revenue receipt or a receipt on capital account, as the case may be.

(2) The value of the deficit should, however, not be debited to final heads, but kept under "Miscellaneous P.W. Advance" pending recovery or adjustment under orders of competent authority. When the loss is declared to be irrecoverable and its writeoff ordered, a transfer entry should be prepared to clear the head "Miscellaneous P.W. Advances" by debit to (i) the works for which the stores were collected specially, if the accounts thereof are still open, or (ii) the general head "Losses on Stock" under one or more major heads as may be decided by competent authority, on consideration of the objects for which the stores were stocked.

#### ***LOCAL RULING UNDER ARTICLE 102***

Alterations in rates made on occasions other than the closing of the Register of Stock should be noted at once in Part I of the Register of Stock Form P.W.A. XII, by making a fresh entry (with the month of change) in column (10). The resultant rectification of the value of stock balances should, in all cases, be made only when the Register of Stock is closed. (vide clause (e) of Local Ruling 11 under Article 100).

**Article 103.** No correction should be made in the accounts in respect of stores declared to be in excess of requirements. Such stores should continue to be borne on the Stock account until transferred elsewhere or otherwise disposed of in the ordinary course.

#### ***LOCAL RULING UNDER ARTICLE 103***

The stock-taking of a sub-division may go on gradually throughout the year. When the stocks of an article in a sub-division are scattered and it is not possible to test the aggregate book balance of any article for the whole sub-division by an actual verification of all the stocks of it at the same time, the following expedients may be adopted under the orders of the Government

(a) Sectional Officers may be required to maintain quantity accounts of receipts, issues and balances (in a form similar to the half-yearly Balance Return) of stock materials in their charge. These accounts should be posted monthly from the Registers of Stock-Receipts and Stock Issues before the latter are submitted to the Sub-divisional Officer.

(b) These accounts should be submitted to the Sub-divisional Office at the close of each half-year for record after reconciliation with the Half-yearly Balance Return of the sub-division.

(c) As far as possible, the whole stock of a particular article in charge of a Sectional Officer should be verified at or about the same time so that the difference between the sectional book balance and the actual balance may at once be known. The difference should be adjusted in the manner prescribed in Article 102 without waiting for the results of the verification of stocks in other sections.

**Note 1 :—**Before the adjustment of a difference is accepted finally by the Sub-divisional Officer, he should test the correctness of the Sectional Officer's book balance by reference to the records of his own office.

*Note 2* :—In the case of materials to be declared unserviceable, no adjustment should be made until the orders of the competent authority have been obtained on a Survey Report in Form P.W.A. VI.

### C. — SPECIAL TOOLS AND PLANT

**Article 104.** If the cost or depreciated value of any Special Tools and Plant obtained for, or used on a project is required to be distributed over different units of the Project, the forms of subsidiary accounts to be kept to facilitate that distribution may be settled by Government after consultation with the Accountant-General.

## SECTION 3

### *Transfer Entries*

#### A. — GENERAL

**Article 105.** (1) Transfer entries, that is, entries intended to transfer an item of receipt or charge from the account of a work in progress or of a regular head of account to the account of another work or head, should be made—

[For the adjustment of the value of material issued to a work from stock and debits to “London Stores” on account of the value of stores received from England, see Articles 128 and 60 respectively].

(a) in order to correct an error of classification in the original accounts;

(b) in order to adjust, by debit or credit to the proper head of account (or work), an item outstanding in a suspense account or under a debt head;

(c) in order to bring to account certain classes of transactions which do not pass through the cash or stock account, e.g.—

(i) for credit to “Purchases” or “London Stores” as the case may be, on account of materials received for works from sources other than stock—vide Articles 127 and 128;

(ii) for credit to “Public Works Deposits” on account of balances due to contractors on closed account—vide Article 138;

(iii) for credit to Revenue heads on account of revenue not recovered in cash;

(iv) for original debits or credits to Remittance heads based on transactions not appearing in cash or stock accounts, e.g., transfer of Tools and Plant to another Division, Department or Government when the value is recoverable from them;

(v) for credit to the heads concerned of the several percentages leviable under the rules, e.g., those on account of supervision (when not recovered in cash), establishment, tools and plant and workshop charges—vide Article 177;

(d) in order to respond to a remittance transaction advised by the Accountant General or direct by the division or department concerned, if the corresponding debit or credit to the remittance head had not appeared already in the accounts;

(e) in order to relieve the account of a work in progress of—

(i) item which have ceased to be debitable to the estimate for the work, and

(ii) suspense charges which can no longer be kept within the accounts of the work (vide Article 136); such transfer entries are necessary either when the accounts of any contractor or of the work itself are to be closed, or when any recoveries to be made (otherwise than in cash) have become due, e.g., by the transfer of stores to any other work or account.

(2) Sometimes it may be more convenient to classify items pertaining to several heads (or works), under a single head in the first instance than to classify them under each from the beginning. For example, when a joint work in which several parties are interested is undertaken, the individual transaction relating to it may be taken to the account of a single party in the first instance, but before the accounts of a month are closed, the necessary distribution over all the accounts should be directed by transfer entry.

### **B. — TRANSFER ENTRY ORDERS**

**Article 106.** For every transfer entry either a Transfer Entry Order should be prepared in Form P.W.A. 7 or an order recorded on another document (e.g., Survey Report, and Final Bill of a contractor's closed account placed under "Public Works Deposits") which sets forth all the necessary particulars. (see Article 212).

**Note 1** :—In case in which submission to the Accountant-General of the Transfer Entry order with Monthly Account, vide Article 232, is not required, the necessary order, if not initiated by a Sub-divisional Officer, may be signified by the Divisional Officer's initials against the entry in the Transfer Entry Book (Article 110).

**Note 2** :—A single transfer entry may cover a number of adjustments and corrections, provided that all the necessary particulars are set forth in respect of each.

#### **LOCAL RULING UNDER ARTICLE 106**

When a transfer entry is initiated by a Sub-divisional Officer, Form P.W.A. 7 should be prepared in triplicate by using carbon paper. The Divisional Officer should file one copy in support of an abbreviated entry in the Transfer Entry Book and forward the second copy to the Audit Office in support of the monthly account. (see Article 232).

**Article 107.** A Transfer Entry Order may be initiated by the Sub-divisional Officer, and should be so initiated by him in all cases falling within clauses (a), (b), (c) and (e) of Article 105 (1) which come within his cognizance.

**Article 108.** The Divisional Officer should see that no transfer entry is made in the accounts unless admissible under the rules, that a transfer entry is made as soon as it becomes necessary, and that Transfer Entry Orders in respect of transactions falling under clauses (a), (b) and (c) of Article 105 (1), proposed by Sub-divisional Officers, are countersigned by himself in token of acceptance.

**Note:** — Transfer entries should receive the special attention of Divisional Officers so that habitual errors and misclassifications in the accounts of subordinate officers may not remain unnoticed.

**Article 109.** All Transfer Entry Orders should set forth such explanation of the correction or adjustment proposed as establishes clearly the correctness and necessity of the entry.

**Note** :—In cases of corrections involving a reduction in the charges against the estimate of a work, not only should, full particulars of the vouchers and accounts in which the erroneous

charges originally appeared be specified, but also the circumstances in which the charges were allocated wrongly under the estimate for the work should be set forth clearly. It is not sufficient to state that the charges were classified erroneously in the first instance.

### C. — TRANSFER ENTRY BOOK

**Article 110.** All transfer entries which have been approved for action should be registered in the Transfer Entry Book, Form P.W.A. 8, maintained in the Divisional Office. Entries should be grouped separately for each month in the accounts of which they are to be incorporated. Before the book is closed monthly, Divisional Office should see that no adjustments which are required to be made under any rule or order are omitted.

**Article 111.** Though no transfer should be made from one sub-head to another in the accounts of work except on the authority of a formal Transfer Entry Order approved by the Divisional Officer, the order should not be entered in the Transfer Entry Book but filed with the Works Abstract for the month in which the transfer is effected.

## SECTION 4

### Revenue Receipts

#### A. — GENERAL

**Article 112.** Except in the following cases, revenue should not be credited to the head concerned until it is realized :—

(a) supervision charges on sales of stock on credit.

(b) sale-proceeds of such articles of tools and plant as are creditable under the rules of Government to the minor head "Recoveries of expenditure" by debit to Miscellaneous P.W. Advances.

In the case of recovery of hire charges from contractors for departmental lorries and other heavy tools and plant lent to them, the procedure indicated in Note 3 under Article 127 shall be followed.

#### B. — REGISTER OF REVENUE

**Article 113.** Save as provided in Article 116, all revenue receipts of the division should be classified and abstracted in a Register of Revenue, Form P.W.A. 9, maintained in the Divisional Office. The receipts relating to each Irrigation, Navigation, Embankment or Drainage project for which a separate revenue account is kept, should be registered separately, and all the other receipts pertaining to a major head should be booked collectively. In States, the receipts relating to transactions of the Central Government should be recorded in a separate register.

**Note 1** :—Revenue receipts pertaining to (a) Military Engineer Services, (b) Royal Air Force, (c) Indian Navy, (d) Railway Works, (e) Posts and Telegraphs Department Works, and (f) Archaeological Works of the Central Government referred to in Article 215 should be posted in separate registers.

**Note 2** :—Revenue receipts from Irrigation, Navigation, etc., works realized in the Civil Department and paid direct into treasuries under the rules of Government will be brought to account to the credit of the revenue heads concerned direct on the books of the Accountant-General without being passed on the Divisional Officer for adjustment.

***LOCAL RULING UNDER ARTICLE 113***

In regard to irrigation revenue collected in the Revenue Department as part of the land revenue, the Accountant-General will carry out the necessary adjustments in the accounts in consultation with the Board of Revenue.

**Article 114.** In this register a column should be opened for each minor head of revenue (and detailed heads subordinate to it, as required) other than “Deduct—Refunds” for which a single deduction is made from the total revenue of the month. The details of the amounts which make up the figure to be deducted should be recorded in a separate Register of Refunds of Revenue, which may also be in the same form as that of the Register of Revenue.

***LOCAL RULING UNDER ARTICLE 114***

For the accounts procedure relating to refunds of rent, see the Note under Local Ruling 4 under Article 116.

**Article 115.** All receipts falling under the minor head “Receipts and Recoveries on Capital Account” should be abstracted also in the same form as that of the Register of Revenue, separately for each major head of expenditure, a separate account being kept for each project the expenditure on which is booked separately. Receipts falling under the minor head “Recoveries of expenditure” should appear in the Register of Revenue for the major head concerned under three distinct detailed heads, namely, (1) Establishment recoveries, (2) Tools and Plant recoveries and (3) Other recoveries.

***LOCAL RULING UNDER ARTICLE 115***

The detailed head “Tools and Plant recoveries” should be sub-divided into (a) percentage recoveries, and (b) other items. In Andhra Pradesh the Establishment and Tools and Plant charges are met in the first instance from the single major head “50. Civil Works” and the three detailed heads, mentioned in the above Articles are, therefore, opened only under the head “Recoveries of expenditure” appearing in the Register of Revenue for XXXIX Civil Works”.

**Article 116.** If in respect of rent receipts of the buildings and lands and special services, subsidiary accounts are kept in a separate Register of Rents prescribed by Government, entries should not be made in & tail in any of the registers mentioned in Articles 113 to 115. The monthly totals only (excluding the amounts realized by Treasury Officers under the same accounts circle) for each class of the rents for which separate detailed heads have been opened under the minor head “Rents” should be transferred from the Register of Rents to those Registers.

**Note:** -The amounts realized by deduction from pay bills cashed at treasuries subordinate to the same Accountant-General as the Divisional Officer will be credited by the Accountant- General direct in his books to the revenue heads concerned.

***LOCAL RULINGS UNDER ARTICLE 116*****Register of Rents**

1. A register in Form P.W.A. XII (Register of Rents of Buildings and Lands) should be maintained in the Divisional Office to show the monthly assessments, realize

tions and balances of rents for all residential buildings (including office buildings used as residences) and such other buildings, land, etc., as may be available for being let. No building or site other than those which fall in the categories indicated below should be excluded from this register on the plea that it is intended to be occupied rent free or is not likely to be rented, but all such buildings and sites be grouped separately.

(a) Residences for the use of the Governor

(b) Buildings situated within the precincts of Jails. Hospitals, Police lines or Educational institutions which are allotted rent free (i.e., free of rent of all kinds, including rent for building, meter, water-supply, sanitary and electric installations, etc.), under the orders of the Government to Government servants who are required to occupy particular houses in order to ensure the proper performance of their duties.

*Note 1* :—Private buildings which have been hired for use as residences, or are used as such wholly or in part, should be included in this register.

*Note 2* :—Rent-free quarters for menials need not be entered in this register except when allotted to persons from whom rent is recoverable. Not need rent-houses and other travellers bungalows be entered, although rent receipts from them are also treated as rents of buildings which are required to be booked under the minor head “Rents”.

2. The entries relating to the assessment of rent should be made month by month, and for this purpose arrangements should be made to obtain timely intimation (with full particulars) of all changes of tenancy from the subordinates in charge of the properties.

*Note* :—If any property is occupied free of rent, or if the rate for any month’s assessment is neither the standard rate nor the 10 per cent of the occupant’s emoluments, a suitable remark (quoting authority) should be made against the entry relating to it. If a Government servant is not entitled to but is actually allowed the benefit of, the 10 per cent concession recognized by Fundamental Rule 45-A-IV (b)] a reference to the specific orders of the Government allowing it should be recorded in the remarks column of the Register of Rents of Buildings and Lands.

3. The Divisional Officer should credit the accounts of the tenants in the Register of Rents of Building and Lands with the recoveries as certified by the Treasury Officer or disbursing or drawing officer concerned each month, whether the actual adjustment is carried Out fl his accounts or not. (see ‘Note’ under 116 and item (1) in Article 184).

4. The total realizations of each month should be abstracted at the foot of the register, so as to show separately (1) cash realized in the division, (2) recoveries by other disbursing officers adjusted in the divisional accounts and (3) recoveries at treasuries of the State adjustable in any buildings are provided with special services such as furniture, etc., for which rent charged separately, the account of rent charged for each building in respect of these services should be kept separate from that of the rent of the building itself, and in the abstract also the realizations on account of each of these services should be shown separately.

*Note* :—Refunds of amounts recovered towards rent should be shown as minus realizations in the Register of Rents of Buildings and Lands and thus distinguished from the gross realizations oil account or rent.

#### **MISCELLANEOUS LOCAL RULING**

When a recovery has been ordered to be made from a contractor or other person, which cannot be watched through a suspense or other account specially prescribed for the



purpose, the order should be noted at once in a Register of Miscellaneous Recoveries (Form P.W A.XIV) opened specially for the purpose, so that the amounts recovered from time to time with particulars of the accounts concerned) may be recorded against it, and prompt compliance with the order watched.

## **SECTION 5**

### **Works Accounts\***

\*[N.B. :—The procedure prescribed in this section is primarily applicable to the Public Works Department. The detailed procedure for the Electricity Department, which is some-what different, is outlined in the departmental Manual].

#### **A. — GENERAL**

**Article 117.** (a) Expenditure on the construction or maintenance of a work may be divided broadly into two main classes, viz., (1) Cash, and (2) Stock charges. As explained in Sections 1 and 2 of this Chapter, these charges should be recorded in the cash and stock accounts respectively.

(b) In addition to the charges falling under the main classes, there are other transactions affecting the cost of a work. For example, there may be charges incurred in order divisions, departments or Governments, materials received from them or services rendered by them, or there may be cash receipts such as are taken in reduction of expenditure in accordance with the directions in Articles 65 to 72.

(c) Furthermore, in the case of certain works, there are departmental charges, known as Establishment, Tools and Plant and Audit and Accounts Charges, which are levied on those works under the rules of Government and included in the cost of those works.

(d) All these transactions pass into the general accounts of the division in the manner described in Chapter IV and are thence incorporated in the accounts of the State. As, however, the units of classification adopted in the general accounts in respect of expenditure are the heads of account not designed to correspond with individual estimates for works, or contract accounts, separate accounts have to be maintained in Sub-divisional and Divisional Offices for recording (1) the cost of individual works, and (2) the transactions of individual contractors. These are known as Works Accounts.

#### **LOCAL RULING UNDER ARTICLE 117**

Although the primary object of the accounts of works is to exhibit simply, but accurately, the actual cost of work done, the rules frequently require the upkeep of separate accounts for the several component parts of a work which are not required to attain this object. There are two main reasons for this. In the first place, it is often desirable to have details which will satisfy the need for statistical information and for analysis of the comparative cost of various classes of work, of types of buildings. etc. The more important reason, however, is that in the case of the large works, especially if the period of construction is a prolonged one, it would not be possible for the Divisional Officer to exercise efficient financial control over the recorded transactions of the cost of a work if only the total cost were recorded in the accounts of the work. The Divisional Officer's personal knowledge of the executive arrangements for the execution of a work,

and of the actual progress of work, must be supplemented by a comparison, monthly, of the cost as recorded in the accounts with the value received in the shape of work done. This monthly comparison is obviously impossible unless the total cost is split up into convenient parts in such a way that, as far as possible, the cost of each distinct part may be compared with the work done thereon.

**Article 118.** In recording the cost of an individual work in the accounts, no attempt should be made to include in the cost any charges for general services like Establishment and Tools and Plant, the entire cost of which should be adjusted in the general accounts under the prescribed heads of classification. But, if any service connected with the working estimate for a work is rendered by another division, department or Government and the claim made by it includes an authorized charge on account of such general services, such charge should be adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor.

*Note* :—The cost of special establishment employed on the acquisition of land taken up for a work when debitable to the Public Works Department should be treated as a part of works expenditure.

### **LOCAL RULINGS UNDER ARTICLE 113**

1. When the cost of special tools and plant is included in the cost of a work, the rules in Section 2 regarding numerical lists or returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments will be governed by Local Rulings 16 and 17 under Article 92.

2. Lumpsum charges of Establishment and Tools and Plant recoverable from other Governments and departments, for works executed for them as a standing arrangement, should not be included in the accounts of the works, but dealt with under the rules in Appendix 3.

**Article 119.** All initial accounts and vouchers connected with charges relating to works must specify invariably—

- (1) the full name of the work as given in the estimate
- (2) the name of the component part (or “sub-head”) of it, if separate accounts are kept up for the several component part, and
- (3) any charges which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

## **B. — DETAILED RECORDS**

### ***I. Cash Charges***

#### **(a) Introductory**

**Article 120.** Cash charges on works consist of payment to (1) labourers and members of work-charged establishment of their wage, and (2) contractors and others for work done or other services rendered.

#### **(b) Muster rolls**

**Article 121.** Save as provided below, an account of labourers employed daily on each work, the amount of wages due to each and the amount paid and left undisbursed

during the month, should be kept in a Muster Roll in such form and according to such methods as may be prescribed by Government in consultation with the Accountant-General.

#### **LOCAL RULINGS UNDER ARTICLE 121**

A muster roll should be prepared in Form P.W.A. V-A or XV-B, as the case may be, and dealt with in accordance with the instructions contained in the Andhra Pradesh Financial Code (Chapter VIII), the Andhra Pradesh Public Works Department Code and the following further rules, which have been prescribed by the Government in consultation with the Accountant-General :—

(i) Discrepancies between labour reports and muster rolls should be investigated as soon as the latter are received.

(ii) The Sub-divisional Officer should check the attendance of labourers as frequently as possible, especially when the aggregate payment to be made on nominal muster rolls in connection with a work is likely to exceed P.s. 500/-.

(iii) All muster rolls relating to works executed departmentally outside the Scheduled Areas should, as a rule, be passed by the Sub-divisional Officer before payment, but the Executive Engineer may relax this rule in exceptional cases when its enforcement would cause undesirable delays. Such relaxation carries with it also the permission to pay the amounts of the nominal muster rolls from the permanent imprest with the Sectional Officers.

In regard to work executed departmentally in the Scheduled Areas, the Sectional Officer is authorized to pay muster rolls from his imprest without pre-audit by the Sub-divisional Officer, provided that the amount of work done by the coolies does not fall short of the standard fixed in the schedule of rates. The Sub-divisional Officer should check the attendance of labourers as frequently as possible. When the amount of work done by the coolies on a work in the Scheduled Areas falls short of the standard fixed in the schedule of rates by not more than 10 per cent, the Sub-divisional Officer may pay the muster rolls in full if he considers that there are adequate reasons for doing so. He should record the reasons whenever he does so.

(iv) Unpaid items should be carried forward from muster roll to muster roll until they are paid, and the payments of such items should be recorded and certified in Part II of the muster roll in the same way as payments of current items. A Divisional Officer may, if he prefer, adopt any other procedure for paying wages previously left unpaid, provided that a systematic record is maintained of items remaining unpaid on the basis of the original entries made in Part II of the muster roll and of the subsequent payments, and that suitable precautions are taken to prevent double payments.

Wages remaining unpaid for three months should be reported to the Divisional Officer who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned as exhibited in the sub-divisional record prescribed above.

**Note** :—This procedure is not applicable to the Electricity Department, where unpaid wages are not taken as liability in the account of works but are directly debited to them by credit to “Deposits”. Their payment is watched through an “Arrear Wages Register”.

(v) When daily labour is engaged through a contractor and payment is made to him on the basis of the number of labourers employed day by day, the subordinate in charge of the work should submit a daily report to the Sub-divisional Officer and also to the Divisional Officer in cases where the estimated cost of labour is likely to exceed Rs. 500 in Form P.W.A. XV indicating the number of labourers of each class employed each day, so that they may keep a check on the expenditure and deal with the contractor's claim where received.

**Note 1** :—The Sub-divisional Officer and the Divisional Officer should check the attendance of labourers as frequently as possible to verify the labour reports.

**Note 2** :—In cases where the contractor is paid only a definite percentage of the specific rates of wages paid to each coolie supplied by him, the labourers may be paid direct by Government at specified rates the transaction being accounted in a Nominal Muster Roll that may be maintained by the Public Works Department at the discretion of the Executive Engineer, after providing for such a procedure in the agreement with the contractor.

**Article 122.** A Muster Roll need not be kept in exceptional and urgent cases, such as urgent silt clearance of canals or the closing of breaches, where labourers are employed casually for short period. Nor need they be kept in the case of petty works and repairs done on Petty Works Requisition when the entries of daily labour are few and can be endorsed on the form of requisition itself.

#### ***LOCAL RULING UNDER ARTICLE 122***

Payments on a casual labour roll in Form P.W.A. XVI in which the names of the labourers are not given should not be made except by a Gazetted Government servant or an upper subordinate.

#### **(C) MEASUREMENT BOOKS**

**Article 123.** A detailed account of actual measurement in quantities of work done otherwise than by daily labour or on lump-sum contracts, and of supplies made by a contractor, should be kept in a Measurement Book in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

**Article 124.** Measurement Books may not be used in cases where, under the rules of Government, standard measurement books of buildings are maintained in order to facilitate the preparation of estimates for periodical repairs and are utilized for the purpose of preparing contractor's bills for such repairs.

#### ***LOCAL RULINGS UNDER ARTICLES 123-124***

1. A measurement book should be prepared in Common Form No. 298 in accordance with the instructions contained in the Andhra Pradesh Financial Code (Chapter VII), the Andhra Pradesh Public Works Department Code and the following further rules, which have been prescribed by the Government in consultation with the Accountant-General.

2. All the books belonging to a division should be numbered serially and the pages of each book should be machine numbered and a register of them should be maintained in Form P.W.A. xvii, in the Divisional Office showing the serial number of

each book, the name of the sub-division to which issued, the date of issue and the date of return, so that its eventual return to the Divisional Office may be watched.

**Note 1:-** A similar register should also be maintained in the Sub-divisional Office showing the name of the Sub-divisional Officer or Sectional Officer to whom each measurement book is issued. Books no longer in use should be withdrawn promptly even though not completely written up.

Completed measurement books containing measurements of works executed under contracts for which running accounts are maintained should be sent to the Divisional Office for final record after the final bills have been paid to the contractors concerned. Until then, such books, if not required for reference by the Sub-divisional or Sectional Officer, should be sent to the Divisional Officer for temporary record until they are required for making payments, when they should be taken back.

Completed measurement books containing wholly measurements of works or supplies for which payments are made on hand receipts or “first and final” bills, or measurements of items of works carried out departmentally for which payments are made on nominal muster rolls, or both, should be sent to the Divisional Office for final record immediately after all bills relating to the measurements recorded therein have been paid.

**Note 2 :—**Boat notes, which take the place of measurement books in regard to materials located into and unloaded from boats, should be treated as measurement books. This procedure is not applicable to the River Conservancy Sub-division, Guntur Division.

**Note 3 —**In the Electricity Department, “stores received books”, recording receipt of stores and “lorry log books” recording purchase of petrol, tyres, tubes and other accessories for departmental lorries are also treated as measurement books.

3. Subject to the exceptions authorized in the Andhra Pradesh Public Works Department Code, detailed measurements, should be recorded only by Executive, Assistant Executive or Assistant Engineers, or by executive subordinates, in charge of works to whom measurement books have been supplied for the purpose.

4. When measurements relating to the supply of materials are recorded, the purpose of the supply should be indicated in the measurement book in one of the following forms according to the circumstances :—

(i) “Stock” (for all supplies for stock purposes);

(ii) “Purchases for direct issue to (here enter full name of work as given in estimate) ..... “;

(iii) “Purchases for (here enter full name of work as given in estimate) ..... for issue to contractor ..... on ..... “.

5. When standard measurement books of buildings are maintained as contemplated in Article 124 above, the following rules prescribed by the Government in consultation with the Accountant-General should be followed carefully :—

(i) The entries of measurements and abstracts thereof should be recorded legibly in ink and certified by an officer of atleast the standing of a Sub-divisional Officer in his own handwriting to the effect that they are correct for the purpose of preparing both the periodical repair estimates and the contractor’s bills. Any corrections necessary should be attested by a Sub-divisional Officer or an Executive Engineer;

(ii) All the standard measurement books maintained in a division should be numbered in an alphabetical series, so as to be readily distinguished from ordinary measurement books and a register of them maintained in the Divisional Office in Form P.W .A. XVII, Part II. A similar register should be maintained in each Sub-division showing the books belonging to it, and the registers kept under lock and key in the custody of the Divisional or the Sub-divisional Officer concerned. The original standard measurement books should be kept in the personal custody of the Divisional Accountant in the Divisional Office.

(iii) Certified copies of standard measurement books relating to works in charge of a Sub-divisional officer should sent to him to be kept in his personal custody and the entries relating to them should be made on separate pages of the sub-divisional register of measurement books.

*Note* :—This need not be done when the Divisional Office and Sub-divisional Office are at the same station.

(iv) For the use of Sectional Officers, standard measurements of each work copied in loose sheets and signed by the Executive Engineer should be sent to the Sub-divisional Officer who will issue them to the Sectional Officers concerned.

*Note*:- —This need not be done when the Sub-divisional Office and Sectional Office are at the same station.

(v) When corrections have to be made owing to additions or alterations in a building, the Sub-divisional Officer concerned should make the corrections, in his copy of the measurement book. At the same time, he should intimate them to the Executive Engineer who will have the book in his office corrected under his initials. The copies with the Sectional Officers in which corrections have to be made should be called for by the Sub-divisional Officer, corrected under his initials and returned,

(vi) On the 30th April each year, the Divisional Officer should send a certificate to the Superintending Engineer that all the standard measurement books in the division have been inspected by him, that the entries therein have not been tampered within, and that all corrections due to additions or alterations in the buildings have been made in the books and that the latter are reliable and up-to-date records.

(vii) When a payment has to be based on standard measurements, the gazetted officer or subordinate preparing the bill for payment should certify in the ordinary measurement book and the bill that the whole of the work (or work since previous running bill, as the case may be) as per standard measurements in a book, the number of which should be quoted, has been done and that it has net previously been billed for in any form.

(viii) Separate measurement books should be set apart for noting the details of such bills so as to facilitate the review of payments based on standard measurements.

(ix) All bills so paid should be specially checked in the Divisional Office with reference to the standard measurements contained in the records of that office.

*Note* :—Standard measurement books may also be maintained for boats and ballacuts that require periodical repairs and the above rules are applicable to such measurement books.

6. Sub-divisional Officers should be required to submit the measurement books in use to the Divisional Office from time to time, so that atleast once a year the entries recorded in each book may be subjected to a percentage check by the Divisional Accountant under the supervision of the Divisional Officer. The following are the detailed rules on this subject:-

(a) The review conducted under these rules will be in addition to that conducted by Divisional Accountants on all final bills on running accounts and first and final bills which are received in the Divisional Office for pre-audit.

(b) A register should be maintained in the prescribed form in Sub-divisional and Divisional Offices for noting the progress of the receipt, review and return of measurement books. Twenty-five percent atleast of the entries in the measurement books should be reviewed each year. The arithmetical accuracy of the calculations in fifty percent of the entries selected for review, should also be checked by the Divisional Accountant. He need not, however, personally check the arithmetical calculations, when bills come up for pre-audit, but a cent percent check should be done by the Divisional Officer under his supervision.

(c) The percentage check (referred to above) of the entries made in every measurement book in use in the division in a month should be made within the following four months. For this purpose, each Sectional Officer and Sub-divisional should make a note of the numbers and pages of the measurement books in which fresh entries are made by them every month and report these particulars direct to the Executive Engineer within the first week of the following month. From these monthly reports of Sectional Officers and Sub-divisional Officers, the books that should be reviewed should be regularly entered in the register.

(d) There should be an even flow of books sent for review so that the work may not be rushed in a few months of the year.

(e) The books for monthly review should be received in, and returned from, the Divisional Office on dates to be fixed by the Executive Engineer of each division.

(f) The review should be conducted generally with reference to the rules in this section and the Andhra Pradesh Public Works Department Code. It should also be seen that measurement books do not contain any entries relating to labour engaged through contractors.

(g) The payments based on the entries reviewed should be traced into the various a. counts and verified. Similarly, supplies or issues of materials should be traced into the material-at-site accounts, ledger, etc., and verified.

(h) Every page reviewed should be initialed and dated by the Divisional Accountant with the remark "Reviewed" and a corresponding entry made in the prescribed progress register. The register should also be submitted to the Executive Engineer monthly and his initials taken.

**Note :—**The review of measurement books used by the officers and subordinate employed under the Sanitary Engineer should be made by the Manager of the Sanitary Engineer's Office. A register of progress of review of measurement books should be maintained in the Deputy Sanitary Engineer's and the Sanitary Engineer's Office.

### (d) Bills and Vouchers

**Article 125.** (a) All payments to members of work-charged establishment and to contractors and suppliers will be detailed in bills and vouchers drawn up on such form and according to such methods as the Government may prescribe in consultation with the Accountant-General.

(b) An account of items remaining unpaid on the passed bill of members of work-charged establishment, on the day fixed for closing the accounts of the month, should be kept in a suitable register of items remaining unpaid.

(c) A separate running account should be maintained in respect of each contract. Transactions relating to two or more working estimates should not be brought on to the same running account. Transactions relating two or more separate parts of the same working estimate for which separate works abstracts are prepared, (vide Article 134), should also appear in separate running account.

*Note* :—In exceptional cases, where more than one working estimate is covered by a single contract, the contract (agreement) need not be split up but the estimates may be consolidated to facilitate the maintenance of proper accounts in respect of that contract. If this procedure cannot be observed, some special accounts procedure may be devised on the merits of each case by the Accountant-General concerned. No consolidation of estimates or special accounts procedure is necessary where separate estimates covered by the single contract relating to different accounts heads or where separate estimates, whether relating to different accounts heads or not, are covered by a single running rate contract as in case of the painting of roads, etc., and where separate agreements are drawn on the basis of such rate contracts with other details varied to suit the requirements of each job.

### *LOCAL RULINGS UNDER ARTICLE 125*

#### (i) Forms of Bills and Vouchers

1. The authorized forms of bills and vouchers are the following:-

- (a) First and final bills - Form P.W.A. XVIII.
- (b) Running account bill A - Form P.W.A. XIX.
- (c) Running account bill C - Form P.W.A. XX.
- (d) Lump sum contract bill - Forms P.W.A. XXI and XXII.
- (e) Hand receipt - Common Form No. 476.

The use of the forms is explained in the following paragraphs and a few explanatory footnotes are printed on the forms.

2. **First and final bill** :— Form P.W.A XVIII :—This form should be used for making payments both to contractors for work and to suppliers, when a single payment is made for a job or contract, i.e., on its completion. A single form may be used for making payments to several payees, if they relate to the same work (or to the same head of account in the case of supplies) and are billed for at the same time.

3. **Running account bill A**:- Form P.W.A. XIX :—This form is intended for contract for work only, executed on the piece work system. It should be used :—



(1) if it is proposed to make advance payment under the rules in the Andhra Pradesh Public Works Department Code, or Local Ruling 16 below, or

(2) if an on-account payment is to be made, but an advance payment already made for the same work is outstanding.

4. **Running account bill C** :— Form P. WA. A2 :—This form is used both for contracts for work executed on the piece work system and for contracts for supplies. It is intended to be used for contracts for work, when only on-account payments are made. It is not to be used if an advance payment is to be made or if on advance payment in respect of the work is outstanding against the contractor.

5. **Lump sum contract bill** :—The forms of bills used for payment in connection with contracts based on the lump-sum tender system as defined in the Andhra Pradesh Detailed Standard Specifications are Forms P.W.A. XXI and XXII.

Form P.W.A. XXI is intended for intermediate payments which may be made to the contractor in accordance with his contract. No details of work done need be given in the case of item 3 of Part I—“Account of work” in this bill form. Details of measurements should, however, be given in the case of items 1 and 2 of this part of the bill form and reference should also be given to the numbers and pages of the measurement books in which the measurements are recorded. Form P.W.A. XXII is intended for final payment made to a contractor. The details of items (ii) to (v) alone, in Part I—“Account of work executed”—of this bill form should be given. For the rest, the certificate prescribed in the bill form itself is sufficient. As a further precaution, the contractor should be required to add to his acknowledge in his own handwriting a statement that he received the payment in full settlement of all demands.

**Note** :—The form of final bill is printed on yellow paper to distinguish it from that of the intermediate bill. (See Note 2 under Local Ruling 15 below).

6. The form of bill to be used on each occasion should be the one most suitable for the correct exhibition of the state of the contractor’s running account both before and after the transaction, regardless of the form or forms which may have been used for any previous payment or advance. (See also Local Ruling 16 below).

7. **Hand receipt**:- *Common Form No. 467* :—This is a simple form of voucher intended to be used for all miscellaneous payments and advances, for which none of the special Forms P.W.A. XVIII, XIX and XX is suitable.

### (ii) Preparation, Examination and Payment of Bills

8. Before the bill of a contractor is prepared, the entries in the measurement book relating to the description and quantities of work or supplies should be scrutinized by the Sub-divisional Officer and the calculations of “contents or area” should be checked arithmetically under his supervision. He need not work out personally all “contents” or “area, but he is responsible for the correctness of those entries. The rates allowed should be entered by the Sub-divisional Officer in the abstract of measurements. The bill should then be prepared, from the measurement entries, in one of the forms prescribed in Local Rulings 1 to 7 applicable to the case.

[See also the relevant rules in the Andhra Pradesh Public Works Department Code.]

9. Before signing the bill, the Sub-divisional Officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically. When the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made up, any recoveries which should be made on account of the work or supply or on other accounts being shown therein, if the Sub-divisional Officer is empowered to pay the bill, he should then record a formal pay order specifying, both in words and figures, only the net amount payable, though the payee should be required to acknowledge in his acquittance the gross amount payable, inclusive of the recoveries made from the bill.

*Note 1* :—The items and totals in contractor's bills should be rounded in accordance with the instructions in Chapter XIV of the Andhra Pradesh Financial Code.

*Note 2* :—Before signing a first and final bill or the first bill on a running account, the Sub-divisional Office should see that the relevant measurement entries were marked as pertaining to such bills, by the person taking the measurements.

*Note 3* :—In the Electricity Department, the acknowledgments for payments may be for the net amount of bills excluding recoveries.

10. (a) If the Sub-divisional Officer is not empowered to make the payment, the bill should be submitted with the measurement book to the Divisional Office; when the payment will be authorized by the Divisional Officer after the necessary scrutiny;

(b) In the case of materials received from firms in India by a Sub-divisional Officer, on orders placed by the Executive Engineer, the following procedure should be observed :—

A register in Form P.W.A. XXIII should be maintained in the Executive Engineer's Office to watch the disposal, from start to finish, of all indents for stores placed by him on firms in India. A sufficient number of pages of this register should be allotted for the orders placed on account of each sub-division, all such orders being noted as they are issued in Columns 1 to 3 of the register.

The firms should be required to send in their bills along with the consignments direct to the officer supplied. The latter should make the necessary entries in a measurement book as soon as the store are received, and should then pass on the measurement book and the bill to the Executive Engineer for pre-audit giving a reference to the measurement book in the bill and vice versa. The Executive Engineer should check the bill against the original indent and the agreed quotations, if any, and also with the entries in the measurement book, have the necessary entries made in the register prescribed for the purpose, pass the bill scoring out the entries in the measurement book, and return the bill with the measurement book to the Sub-divisional Officer. The Sub-divisional Officer should then pay the bill and note the fact in the measurement book.

11. From the measurement books, all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for work or supplies measured, a remark to the effect

Sub-divisional Officer

“Bill submitted to the on \_\_\_\_\_ on .....

Executive Engineer

should be endorsed on the abstract of measurements. The officer who signs the pay order should, immediately on signing it, cross out every page containing the detailed measurements of the work or supplies paid for by a diagonal red ink line. The officer who actually disburses the amount should enter the number and date of the voucher of payment with the remark "paid on ..... by voucher No. ...." on the abstract of measurements.

**Note** :—The document on which payment is made should invariably show in the space provided for the purpose the number and page of the measurement book in which the detailed measurements are recorded, and the dates on which the measurement and check measurement was made. (Memo. No. 75658/1051/Accts/71-2, Dt. 29-3-1972)

12. Payments should not be made for bricks at a supplier's private kiln until they are handed over to the charge of the Public Works Department Officers.

13. To ensure the proper performance of the duties imposed on the Divisional Accountant, he should have no hand either in preparing the bills of contractors or suppliers or in making cash payments to the latter, as such duties will impair his usefulness as examiner of claims and payments.

14. Contractors who are able to prepare their, own bills should be supplied with Forms P.W.A. XVIII, XIX, XX, XXI and XXII and loose measurement sheets for recording measurements, for their information, in support of the quantities entered in the bills. The Public Works Department officers and subordinates should, however, record measurements independently wherever necessary in their measurement books. The contractor's bills, when presented, should be checked by the subordinate in charge of the work with the measurements recorded by him in his measurement books and check-measured by the Sub-divisional Officer before payments are made.

15. (a) Payments for work done or supplies made in a running account on bill Forms P.W.A. XIX and XX should ordinarily be made monthly. Both the "quantities" and "amount" of each distinct item of work of supply should be shown separately in the bill except (1) in the case of advance payments made under Local Ruling 16 (b) below when quantities need not be specified, (ii) in the case of completed items or sub-works, the full details of which were included in previous bills, and (iii) in the case of such of the incomplete items or sub-works as remain unaffected since the previous bill.

In respect of items (ii) and (iii) above, it is sufficient if the amounts paid on earlier bills are shown in the subsequent bills, reference being given therein to the item numbers of the previous intermediate bills and the pages of the measurement book, in which full details were recorded. Full details (names, quantities, rates and amounts) should, however, be shown in the final bill for all sub-works and items.

(b) Such payments should be treated as payments on account, subject to adjustment in the final bill which should be drawn, in the appropriate form but printed on yellow paper, when the work or supply is completed or the running account is to be closed for other reasons. When a final payment is made on a running account, the payee, if he is able to write, should add in his own handwriting that the payment is "in full settlement of all demands". If the payee is illiterate, or is unable to write beyond signing his name these words should be filled in by the officer making the payment.

**Note 1** :—If the contractor refuses to give an acknowledgment to the effect that the payment made to him was in full settlement of all demands, it is not necessary to insist on

obtaining a qualified acknowledgment. [See Section 38 of the Indian Contract Act, 1872 (India Act IX of 1872)].

**Note 2** :—A form printed on yellow paper is never to be used except for final payments.

**Note 3** :—Payment of any amount after the contractor has accepted final payment in settlement of all demands requires the special sanction of the Government, with the exception that disbursing officers are not precluded from entertaining a bonafide claim, which was omitted from the bill by mistake or through inadvertence and paying it without the sanction of the Government.

16. (a) If the system of making advance payments to contractors for a work executed under the piece work system has been adopted, certificate 2 printed on Running Account Bill A (Form P.W.A. XIX) must be signed by Sub-divisional or Divisional Officer, and the lumpsum amount paid on account of each item should be specified against it in Part I of the Bill.

**Note** :—In the case of the Public Works Workshops, Hyderabad the certificate described above may be given by the General Foreman or the Assistant Superintendent of the Workshops.

(b) (1) An advance payment for work actually executed may be made on the certificate of a responsible officer (not below the rank of Sub-divisional Officer) to the effect that not less than the quantity of work paid for has actually been done and the officer granting such a certificate will be held personally responsible for any overpayment which may occur on the work in consequence.

(2) A description of the stage to which the work has reached e.g., “Superstructure completed, half roof-timbering fixed”, should be recorded on each bill.

(3) The advance payments made previously on such bills should be recovered on each bill. Detailed measurements should be taken at various stages of the work at the discretion of the Sub-divisional Officer or the Executive Engineer and a bill based on such detailed measurements should be prepared and all amounts paid for works not measured in detail should be adjusted from such bills.

(4) Not more than two consecutive bills may be paid without detailed measurements, and whenever Rs. 5,000/- or 25 per cent of the estimate, whichever is less, has been paid on such bills, detailed measurements must be taken and the advance payments cleared. In no cause should final payments be made without detailed measurements.

(5) The system should be extended only in the case of works executed by contractors of standing approved by the Executive Engineer.

(6) These rules should not be applied to works the measurements of which should not be postponed, such as earth-work and work in tank-beds.

### **(iii) Payments to Work-charged Establishment**

#### **(a) Pay Bills**

17. Wages of members of the work-charged establishment should be drawn and paid on Form P.W.A. XXIV, “Pay Bill of Work-charged Establishment,” which is a combined pay bill and acquittance roll form. A consolidated bill in this form should be prepared monthly either for the whole sub-division or for one or more sections of its, as may be convenient; but the names and claims of the entire establishment concerned,

including absentees, should be shown in each bill. Names should be grouped in the bill by works on which the men are employed, sanction to the entertainment of the establishment should be quoted in each case, and the Sub-divisional Officer should certify, in the space provided for the purpose, that the men being employed on the work and on the duties for which his appointment was sanctioned.

*Note 1* :—Deductions on account of fines, Income-tax, etc., should be shown by special entries against the names concerned.

*Note 2* :—If the acknowledgement of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hand receipt, Common Form No. 476, which should then be attached to the bill as a sub-voucher.

### (b) Unpaid Wages

18. Wages remaining unpaid on a passed bill on the date fixed for the closing of the accounts of the month, may be paid subsequently when claimed, the procedure described below being observed

(a) Items remaining unpaid on the monthly bill should be entered in a simple register, full particulars of the charge, including reference to the bill, being noted in the register.

(b) Subsequent payments should be made on Hand Receipts (Common Form No. 476), reference to the bill in which the charge was originally included and to the particular item thereof being quoted in each case.

(c) When making payments of arrears, suitable notes of payment should be recorded against the original entries in the register. [See Article 125(b) above]

*Note* :—The above procedure is not applicable to the Electricity Department, where unpaid wages are not taken as a liability in the accounts of works but are directly debited to them by credit to “Deposits”. Their payments are watched through an “Arrears Wages Register”.

### (c) Travelling Expenses

19. No bills need be prepared in support of claims for travelling expenses. Payments should be made on Hand Receipts (Common Form No. 476) which should set forth all the necessary particulars of the journey performed and of the expenses claimed and should be countersigned by the Divisional Officer prior to payment.

## II. CHARGES ON ACCOUNT OF MATERIALS

### (a) Introductory

**Article 126.** Issues of materials to works, whether from stock or by purchase, transfer or manufacture, shall be divided into two classes—

(1) *Issues to Contractors* — Issues of materials to contractors with whom agreements in respect of completed items of works i.e., for both labour and materials, have been executed.

(2) *Issues Direct to Works* — Issues of materials when work is done departmentally or by contractors whose agreements are for labour only.

**LOCAL RULINGS UNDER ARTICLE 126****Account of Materials-at-site****(i) Major Works**

1. In the case of major works in transactions relating to the materials-at-site are not likely to be heavy, an account in Form P.W.A. XXV should be maintained of all departmental materials brought on the site of a work from any of the sources mentioned in the above Article, showing the sources and quantities of all receipts and of their issues to the work as the transactions occur. This account should be kept both by quantities and values in the case of works whose accounts are kept by sub-heads, and only by quantities in other cases.

In the case of big schemes, such as water-supply and drainage works and other major works in which the transaction relating to materials-at-site are likely to be heavy, the following procedure should be observed: An annual register in Form P.W.A. XXVII should be maintained in the Divisional and Sub-divisional Offices and Sectional Offices giving a continuous record of the receipts, issues and balances of all materials for a particular work for all the months of a year and a monthly return in Form P.W.A. XXVI iii duplicate should be prepared by the Sectional Officer showing only those items of materials in which there are receipts and issues in a month and sent to the Sub-divisional Office. One copy of the return will be retained in the sub-division for posting the annual register maintained therein and the other copy sent to the Divisional Office for similar action. In the case of big works to which more than one Sectional Officer is attached, the Section statements will be consolidated in the sub-division and the consolidated return sent to the Divisional Office, to that the annual register may be posted up-to-date.

**(ii) Minor Works and Repairs**

A numerical account of materials-at-site of works should be maintained by the Sectional Officer and the Sub-divisional Officer in charge of a work in the form of the annual register in Form P.W.A. XXVIII giving a continuous record of the receipts, issues and balances of all materials for the work for all the months of a year. A monthly return in Form P.W.A. XXIX showing only those items of materials in which there are receipts and issues on a work in a month, should be submitted by each Sectional Officer to the Sub-divisional Officer for scrutiny and necessary action. At the end of each year or on the completion of a work or in the event of the charge of the work passing from one subordinate to another, the monthly return should, however, exhibit the closing balances of all materials-at-site of the work. Each Sub-divisional Officer should forward to the Executive Engineer Monthly a certificate to the effect that he has obtained from his Sectional Officers the accounts of materials-at-site of all minor works and repairs and scrutinized them.

The forms mentioned under the heads (i) and (ii) above provide also for the record of the estimated quantities in all cases and the value of materials in the case of major works only, so that, in the case of works executed departmentally and also in cases where any or all the items of contract are for labour, both the acquisition and the actual use of materials can be controlled with reference to the estimated requirements. In the case of works executed by contract, however, the record of estimated requirement of materials applies only the materials, the supply of which is retained in the hands of the Govern-

ment. It is important that the estimated requirement should be duly corrected whenever a revision of the original renders it necessary, and a note should be recorded at the foot of the account that this has been done.

*Note* : Materials belonging to a contractor should never be mixed up with departmental materials. Form P.W.A. XXV is intended to account for departmental materials alone.

2. All departmental materials brought on to the site of a work for use on that work from any of the following sources, should be entered as receipts in the “materials- at-site accounts” immediately on their receipt, giving a brief reference to the measurement book or in the case of receipts from stock to the invoice in Form P.W.A. X or to the Register of Stock, Issues in Form P.W.A. 4 in cases governed by the last sentence of Local Ruling 4 under Article 96 :—

- (1) Suppliers;
- (2) Store Department, London;
- (3) Stock or manufacture;
- (4) Other works; and
- (5) Other division, departments and Governments.

*Note 1* :—Materials already brought on to the site of the work and accounted for as receipts in the site accounts, should be shown as minus receipts in the same when they are transferred to stock or to another work, etc.

*Note 2* :—It is important, as far as possible, that materials should be obtained only when actually required and to the extent of actual requirements.

*Note 3* :—All petty items, the aggregate of which comes under Rs. 100, may be lumped together under a single head “Petty items” in the materials-at-site accounts, only the value being shown.

*Note 4* :—The procedure in the Electricity Department is different in certain respects as indicated in the department Manual.

#### **(b) Issues to Contractors**

**Article 127.** On the authority of the contractor’s detailed acknowledgment of the materials made over to him for use on works under the rules of the Government, the cost recoverable from him should be debited at once to his personal account by charge to the suspense head ‘Contractors—Other transactions’ in the works accounts, the adjustment being made at such rates as may be determined by Government. The adjustment should be effected by affording credit to the suspense head ‘Materials’ by being posted in the Issue Column, or where the suspense head is not maintained as in the case of minor estimates as a minus debit to the final head (vide Article 140). If the amount charged to the contractors account differs from that originally debited or debit to the suspense head ‘Materials-at-site’ for the materials then only the latter amount should be credited to ‘Materials-at-site’ in the works and site account, the difference being treated as additional final outlay under separate sub-head ‘Additional charges for materials issued to contractors’ plus or minus, according as the amount charged to the contractor is less or more than the cost originally debited to the ‘Materials-at-site’. This is necessary in order to be able to balance the sub-head ‘Materials-at-site’.

**LOCAL RULINGS UNDER ARTICLE 127**

1. With reference to the materials-at-site accounts maintained in Andhra Pradesh (see Local Ruling I under Article 126), the procedure prescribed in the above Article will be modified to the extent indicated below

The cost chargeable to a contractor for materials issued to him in accordance with the rules in the Andhra Pradesh Public Works Department Code should be charged to the suspense head “Contractors—Other transactions” in the Works Accounts, and credited to the suspense head “Materials-at-site” by being posted in the “Issue” column, or where this suspense head is not maintained, as in the case of minor estimates, as a minus debit to the final head. If the amount charged to the contractor’s account differs from that originally debited or debitible to the suspense head “Materials-at-site” for the materials, then only the latter amount should be credited to the head “Materials-at-site” in the works and site accounts.

2. The recovery from a contractor on account of the cost of materials issued to him for use on a work should, ordinarily, be made by deduction from the first bill authorizing an advance payment or an on-account payment to him for the work. Should, however, a lumpsum recovery be undesirable in any case the Divisional Officer may permit, for recorded reasons, the recovery to be effected gradually as the materials issued to the contractor are actually used in construction and the items of work in which they are used are paid for whether by an advance payment by an on-account payment.

3. As the issue of materials to contractors under the foregoing rules is permissible solely for the bonafide requirements of Government Works, Sub-divisional Officers should make such arrangements, as may be deemed suitable, for limiting the total issues to a contractor in connection with a particular work to the reasonable needs of that work. This precaution is particularly necessary when the rates at which any materials are issued are lower than the prevailing market rates, or the latter are expected to rise all materials issued to a contractor from time to time, for use on a work, is within the estimated requirements of the contract by means of the “materials-at-site” account form, if the top portion of the form is filled up. (See Local Ruling 1 under Article 126).

**(c) Issues Direct to Works**

**Article 128.** (a) In all cases materials issued direct to a work should; as soon as received, be brought to account as indicated below :—

	Source of receipt materials to be credited	Head of account	Mode of effecting adjustment of cost
(1)	Stock (including manufacture)	Stock	Though Stock accounts at the end of the month.
(2)	Transfer from another work	Work concerned	By special transfer entry in Form P.W.A.VII prepared as soon as the materials are received.
(3)	Transfer from another division, department or Government	Purchases	Do



(4)	Suppliers	Do	Do
(5)	Obtained through the India Store	London Stores	Do
(6)	Indian Charges on (5)	Head concerned	Through cash account or transfer entry, as the case may be.

The full value credited to the head concerned should be debited to the work (Article 129), and also entered in the "materials-at-site" account in cases in which the works accounts are maintained by sub-heads.

(b) In the case of materials received direct from suppliers full details of the articles received should, at the same time, be entered in a measurement book with the full name of the work as entered in the estimate. (vide Article 119).

#### **LOCAL RULING UNDER ARTICLE 128**

The value to be credited will be as follows :—

	<b>Source of receipt of materials</b>	<b>Value to be credited</b>
(1)	Stock (including Manufacture)	At the issue rates plus storage charges.
(2)	Transfer from another work	At a valuation See Article 130.
(3)	Transfer from another division, department or Government	At the rates charged by the division, department or Government concerned.
(4)	Suppliers	At the rates payable to the supplier under their contracts.
(5)	Obtained through the India Store Department, London.	The English cost — See Article 59.
(6)	Indian Charges on item (5)	Actual charges incurred See Article 61.

The full value credited to the head concerned and debited to the work should also be entered in the "Materials-at-site" Account, when the works accounts are maintained by sub-heads.

**Article 129.** (a) When materials are issued direct to a work, their cost should either be treated as a final charge or debited to the suspense head "Materials" in the accounts of the work, as prescribed in Article 136.

(b) When the suspense head "Materials" is used, a detailed account of materials issued to, or returned from, the work will be kept in such form as Government may prescribe in consultation with the Accountant-General, in order that the total issues of each kind of materials may be watched with reference to the estimated requirements.

(c) Government will also lay down rules for the periodical verification of unused balances of materials debited to works and for the disposal of the Verification Reports.

#### **LOCAL RULING UNDER ARTICLE 129**

The following rules have been issued by the Government in consultation with the Accountant-General :—

### I. Account of Materials-at-site

(i) The cost of materials brought to the site of a work should be debited to the suspense head "materials-at-site" in the Works Accounts or treated as a final charge according as it is a work for which detailed accounts by sub-heads are kept or not.

### II. Issue direct to Works

#### DETAILED ACCOUNTS

(ii) (a) In the case of Minor estimates, the cost of materials brought to site is charged finally to the work, there being no sub-head "Materials-at-site" in the works account. No further adjustment is necessary when materials are actually used up on the work. The detailed control over unused material can be exercised by means of the numerical account in the "Materials-at-site" accounts in Forms P.W.A. XXVIII and XXIX.

(b) In the case of Major estimates, which have the suspense head "Materials-at-site" in the works accounts, the value of materials as they are issued, should be posted day after day in the "Issue" accounts in Form P.W.A. XXV grouped according to the sub-heads of issue. At the end of each month, the total of the issues under each sub-head should be charged under the respective sub-head of the Works Abstract, by credit to the suspense head "Materials-at-site".

*Note* :—See Note I under Local Ruling 2 under Article 126.

### III. Verification of unused balances

(iii) Unused balances of Materials-at-site should be verified atleast once a year in the manner prescribed in the Andhra Pradesh Public Works Department Code. Whenever this verification is made, a report of verification of the materials should be prepared by the Sub-divisional Officer in Form P.W.A. XXV itself and submitted to the Divisional Office. The following instructions should be observed in preparing the report :—

(a) The closing balance (total of receipts and balances minus the total issues up to end of the month) should be entered against line B in the form and the difference, if any between the balance and actual balance as verified against line D.

(b) The quantities of principal items of materials probably used in work should be noted against Line E. These should be calculated on the basis of the "progress" of work done on each sub-head as worked out in a separate statement in Form P.W.A. XXXI.

(c) Deducting these quantities from the total quantities of the materials issued to the work shown in line A of the form, the paper balance of the unused materials should next be arrived at and setforth against line F.

(d) The report should then be completed by recording against line G remarks explaining action taken (i) to adjust the differences shown in lines D and F, (ii) if the work has been completed, to dispose of the surplus balances shown in line C and by signing the printed certificates applicable to the case and scoring out the others.

(e) The differences shown in line F may be due to (1) adoption of the method of determining the actual consumption, (2) unreasonable wastage, or (3) shortage in some other form. The discrepancies shown in line D may be due to differences between

the actual receipts or issues with those entered in the accounts, or to errors in measurements or in posting entries or losses of materials due to carelessness or neglect or fraud on the part of the subordinates. These differences should be carefully investigated and adjusted in accordance with rule (viii) below.

(iv) A similar verification of the unused balances of materials must invariably be made on the completion of a work, but on or before the completion of a work, when no more materials are required for use in construction, steps should first be taken to dispose of all surplus materials by transfer or sale, so that (1) the accounts of the work may promptly receive such credits as may be admissible under Article 130 (2) the balance at debit of the suspense head "Materials-at-site" representing the unused surplus materials may be reduced to a minimum.

(v) On the completion of a work, the surplus materials-at-site should be disposed of without delay, in accordance with the rules in the Andhra Pradesh Public Works Department Code and the Andhra Pradesh Financial Code (Chapter VIII).

(vi) If the Gazetted Officer or subordinate in direct charge of a work is transferred before the accounts of the work are closed, the unused materials-at-site of the work should be verified by the relieving officer in company with the relieved officer and the report prescribed in rule (iii) above should be prepared by the Sub-divisional Officer and submitted to the Divisional Office.

(vii) A report is required annually of the value of materials-at-site of all works the accounts of which were open on the last day of the official year. This report should be prepared in Form P.W.A. XXV and submitted to the Divisional Office in the manner described in the rule (iv) above as on completion of work, but it is not necessary that the balances should be verified at the close of the year, if—

- (1) the work has been under construction for not more than three months,
- (2) the accounts of the work are expected to be closed within three months,  
or
- (3) the balances were verified at any time during the year.

(viii) Reports of verification of materials in Form P.W.A. XXV prepared under rules (iii), (iv), (vi) and (vii) above should be dealt with in the Divisional Office in the manner described below :—

(a) A register showing the clearance of the suspense head "Materials-at-site" in the accounts of the work should be maintained in Form P.W.A. XXX. A separate folio of the register should be reserved for each work for which a materials-at-site account is kept. and for facility of reference, the register should have an index.

(b) Each report of verification in Form P.W.A. XXV should be entered in Part I of Form P.W.A. XXX as soon as received.

(c) The difference, if any, between the closing balance and the actual balance as verified (line D of Form P.W.A. XXV) should be recorded in Part II of Form P.W.A. XXX and the paper balance of unused materials (line F of Form P.W.A. XXV) in Part III of Form P.W.A. XXX. Part IV of Form P.W.A. XXX is intended to show how the materials remaining unused, i.e., the actual balance of materials on completion shown in line C of Form P.W.A. XXV are proposed to be disposed of. Parts I, II and III should

be operated on the receipt of each intermediate report of verification as well as of the final report, but Part IV on the completion of the work only.

(d) Petty deficiencies and surpluses held to be due to the adoption of the method for determining the quantities used in construction, may be adjusted under the orders of the Divisional Officer by debit or credit to the Sub-heads concerned, action being taken separately, if necessary, to make suitable revision of the method in use.

(e) Shortages and losses for which any contracts are held responsible should be adjusted by prompt recovery either in cash or by debit to their personal Ledger accounts. The recoveries should be credited to the work, a suitable entry being made in the Works Abstract also, to show the credit to the work. If they are recoverable from other persons, the debit should be transferred to "Miscellaneous Public Works Advances" by credit to the work by a transfer entry.

(f) Other actual losses which are irrecoverable, ordered to be written off by a competent authority, should be borne by the work itself and should remain charged thereto. They should be transferred to the sub-head "Contingencies" or to the other sub-heads concerned, or even to a sub-head opened for the purpose, as the case may be, according to the statistical value of the recorded cost of final sub-heads of work.

(g) Materials found in excess should be credited to the work, under the appropriate sub-heads and shown as "Receipts" in the column "Materials-at-site" in the works accounts and also in the materials-at-site accounts.

(h) The cost of surplus materials which cannot be sold or transferred elsewhere and losses on account of the sale or transfer of surplus stores at a rendered valuation should be adjusted in the works accounts by a change to the sub-heads concerned by credit to the sub-head "Materials-at-site".

*Note* :—The adjustments in clauses (1), (g) and (h) in the works accounts are only between the sub-heads therein and do not affect the total outlay on the work. No adjustment therein are, therefore, required in the case of minor estimates for which no sub-heads are kept. It is sufficient if the correct verified balances are carried forward in the case of (I) and (g) in the numerical site accounts for future purposes.

**Article 130.** If any surplus materials-at-site of works are transferred to works in progress or brought on to stock account, their value should be credited to the work to which they were issued originally and debited to the work to which they are transferred or to the stock account, as the case may be.

#### ***LOCAL RULING UNDER ARTICLE 130***

A list of surplus materials not disposed of should be maintained in the Sub-divisional and Divisional Offices as a supplement to the half-yearly stock return unless the Superintending Engineer considers this unnecessary.

[See also Article 200 in Chapter VIII of the Andhra Pradesh Financial Code]

#### **(d) Carriage and Incidental Charges**

**Article 131.**(a) The cost of carriage of stock materials to site of work, and of all carriages in connection with the movement, from place to place, of other materials issued to or provided specially for a work should be debited direct to the account of the work, the exact classification of charge being as indicated below

Nature of Issue of materials	Heads to be debited in the account of the works
I. Issues to contractors allowed under the terms of their contracts—	
(a) To the promised place of delivery.	The sub-head “Additional Charges for Materials issued to Contractors” or “Final Charges” according as the accounts of the work are or are not kept by sub-heads.
(b) Beyond the place of delivery, if incurred.	The personal accounts of the contractor under the suspense head “Contractors-Other Transactions”.
II. Issues to contractors allowed otherwise than under the terms of contracts.	Do
III. Issue direct to works	The sub-head to which the cost of the materials is debited.

(b) When surplus materials are returned from a work to stock, the cost of carriage should be borne by the work, but if they are transferred to another work, the charge may be debited to either work as may be equitable.

(c) Incidental charges connected with the movement of materials issued to or provided specially for a work or returned from a work should be adjusted in the same way as the cost of carriage.

(d) In all cases the places from and to which materials are conveyed, the distance, the quantity and the approximate weight should be stated clearly in the payment vouchers.

### *III. Book Adjustments*

**Article 132.** The detailed rules governing these adjustments are given in Section 3 of this Chapter.

## **C. — CONSOLIDATED RECORDS**

### *I. Works Abstracts*

#### **(a) General**

**Article 133.** An account of all the transactions relating to a work during a month, whether in respect of cash, stock or other charges, should be prepared in Works Abstract, Form P.W.A. 10, if the accounts of works are required under the rules of Government to be kept by sub-heads, or in Form P.W.A. 11 if they are not required under those rules to be so kept. In the case of petty works the accounts of which do not involve suspense transactions (e.g., advance payments, secured advances or other transactions of contractors) and for which the estimate, account and completion reports are prepared on single form prescribed by Government, no separate Works Abstract need be prepared.

[The procedure indicated in this and subsequent Articles should be followed also for purposes of classifying and collecting by objects of expenditure, the charges debited to the head 'Stock' from time to time — vide Article 98].

**Note** :----Percentage charges on account of Establishment, Tools and Plant and Account and Audit, levied on works expenditure, should not be shown in Works Abstracts and Registers of Works, though they are included eventually in the Cost works. (vide Note 2 on Form P.W.A. 27).

**Article 134.** Ordinarily, there should be one Works Abstract for each working estimate. It, however, the estimate is for a large work which is divided into several sub-works, a separate Works Abstract may be prepared for each sub-work provided that no part of an estimate should be separated from the rest if any contract for the execution of work connected with it covers also work connected with the other parts.

#### ***LOCAL RULINGS UNDER ARTICLE 134***

1. The maintenance of works accounts by sub-heads is unnecessary for all repair works, whatever their cost may be, and for original works in the following cases :—

(i) when a work or sub-work is executed entirely by one contractor, irrespective of the total value of work done; or

(ii) when the cost of a sub-work or part of a sub-work for which a separate Works Abstract has been kept under Articles 133 and 134 does not exceed Rs. 10,000; or

(iii) when the Superintending Engineer considers that the circumstances of the work render such accounts useless or impossible to maintain, in which case a copy of his order specifying the reasons should be forwarded to the Accountant-General.

2. Except in the cases mentioned in Local Ruling 1 above, a separate account should be maintained, in the case of Major Estimates, for each sub-head estimated to cost not less than Rs. 1,000 for State Works, in the absence of orders of the Divisional Officer to the contrary, the remaining sub-heads should be lumped together. For such work and for those Minor Estimates for which the Superintending Engineer or other sanctioning authority directs that accounts to be kept by sub-heads, the detailed Works Abstract Form P.W.A. 10 should be used. For other Minor Estimates the simpler Works Abstract Form P.W.A. 11 in which the account of the final outlay is not kept by sub-heads should be used. Form P.W.A. 11 should also be used for petty works when the accounts of the work involve transactions which cannot be suitably recorded in the Petty Works Requisition and Account (Common Form No. 145).

#### **(b) Sub-Heads**

**Article 135.** Subject to the following directions and subject also to such detailed rules as may be made by Government in this behalf, the various sub-heads into which the final charges of a works should be distributed will be determined by the classification sanctioned in the abstract of the estimate

(a) Miscellaneous charges of a general nature, which do not pertain to any subhead in particular, should be treated as separate sub-heads e.g., work-charged establishment, contingencies etc.

(b) If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should be debited ordinarily to the sub-head concerned unless they are recoverable from the contractor under the terms of his agreement. But if the amount involved be so large as to effect seriously the cost or rate of the sub-head, it should be debited to the sub-head "Contingencies" or, with the sanction of competent authority, to a new sub-head additional to the original sanctioned sub-heads of the estimate.

(c) If any receipts or recoveries are credited under the rules to the account of a work of which accounts are kept by sub-heads, a special sub-head should be opened in the Works Abstract for the reception of all such credits.

(d) In the case of works carried out on lumpsum contracts, the expenditure need not be booked by sub-heads if all the charges represent nothing but payments on a lumpsum contract.

### **LOCAL RULINGS UNDER ARTICLE 135**

#### **(a) Major Estimates**

1. When the number of sub-heads of an estimate is large, it will be found convenient to assign a number to each sub-head and to prefix this number to the name of the sub-head, wherever it is used on vouchers, Works Abstracts, Registers of works or other accounts.

2. After a Major Estimate has been sanctioned, it may be decided to make a change in the method originally contemplated for the execution of the work. In such a case, the original Abstract should be recast in accordance with the instructions laid down in the Andhra Pradesh Public Works Department Code. The details of cost and quantities already approved by competent authority should be re-arranged and the revised Abstract should be approved by the Divisional Officer and thereafter treated as the sanctioned Abstract of the estimate for all account purposes.

3. If the number of sub-heads in the working estimate for a work or sub-work is large, it is permissible to break up the estimate into two or more parts, and to treat each Part as a sub-work for the purposes of accounts; but no part of an estimate can be separated from the rest, if any contract for the execution of work connected with it covers also work connected with the other parts. It is advisable to adopt this course if one or more parts of a work or sub-work are completely executed long in advance of the others and no useful purpose will be served by keeping open the accounts of the completed parts.

4.(a) The account of each sub-head in the Works Abstract should ordinary exhibit—

(1) '*amount*' i.e., total charges finally classified under the sub-head;

(2) "*progress*", i.e., total quantities executed from time to time; and

(3) "*rate of cost*", i.e., cost per unit on the basis of the recorded '*amount*' and '*progress*'.

(b) In the case, however, of sub-heads which have been lumped together under Local Ruling 2 under Article 134 or sub-heads representing items of work which cannot

be expressed in quantities, no quantities are shown in the abstract of estimate and the record of "Progress" and "rate of cost" in the accounts is not necessary. the entries in the 'amount' column being sufficient.

(c) In the other case the "progress" and "rate of cost" should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under any sub-head may, during the progress of construction, be dispensed within the following cases under the written orders of the Divisional Officer which should specify reasons :—

(1) If the duration of construction under the sub-heads is not expected to be more than three months;

(2) If the quantities executed are not in the same units as those specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

5. The charges classified under a final sub-head should include all ordinary expenses incidental to construction.

6 In the accounts of Major Estimates a final sub-head, entitled "Additional Charges for materials issued to contractors." should be opened if the system of issue of materials to contractors has been adopted and the rates charged to the contractors there for are either more or less than the actual cost to the Government. This sub-head should bear all losses on this account and receive credit for all profits as explained in Article 127. The carriage and incidental charges on account of materials issued to contractors should also be debited to this head, if under Article 131 they are chargeable to the work.

#### **(b) Minor Estimates**

7. If the Superintending Engineer has directed the accounts of a Minor estimate to be kept by sub-heads (see Local Ruling 2 under Article 134, Local Rulings I to 6 above will apply. In the case of Minor Estimates for buildings, bridges and other structures, if the transactions relating to the direct issues of materials are of sufficient importance and it is desirable, with the object of exercising control thereon, to record their cost separately in the accounts, the procedure prescribed in clause (ii) of the Local Ruling under Article 129 in respect of Major Estimates may be adopted and a column opened for the suspense head "Materials-at-site" in the Works Abstract. In all other cases, the account of all final outlay on a Minor Estimate should be kept in a single column headed "Final charges" in Works Abstract Form P.W.A. 11.

#### **(c) Recoveries of Expenditure**

8. In the case of works, the accounts of which are kept by sub-heads all recoveries which may be taken in reduction of the expenditure on works in progress should be credited to a special sub-head in these accounts. In the case of other works, the progress of the realization of receipts should be watched through the Register of Recoveries (vide Miscellaneous Local Ruling after Article 116), which should be posted from sanctioned estimates in respect of credits anticipated therein, and from the accounts in respect of receipts realized from time to time.



**Article 136.** In addition to the head “Final charges”, or the final sub-heads in the case of works of which accounts are kept by sub-heads, the following suspense accounts should be opened in works Abstracts to record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned or of which the correct classification cannot be determined immediately:

(1) “*Materials*”— for the record of the cost of materials issued direct to work.

**Note :** ---When provision is made in the abstract of estimate separately for “labour” and “materials” under any sub-head, the account of the cost of all materials issued to the work from stock, or by purchase, manufacture or transfer, should be kept under a single head, entitled “Materials”, the sanctioned amount of which should be taken to be equivalent to the aggregate provision for “Materials” in the estimate. The “labour” divisions only will thus appear in the Works Abstract as separate sub-heads of final outlay. The charges booked under the suspense head “Materials” should be transferred to the final sub-heads of works by the Divisional Office at the time of closing the accounts of the works. (vide Article 145).

(2) “*Contractor:’---Advance Payments*”- for the record of advance payments and of their recoveries.

**Note :** ---In the case of lumpsum contracts, payments for measured-up additions and alterations, as well as for the work covered by the lumpsum for which no detailed measurements are necessary should be treated like advance payments and brought to account in the works accounts under the suspense head “Contractors— -Advance Payments”. If a percentage or any other portion of the value of work done is withheld as security for the due fulfillment of the terms of the contract, the net amount remaining after the deduction of the portion withheld, should be entered as the advance payment.

(3) x x x x

(4) “*Contractors --- Other Transactions*” — for the record of all other debits or credits to contracts awaiting settlement.

**Note :**—if a Running Account Bill or Muster Roll is only partly paid, the total amount due thereon as value of work done or supplies made should be brought to account in the Works Abstract as final charges or as expenditure on the sub-heads concerned, and the amount remaining unpaid should be shown as a minus entry in the appropriate suspense column — “Contractors — Other Transactions” or “Labourers”.

(5) “*Labourers*” - for the record of unpaid wages of labourers and of their subsequent payment.

**Note :**-----See Note under item (4) above.

#### **LOCAL RULINGS UNDER ARTICLE 136**

1. In Andhra Pradesh the suspense account “Materials-at-site” will be used in the place of the account “Materials” referred to in the above Article. (See Local Rulings under Articles 126, 127 and 129).

2. All “Intermediate payments” made to the contractor in the case of lumpsum contracts and so acknowledged by him are regarded as advances made to him on account of the work concerned and are brought to account in accordance with the above Article.

3. From the final bill paid to the contractor (Form P.W.A. XXII) the total advances made to him in the running account bills (Form P.W.A. XXI) or other recov

erable payments will be deducted by short payment from the total value of work done, and the recoveries so made will be shown as minus figures under the suspense head concerned, in which the plus figures will already be outstanding.

### (c) Record of Progress

**Article 137.** Entries of “Progress” in the Works Abstract will be made according to such instructions as the Government may lay down in this connection.

#### *LOCAL RULING UNDER ARTICLE 137*

Entries of “progress” in the Works Abstract should be supported by details in the statement provided for the purpose on the reverse of the Works Abstract form. These details should be furnished by the Engineer or subordinate in charge of the work or by any executive officer or sub-ordinate detailed for the purpose, and should be based on entries already made in the measurement book. Their compilation from measurement books, vouchers or other records, by members of the office establishment, should not be permitted. The following points should be specially borne in mind

(i) Only “quantities” actually measured and paid for should be reported as “progress”.

(ii) The progress reported should specify the quantities executed “up-to-date” sets of earlier measurement covered or superseded by later ones being ignored.

(iii) The progress of an item of work should be reported as to describe as approximately as possible in items of the unit adopted, the quantities of work executed up to the required standard.

**Note :—**It is recognized that perfect accuracy cannot always be secured in making intermediate report of progress. A fairly reliable record is all that is necessary but if the nature of the work makes it impossible or difficult to achieve this in practice, reports of progress may be dispensed with in cases covered by Local Ruling 4 under Article 135.

### (d) Liabilities against the work

**Article 138.** If a contractor delays receiving final payment for more than one month after his final bill has been passed, the account of the work as passed on the bill should be incorporated in Works Abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head “Public Works Deposits”, to be dealt with thereafter under the rules of Government. If the final account of a contractor shows that he has already been overpaid or that the account closes with a balance due by him and if an immediate recovery is not practicable, the balance should be removed from the Works Abstract by debit to the head “Miscellaneous P.W. Advances”.

**Article 139.** If any wages of labourers remain unpaid after the completion of a work, the accounts of the work may be kept open for a period of one month, which may be extended to three months at the discretion of the Divisional Officer. Thereafter the accounts of the work should be closed, the balance under the suspense head “Labourers” being left unadjusted. If unpaid wages of labourers are claimed and paid subsequent to the closing of the accounts of a work, the accounts of the work may be re-opened at the discretion of the Divisional Officer.

(This Article is not applicable to the Electricity Department where the works are debited even in the first instance with the gross wages and their accounts are closed as soon as the works are completed. The unpaid wages are accounted for under “Deposits”).

**LOCAL RULINGS UNDER ARTICLE 139**

1. If any wages of labourers remain unpaid after the completion of a work and the closing of its accounts, the amount should be shown in any Completion Report or Statement that may be prepared under the rules in the Madras Public Works Department Code, by a special remark, as a liability against the work and it should be excluded from the total final expenditure on the work so as to arrive at the amount actually brought to account.

*Note* :—If unpaid wages of labourers are claimed and paid subsequent to the closing of the accounts of a work, the payment should ordinarily be charged against a fresh estimate under the same head of service as the original work, a suitable note being recorded by the Divisional Officer against the closing entry relating to the original work in the Register of Works. Where, however, it may prove more convenient, the accounts of the work may be re-opened at the discretion of the Divisional Officer.

2. Disbursing officers are responsible for keeping a strict watch over the balances under the suspense accounts, “Contractors” and “Labourers” with a view to prompt adjustment by recovery, settlement of account or detailed measurement, as the case may be. For this purpose, the statement headed “Detail of Contractor’s closing balances” and the suspense head “Labourers” in the Works Abstract should be examined monthly.

3. Liabilities are not incorporated in the accounts of works except in the following cases

(a) Unpaid balances of partly paid running account bills or muster rolls are invariably incorporated (See Article 136);

(b) The value of materials received from sources other than stock (including manufacture) whether for issue to contractors or for issue direct to works, is at once brought into the accounts of works even though payments to suppliers and adjustments crediting the transfer accounts concerned, may not be made at once (see Articles 127 and 128); and

(c) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account (see Article 138 and 139).

Disbursing officers are, however, responsible for keeping a strict watch over all liabilities with a view to setting them promptly — See Local Ruling 2 above.

4. If any liabilities relating to works are incurred on behalf of contractors, arrangements should be made for withholding sufficient balances from their bills or for making the necessary recoveries from them in due course. On the analogy of the rule in Article 119, all records on the authority of which liabilities may be liquidated or incorporated in the accounts, should invariably specify (1) the full name of the work as entered in the estimate, (2) the name of the sub-head thereof, if any, and (3) recoverable charges, if any, with the name of the contractor or other person from whom recoverable.

**(e) Preparation, Completion and Disposal**

**Article 140.** The Works Abstract should be prepared in the Sub-divisional Office in the first instance. It should be posted day by day from the Cash Book and the connected bills of contractors and suppliers, cash refunds and readjustment of final charges being posted as minus entries.

When the form of the Works Abstracts contains the column 'Materials', the charges debitable to the work on account of materials should be posted in the receipts column of the suspense head 'Materials' from the cash book and connected bills day by day or from the transfer entry book and stock registers at the end of the month, as the case may be. When materials are issued to the contractors, the cost should be credited then and there under the sub-head 'Materials Issues' or under the final head in the case of minor estimates, by debit to the head 'Contractors — Other transactions' even though the debits to the work on account of materials may be made later on. In the case of departmental works, the suspense head 'Materials' may be cleared at the end of the month, through the 'Materials-at-site Account' by debiting the cost of the materials to the respective sub-heads for which they have been issued by credit to the suspense head 'materials'. At the end of the month, stock and adjustment transactions should be added, written back of final charges being posted as minus entries.

In the detailed statements provided for the purpose, quantities of work executed should be posted in accordance with the instructions mentioned in Article 137 and the closing balances of contractors' accounts should be detailed so that the correctness of the up-to-date totals under the suspense heads, (1) Contractors — Advance Payments, (2) x x, and (3) Contractors — Other Transactions, should be proved. The closing balances arrived at under the suspense head "Labourers" in each case, should be agreed with the connected record of unpaid wages and its correctness should be certified over the dated initials of the Sub-divisional Officer. The Works Abstract should then be forwarded in original to the Divisional Office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the Divisional Officer.

**Note 1 :—**The posting of stock and adjustment transactions may, if preferred, be done entirely in the Divisional Office.

**Note 2:-** Posting made in the Sub-divisional Office should be in black ink and all postings and corrections made in the Divisional Office in red ink.

**Note 3: —** Office copies of Works Abstracts need not be kept, as the originals are returned by the Divisional Office after completion. Before the Works Abstracts are sent to the Divisional Office, the up-to-date totals should be entered in Advance in the returns for the following month and these should be corrected, if necessary, on return of the Works Abstracts from the Divisional Office.

**LOCAL RULINGS UNDER ARTICLE 140**

1. When the form of the Works Abstract contains the column "Materials-at-site" (see Local Ruling 1 under Article 136), the charges debitable to the work on account of materials should be posted in the receipts column of the suspense head "Materials-at-site" from the cash book and connected bills day by day or from the transfer entry book and stock registers at the end of the month, as the case may be. When materials are issued to contractors the cost should be credited then and there under the sub-head "Materials at-site—Issues' or under the final head in the case of Minor Estimates, by debit to the

head “Contractors—Other transactions”, even though the debit to the work on account of materials may be made later on—see Local Ruling 1 under Article 127. In the case of departmental works, the suspense head ‘Materials-at-site’ may be cleared at the end of the month through the “Materials-at-site accounts” by debiting the cost of materials to the respective sub-heads for which they have been issued, by credit to the suspense head “Materials-at-site”.

The balance at the debit of the suspense head “Materials-at-site” in the Work Abstract should be reconciled with that in the detailed account in Form P.W.A. XXV. The Works Abstract should then be forwarded in original to the Divisional Office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the Divisional Officer and the Abstract checked and closed wider the supervision of the Divisional Accountant, who should record a certificate in the following form :—

“This Abstract has been checked by me under my supervision, I have personally compared all the items in the “Details of Contractors’ closing balances” with the Contractors’ Ledger and found them correct”.

2. When finally completed in all respects, all the Works Abstracts of a month should be examined by the Divisional Officer and any explanations necessary called for from the Sub-divisional Officer. The monthly examination of the Works Abstracts is an important part of the duty of the Divisional Officer and must not be omitted. He must initial (and date) them in token of the performance of this duty.

## *II. Register of Works*

### **(a) Form and Preparation**

**Article 141.** A permanent and collective record of the expenditure incurred on all works carried out during a year should be maintained in the Divisional Office in Registers of Works, Form P.W.A. 12 and P.W.A. 13 (corresponding respectively to the two forms of Works Abstracts, Forms P.W.A. 10 and P.W.A. 11) in accordance with the instructions printed on these forms. These registers should be posted monthly from Works Abstracts. When Works Abstracts are prepared, under Article 134, for the sub-works or parts of an estimate, the transactions relating to each Works Abstract should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios to compare the cost of the work and its sub-works with the provision in the estimate.

[The procedure indicated in this and subsequent Articles should be followed also for purposes of and collecting classifying by objects of expenditure the charges debited to the head “Stock” from time to time vide Article 98.]

*Note* :—The maintenance of a register in Form P.W.A. 13 for petty works for which the estimate, account and completion reports are prepared on a single form prescribed by Government (vide Article 133) is optional.

### ***LOCAL RULING UNDER ARTICLE 141***

The object of this register is to get an analysis of the cost of sub-works and subheads, so as to make it possible to determine the rate of cost of work and to foresee, as far as possible, excesses over estimates.

**Article 142.** Before the date of submission of the monthly accounts to the Accountant-General, the posting of the Registers of Works should be completed and the registers should then be laid before the Divisional Officer for review. The monthly account of each work on which there has been expenditure during the month should be initialed and dated by the Divisional Officer in the column set apart for the purpose, in token of his having examined the entries and found them correct.

*Note* :—If the transactions of a division are very large, the Divisional Officer may allow an extra period of a few days for the completion of the Registers of Works, but the submission of the monthly accounts to the Account-General and the completion of the Works Abstracts should not be delayed on this account.

#### ***LOCAL RULINGS UNDER ARTICLE 142***

1. Actual as well probable excesses, whether in the total cost of a work or subhead or in the rate of cost of a sub-head, should receive special attention and Works Slips in Form P.W.A. XXXII should be prepared and submitted to the Superintending Engineer when necessary (see the Andhra Pradesh Public Works Department Code).

2. It should be seen, with special reference to works on which there have been only petty or no transactions during the previous two or three months, if there are circumstances justifying the retarded progress of expenditure. If any such works have been stopped or are known to be nearing completion, the delay in closing their accounts should be required into. (see also Article 143). If the slow progress of expenditure is due to delays in measuring work done or in settling up bills, the cause at work should receive attention.

*Note* :—The above Article and rules are not applicable to the Public Works Workshops, Hyderabad but the Register or workshop jobs should be inspected monthly by the General Superintendent to see that it is being posted up-to-date. He should also test-check the entries in the case of at least 5 per cent of the jobs under execution and record a certificate to that effect.

#### **(b) Closing of Accounts on Completion of Works**

**Article 143.** It is an object of great importance to close the accounts of works as soon as possible after the actual work of construction is completed. If there is necessarily any delay in closing the accounts, it should be seen in particular that further charges are not incurred without the permission of the Divisional Officer.

**Article 144.** Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules, have been made in the accounts, that all liabilities not originally brought to account have either been liquidated or since brought to account and that the balances under the suspense accounts ‘Contractors’ and ‘Labourers’ have been cleared. (vide Articles 138 and 139). If the whole or any part of the expenditure on the work is recoverable from another Government, department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

**Article 145.** (a) The suspense account ‘Materials’ should be cleared and the total cost of materials should be distributed over the final sub-heads or other accounts concerned in accordance with such rules as the Government may lay down for the purpose.

(b) The sub-head “Additional Charges for Materials issued to Contractors” should receive the special attention of the Divisional Officer who should, if necessary, investigate large closing balances under this head before he permits the accounts of the work to be closed. It is not necessary to clear this head by transferring the charges booked under it to other final sub-heads, but profits or losses which are not clearly traceable to known differences between the rates chargeable to contractor and the actual cost to Government should not be accepted as correct without closer examination.

#### ***LOCAL RULING UNDER ARTICLE 145***

The steps to be taken to clear the suspense head “Materials-at-site” have been detailed in Articles 129 and 130 and the Local Rulings under them.

**Article 146.** The accounts of annual maintenance estimates should be closed in the month fixed by Government concerned, as the last month of the working year for the purpose. Ordinarily, it will be possible to complete all the repair work and to settle the account of contractors and other suspense accounts, before the expiry of the working year. If, in any exceptional case, any work remains to be done and it is proposed to carry it on to completion, action should be taken as described below—

(1) The expenditure incurred in the next working year should be treated as expenditure against the annual maintenance estimate for that year.

(2) The suspense accounts of the work should be closed in the last month of the working year by transferring the balances of all those accounts to the general suspense accounts “Public Works Deposits” or “Miscellaneous P.W. Advances” as the case may be, which should be relieved in the following month by re-transferring the balances to the suspense account concerned in the accounts of the maintenance estimate for the next working year. All unsettled liabilities and assets should then be treated as those pertaining to the next working year’s estimate.

X X X X X X X X

**Article 147.** When the work is completed and the accounts of it have been settled and written up as indicated in Articles 144 and 145, a double red ink line should be ruled below the final entries and a note made in red ink “Work completed in ..... 19 ..... . This note should be signed by the Divisional Officer in token of his satisfying himself that all action has been taken under those Articles. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the divisional accounts unless this authority has been placed on record.

#### ***LOCAL RULING UNDER ARTICLE 147***

When a Deposit is completed and the accounts have been closed, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the Divisional Officer.

**Article 148.** If the total expenditure on the work is in excess of the sanctioned estimate and the excess is passed by the Divisional Officer under his powers, the words, the “Excess passed by me” should be added to the completion note recorded under Article 147. If, however, the excess is such that the Divisional Officer cannot pass it within his powers, the completion note in the Register of Works should be amplified thus:—

“Work completed in ..... 19 ..... Completion Report/Statement submitted with the office letter No ..... dated ..... “.

*Note* :—The Completion Report/Statement will be submitted to competent authority in the form prescribed by Government.

### ***LOCAL RULING UNDER ARTICLE 148***

When the Divisional Officer has no power to pass an excess over a sanctioned estimate, a Detailed Completion Report in Form P.W.A. XXXIII should be prepared or the item should be prepared or the item should be included in a consolidated Completion Statement of Works and Repairs in Form P.W.A. XXXIV, as may be required under the rules in the Andhra Pradesh Public Works Department Code. The orders passed subsequently by the competent higher authority on the excess reported in the Completion Report or Statement should also be noted in the Register of Works to complete the record.

#### **(c) Correction of Errors after the Closing of Accounts**

**Article 149.** Should an error or omission in the recorded expenditure of a work come to light after its accounts have been closed, the accounts may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees or any other limit prescribed by Government, in which case a note of the error or omission should be made in the relevant documents concerned.

### ***III. Contractors' Ledger***

#### **(a) Form and Use**

**Article 150.** The accounts relating to contractors should be kept in the Contractors' Ledger, Form P.W.A. I, a separate folio or set of folios being reserved for all transactions with each contractor for whom a personal account is maintained. (vide Art.151).

**Article 151.** Except in the following cases, a personal account should be opened in the ledger for every contractor, whether or not a formal contract has been executed :—

(a) if the work or supply entrusted to him is not important and no payment is made to him except on a First and Final Bill on completion of the work; if any materials are issued to the contractor or any payments are made on his behalf, a ledger account should be opened:

(b) if, under the rules of Government a consolidated monthly account for “on account” payment of petty contracts employed on the same work or section of a work is prepared in preference to a separate bill for each payee, a single ledger head, “Petty Contractors” should be opened for the running accounts of all such contractors.

### ***LOCAL RULINGS UNDER ARTICLE 151***

1. No personal ledger accounts need be maintained in the case of payments made to petty labour contractors engaged in the Public Works Workshops, as the work order form itself contains in it the agreement with the contractor and provides also for recording therein payments made to him from time to time.

2. The procedure referred to in clause (b) of the above Article is not in force in Andhra Pradesh.



**(b) Posting**

**Article 152.** Except when a contractor's account is to be closed and the procedure prescribed in Article 138 is observed in respect of unpaid bills, the value work done or supplies made by a contractor should not be credited to his account until his bill has been passed and payment made thereon. Debit entries in the ledger should be made only on the basis of transactions recorded in the accounts and postings should be made from the supporting cash, stock or adjustment vouchers, liabilities not yet liquidated should be excluded altogether. The value of materials issued to a contractor should be debited to his account on the authority of his acknowledgement. (see Article 127).

**Note 1:**—Security deposits of contractors should not be included in their personal account in the ledger. (vide Article 74).

**Note 2 :**—When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connection with his contract for the latter work, two distinct sets of entries should be made in the ledger, one payment made on account of the former work, and the other for the recovery creditable to the latter as if that recovery had been made in cash.

**Note 3 :**—If there are several contracts in connection with a work or account, the transactions relating to each should be distinguished, preferably by quotation of the number and date of the agreement or work order.

**Note 4 :**—If a petty contractor's account has to be removed from the combined ledger head "Petty contractors' account" [vide Article 151 (b)] to a separate personal account for him, the total value of work done up-to-date and total payments up-to-date should be debited or credited respectively, to the "Petty contractors' account" and taken on to the personal account as credits and debits.

**LOCAL RULING UNDER ARTICLE 152**

The Contractors' Ledger should be written up in the Divisional Office. It is not necessary for the Sub-divisional Officer to maintain a similar ledger in his office but if he maintains one, the Divisional Office may not require him to furnish extracts therefrom.

**Note :**—As the Sub-divisional Officers are responsible for clearance from works accounts of all outstanding against contractors, a list of balances due to and from piece-workers and contractors should be maintained by them, and this may, preferably, be done in the same form as the contractor's ledger.

**(c) Balancing and Reconciliation**

**Article 153.** The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be in such detail as to show in respect of each separate work or account (Stock or Purchases), the amount outstanding under each of the suspense accounts, Advance Payments, x x x and Other Transactions, with a quotation, in each case, of the last Running Account Bill and of all the vouchers supporting unadjusted outstanding under "Other Transactions" not incorporated in the last Running Account Bill.

**Note :**—The Petty Contractors' Ledger account should also be closed and balanced in the same way, the balance being recorded as pertaining wholly to the suspense head "Other Transactions".

**LOCAL RULINGS UNDER ARTICLE 153**

1. In the case of running account bills, the balances can easily be ascertained from the memorandum of payments as indicated in the table below and it will be found convenient in practice to make a note of the outstanding balances of each bill, in the ledger, when posting the bill, so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded :—

Classes of balance	Serial number of entry in memorandum of payments on bill form	
	<i>Running Account bill</i>	<i>Running account bill</i>
	A	C
(1) Advance payments	2	.....
(2) Other Transactions	4	2

*Note* :—See Note 3 under Article 152.

2. The Divisional Accountant should be held responsible for the correctness of the Contractors Ledger and for securing agreement, month by month, between the balances detailed in the Work Abstracts and the corresponding balances of the accounts in the ledger. He should further see that there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

**Article 154.** Periodically, all the personal accounts in the ledger should be examined and it should be seen (1) that balances do not remain outstanding for a long time without justification, and (2) that, in the case of running accounts, bills are prepared at reasonable intervals.

**LOCAL RULINGS UNDER ARTICLE 154**

1. Entries in column 9, “Total value of work or supplies”, in Form P.W.A. 14 not bearing the initials of the Divisional Accountant vide note 2(vii) in the form, should be reviewed in particular to ascertain the cause of delay if any, in the preparation of final bills. This examination must invariably be made before a volume of the ledger is laid aside on completion, so as to ensure that all outstanding accounts in it are earned forward to a new volume.

**Scrutiny of Accounts by Contractors**

2. A Contractor requiring copy of his running accounts bill or an extract from his account in the Contractors’ Ledger should be furnished with the same. He should be encouraged to look at his account in the ledger and sign it in token of this acceptance of it.

**SECTION 6*****Manufacture Accounts*****A. — GENERAL**

**Article 155.** When materials are manufactured departmentally, either for the general requirements of works for a particular work, a separate account, called a Manufacture Account, should be kept of the transactions connected with each manufacture under a distinct sub-head “Manufacture” of the suspense head “Stock”. (vide Article 95).

**Note :—**The account of road metal digging are not treated at manufacture accounts, but the charges connected with land and quarries acquired for such operations should be dealt with in accordance with Article 53.

***LOCAL RULING UNDER ARTICLE 155***

A Manufacture Account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed.

**Article 156.** Save as provided in this section, the detailed account of the expenditure on a particular manufacture process should be maintained in the same way as the accounts of a work (vide Section 5) and, in addition, an account should be kept of the quantities and values of the products of the manufacture. The two sections of the accounts are known, respectively, as the “Operation” and the “Outturn” accounts.

**B. — OPERATION ACCOUNTS**

**Article 157.** To manufacture account should be debited directly (1) the value of the raw materials issued from stock or obtained otherwise, (2) the cost of the labour employed, and (3) other incidental charges connected with the operations.

**Article 158.** The following directions should apply to certain incidental charges:-

(a) Capital charges, such as the cost of land, kilns, special plant, etc., incurred in connection with a manufacture operation which does not extend beyond a single season, should be debited wholly to the account of the manufacture.

(b) Capital charges in connection with a manufacture operation extending over more than one season should be debited, in the first instance, to a special account under the sub-head “Land, Kilns. etc.,” of the stock account. (vide Article 95). To this account should also be debited the cost of repairs and renewals of the kilns, etc. All these charges should be recovered in suitable installments by debit to the “Operation” accounts of the several seasons, the number of installments and the amount for each season being determined in each case under the orders of competent authority.

**Note :—**When the land, kilns, plant, etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent recovered should be credited to this special account and not to Revenue.

(c) If the manufacture is undertaken on behalf of other divisions, departments or Governments, or local bodies or individuals, a charge should be made on account of establishment and tools and plant, if leviable under the rules of Government, for outlay on works undertaken on their behalf.

(d) Save as provided in clause (c) above, no charge should be made on account of general establishment and ordinary tools and plant charges or on account of interest on the capital cost of land, kilns, plant, etc., unless Government directs otherwise.

#### ***LOCAL RULINGS UNDER ARTICLE 158***

1. The decision as to the suitable installments whereby the "Land, Kilns, etc.." account is to be cleared periodically, as given by the authority sanctioning the initial charge, should be recorded in the Register or Stock, Form P.W.A. XII and not deviated from without the further order of that authority.

2. All the charges referred to in clause (d) of the above Article should be included in any pro forma accounts of the manufacture operations of the division which may be prepared, under the orders of the Government, with a view to compare the cost of articles manufactured departmentally with the rates charged by suppliers.

#### **C. — OUTTURN ACCOUNTS**

**Article 159.** To a manufacture account should be credited the values of the manufactured articles and of the surplus materials sold or otherwise disposed of.

*Note 1:*—The rates for valuing manufactured articles will be such as may be fixed by competent authority.

*Note 2 :*—If the rate, at which any article of outturn manufactured for a particular work is valued, turns out to be different from the issue rate of a similar article already in stock, value of the two articles may be averaged for the purpose of stock accounts unless Government decides otherwise, allowance being made necessarily for the different quantities at the different values.

#### ***LOCAL RULINGS UNDER ARTICLE 159***

1. The rates for valuing manufactured articles should be so fixed as to represent, as accurately as possible, the actual cost of manufacture per unit, but should not exceed the market rates.

2. If the rate, at which any article of out turn, manufactured for a particular work, is valued, is different from the issue rate of a similar article already in stock, the two articles should appear as distinct items in the Stock accounts.

3. No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals, which are formally passed through the Stock account under Article 52. See also Article 151(c).

**Article 160.** A detailed outturn accounts for each month should be prepared in Form P.W.A. 15, Outturn Statement of Manufacture, and should be attached to the Works Abstract for the operation. The account should show, month by month, the quantities and values of each class of articles manufactured and also the corresponding figures shown in the estimate (if any).

#### **D. — CONSOLIDATED ACCOUNTS**

**Article 161.** The record of the monthly transactions connected with manufacture operations should be kept in the Divisional Office in a separate Register of Manufacture, Form P.W.A. 16, instead of the ordinary forms of the Register of Works (vide Article 141).

### E. — CLOSING OF ACCOUNTS

**Article 162.** The accounts of manufacture operations should not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts should be closed periodically or atleast once a year.

**Article 163.** Before the accounts are closed, the difference between the “operation” and “outturn” should be adjusted under the orders of competent authority. If the orders issued have the effect of enhancing or lowering the value of the outturn already brought to account, the adjustment should be made by a suitable entry (without any fresh quantities) in the Outturn Statement, Form P.W.A. 15, in other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry, which will effect the “Operation” account only. In all cases, the total “operation” and “outturn” should equal each other when the Manufacture Account is closed.

#### *LOCAL RULING UNDER ARTICLE 163*

Except when the Manufacture account show a “loss”, the adjustment of differences between “operation” and “outturn” can be made under the order of the Executive Engineer. When the account show a loss, the same should be written off under the orders of the Superintending Engineer or higher authority.

### SECTION 7

#### *Accounts of Deposits and Suspense Transactions*

##### A. — ACCOUNTS OF HEADS OTHER THAN “LONDON STORES” AND “WORKSHOP SUSPENSE”

**Article 164.** Subject to the provisions of Articles 165 and 166 below, a debited account of the transactions relating to the suspense heads “Purchases”, “Stock” and “Miscellaneous P.W. Advances” should be maintained in the Divisional Office in a Register called the Suspense Register, Form P.W.A. 17, separate sets of folios being reserved for each of the several classes of items under the heads concerned (vide Articles 48 and 54). The account of the debit head “Public Works Deposits” should also be kept in the same form.

**Article 165.** In respect of items relating to deposit works (including items falling under the class “Expenditure incurred on Deposit works in excess of deposits received”) which are accounted for in detail in the schedule of Deposit Works (vide Article 219), a single entry for the monthly transactions relating to all such works should be made both in the Deposit and the Suspense (Miscellaneous P.W. Advances), Registers, as the case may be.

**Article 166.** As the detailed accounts for individual transactions relating to Stock are kept in Forms P.W.A. 4 to P.W.A. 6 prescribed in Section 2 of this Chapter, the monthly totals only in respect of each sub-head of stock should be posted in the Suspense Register the transactions of the several Sub-divisions being detailed as separate items and the totals of all sub-divisions as another. Transfers within the division should be accounted for against a single item “Deduct—Transfers within Division” before the total for the entire head “Stock” is struck.

**LOCAL RULINGS UNDER ARTICLE 166**

1. The head “Stock” is opened in all divisions in which stocks of materials are maintained for general purposes. In divisions in which no stocks are maintained, this account should be opened only when any manufacture operations are undertaken.

2. The clearance of balances under “Transfers within Division” should receive special attention.

**B. — ACCOUNTS OF SUSPENSE HEAD “LONDON STORES”**

**Article 167.** The transactions under this head should be recovered in detail in a monthly schedule, Form P.W.A. 18.

**LOCAL RULING UNDER ARTICLE 167**

All balances under this head should be watched with a view to early clearance. special reference being made at once to the Accountant-General in respect of each item of stores received, for which no advices of payment have come to hand—see Article 58.

**C. — ACCOUNTS OF “WORKSHOP SUSPENSE”**

**Article 168.** The detailed account of the transactions under this head will be kept in suitable form to be settled by Government in consultation with Accountant-General. so as to show the cost of each job or operation and its adjustment from time to time.

**LOCAL RULING UNDER ARTICLE 168**

The transactions under the head “Workshop Suspense” will, in the case of Public Workshop, Hyderabad be accounted for in Form P.W.A. XXXV in accordance with the instructions contained therein. The form to be used in the case of other workshops will be that which is prescribed in the special orders applicable to each workshop.

**Article 169.** The recorded expenditure on a job should be removed from the suspense head only when, and to the extent that, an adjustment is effected against the deposit received or against the service or other head concerned (vide Article 176). This removal should be effected by a credit to the account of the job. But when any charges are transferred from one job or operation to another, the transfer should be plus and minus debit entries.

**D. — UNADJUSTED BALANCES**

**Article 170.** In the accounts for March each year, the outstanding items in the Deposit Register and the Suspense head “Purchases”, which under the rules of a Government are to be treated as lapsed, should be credited to the Revenue head concerned. Any subsequent of such an item should be treated as refund of receipts under the head to which the item was credited and the repayment should be noted in the Deposit or Suspense Register against the entry for its credit to Government.

**LOCAL RULINGS UNDER ARTICLE 170**

The rules relating to the lapsing of deposits and their subsequent repayment are contained in Chapter XI of the Andhra Pradesh Financial Code.

**Article 171.** The balance wider the sub-head “Storage” of the Suspense head “Stock” outstanding at the end of year should also be adjusted finally as a surplus or

deficit, (vide Article 102), i.e., as profit or loss on stock according as it is a minus or plus balance, and should not be carried forward to the following year.

**Article 172.** Items or balances under the suspense head “Miscellaneous P.W. Advances” which become irrecoverable, or any balances under the head “London Stores” due to short deliveries, which cannot be cleared by recovery of cost, should not be removed from the accounts until a competent authority has sanctioned their being written off. For balances under the head “Workshop Suspense”. (see Article 62).

#### ***LOCAL RULING UNDER ARTICLE 172***

The powers delegated to subordinate authorities to write off irrecoverable balances, etc., are shown in Appendix 23 of the Andhra Pradesh Financial Code.

### ***SECTION 8***

#### ***Workshop Accounts***

##### **A. — GENERAL**

**Article 173.** The directions in this section shall not apply to the accounts of small shops kept in divisions for the execution of repairs to tools and plant or of small manufacture jobs. The accounts of works executed in such shops should be kept in the forms prescribed for repair works or manufacture operations, as the case may be. (vide Sections 5 & 6).

**Article 174.** Larger workshops, with special plant or machinery, should be treated as separate sub-divisions, or divisions, for account purposes. When such workshops are of the character of quasi-commercial undertakings, the system of accounts shall be that prescribed locally for similar undertakings. When they are run mainly departmental purposes, the accounts should be kept in accordance with the general directions laid down in this section. In their case, the extract forms to be used and the procedure to be observed will be settled by Government in respect of each workshop in consultation with the Accountant-General concerned.

#### ***LOCAL RULINGS UNDER ARTICLE 174***

1. The Public Works Workshops at Hyderabad, Vijayawada and Dowlaishwaram and the Electricity Department workshops at Mettur are intended mainly for departmental purposes. In respect of these workshops the rules in this section should be applied in conjunction with the relevant special rules and orders issued by the Government and the Accountant-General from time to time.

2. For every job, there must be an estimate of cost (providing for all charges, including the prescribed percentages of indirect charges — see Article 177), sanctioned by competent authority, and accepted by the indenting officer, local body or individual. (see also the Andhra Pradesh Public Works Department Code). The amount to be realized from the indenting party will, however, be based on the actual cost, though the authorized limit of cost, which the officer in charge of the workshop may incur without further authority, is that shown in the accepted estimate.

**Note 1:** —If the execution of a job for another division or department is likely to extend beyond one financial year, the limit of the cost which may be incurred in each official year should also be settled before hand.

**Note 2** :—Note Ito Local Ruling 9 under Article 125, in so far as it relates to the omission pies in calculating the value on each item of work should be applied here also.

### B. — DETAILED ACCOUNTS OF JOBS

**Article 175.** Subject to the provisions of Articles 63 and 64, all direct charges pertaining exclusively to any job should be debited at once to the accounts of that job under the suspense head “Workshop Suspense” and those of a general nature should be treated, in the first instance, as general charges (under one or more suitable headings) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

**Note** :—All liabilities should be taken into account, even though undisbursed, so that the general charges may be allocated correctly, month by month, and the recorded expenditure on each job may represent, as far as possible. the actual cost up-to-date.

### LOCAL RULINGS UNDER ARTICLE 175

In the case of the Public Works Workshops, the direct charges on a job are made up of—

- (i) cost of labour actually employed,
- (ii) cost of materials used,
- (iii) cost of castings.\*
- (iv) a share of the running charges of machines.\*
- (v) a share of the running charges of forges,\*
- (vi) a share of the general charges actually incurred, and
- (vii) incidental charges such as packing and carriage.

\* [These items will occur in the case of the Public Works Workshops, Hyderabad only].

2. The debits under the suspense head on account of “General Charges” will be relieved by a distribution of the same to the jobs in hand at a fixed percentage on cost of labour on the basis of the average of the actual of the previous years, any gain or loss resulting therefrom being credited or debited to State revenues — see also Local Ruling 2 under Article 177.

**Article 176.** In the case of jobs of all classes, the cost of operation should be cleared or adjusted in transfer (vide Article 169) as the case may be, month by month, hut in the following cases the accounts of a job may be settled once a year in March. or in an earlier month if the job is completed earlier (vide Article 62)—

- (a) when the total cost during the year is not larger than Rs. 500 or any other limit may be fixed by Government in consultation with the Accountant-General;
- (b) when the monthly settlement of account is inconvenient to the indenting division or department.

**Note:-** when the estimated cost of a job is recovered in advance, it should he kept in deposit in the first instance, and the adjustments of actual cost made under this Article should he



effected against the deposit, the unexpended balance being refunded under the rules of Government only when the job is completed and the account of it settled.

**LOCAL RULINGS UNDER ARTICLE 176**

1. When an employee of the Division is exempted under the rules in the Andhra Pradesh Public Works Department Code form paying the estimated cost of a job in advance, the cost of the operations should be charged monthly to the head “Miscellaneous Public Works Advances”, pending recovery which is usually made by deduction from pay.

2. The following procedure should be adopted in regard to the adjustment of the cost of jobs in the Public Works Workshops at Hyderabad, Vijayawada and Dowlaiswaram—

Class of jobs	Public Works Workshops at	
	Hyderabad	Vijayawada and Dowlaiswaram
(1)	(2)	(3)
Jobs estimated to cost Rs.500 or less	Once a year in the accounts for March or in an earlier month if the job is completed earlier.	Same as in column (2)
Jobs estimated to cost more than Rs.500.	As soon as the expenditure reaches a limit of Rs.500 or multiples thereof, the balance, if any, being adjusted at the end of the official year.	Monthly.

3. Part debits on account of the cost of operations in connection with large jobs undertaken by the Public Works Workshops, which are raised in advances of the actual supply of the manufactured articles in accordance with Local Ruling 2 above, should be held in Suspense in the Works Accounts under a temporary sub-head “Workshop Liabilities” pending the receipt of the articles. That sub-head should be relieved and the sub-head “Materials-at-site” or the sub-head concerned debited, on receipt of the articles.

This procedure is applicable to minor works and repairs also. In respect of these, the part debits raised by the Workshops may be accounted for under the suspense head “Contractors—Other transactions” in the works accounts with a suitable note and the same cleared on receipts of the articles.

**Article 177.** In addition to the direct charges mentioned in Article 175, to the account of each job may be debited, not through the Workshop Suspense Account but directly wider the head of account concerned, suitable percentages to cover the indirect charges determined by Government. The following are examples of the charges usually levied :—

- (a) Supervision charges,
- (b) interest on the capital cost of buildings, plant and machinery,

- (c) Maintenance charges of buildings, plant and machinery,
- (d) Depreciation of buildings, plant and machinery,
- (e) Establishment charges (including the percentage fixed by the Central Govt. for Audit and Accounts Establishment),
- (f) Profit.

See also Article 64.

*Note* :—The percentages realized on account of establishment charges should be treated as a reduction of expenditure or as revenue receipts, as the case may be, in accordance with the directions in Article 69. All other percentages should be treated as revenue receipts.

#### ***LOCAL RULINGS UNDER ARTICLE 177***

1. The percentages fixed to cover the indirect charges are indicated in Appendix 3 to this Code and in the Andhra Pradesh Public Works Department Code.

The percentage for supervision charges should be calculated on the value of materials issued to each job. The other charges are ordinarily calculated on the total cost of labour and stores pertaining to the job. The percentage on account of profit usually charged in other cases is not charged on jobs executed for other divisions of the State.

2. The rates for “general” and “indirect” charges for the Public Works Workshops at Hyderabad, Vijayawada and Dowlaishwaram will be fixed from time to time, by the Government. In order to arrive at an accurate apportionment of the overhead charges and to minimize the losses in the Workshops, the percentages will be revised once a year when the profit and loss accounts of the previous year are received the revision of the rates being based on the average of the actuals of the three preceding years. (see the Local Ruling under Article 179). The distribution of the rate for Indirect charges between Establishment, Tools and Plant, interest on Capital, Depreciation of buildings, etc., and Pensionary charges, will also be fixed by the Government in consultation with the departmental authorities and the Accountant-General.

*Note 1* :—Percentages and general charges should not be calculated on fractions or to fractions of a rupee; fractions less than half a rupee should be disregarded and fractions of half a rupee and over taken as one rupee.

*Note 2* :—The totals of bills for jobs should be rounded off to whole annas, subject to the condition that the minimum charge for each job should be one rupee.

**Article 178.** The indirect charges mentioned in Article 177 should be brought to account whenever the settlement of the account of direct charges is effected under Article 176.

#### ***LOCAL RULING UNDER ARTICLE 178***

In the case of the Public Works Workshops, Hyderabad the indirect charges for Establishment, Tools and Plant will be calculated monthly on the total charges of the month and adjusted through the Workshop Suspense Account. The indirect charges for Interest on Capital, Depreciation of buildings and Pension will not, however, be debited to the Suspense Account but added, at the time of adjustment, to the direct charges by credit to the heads concerned.

In the case of the Public Works Workshops at Vijayawada and Dowlaishwaram, all indirect charges will be calculated monthly on the total charges of the month and adjusted through the Workshop Suspense Account under the head of account concerned.

### C. — MANUAL ACCOUNT

**Article 179.** Proforma accounts of each workshop will be prepared annually in such form and in such detail as may be prescribed by Government in consultation with the Accountant-General.

#### *LOCAL RULING UNDER ARTICLE 179*

The following rules have been made by the Government in consultation with the Accountant-General :—

(1) Annually, proforma accounts of each workshop should be prepared, consisting of -

(i) the Capital Account, showing the values (after making due allowance for depreciation) of the buildings, machinery and plant. and stock, and the outstanding balance of the Workshop Suspense Account,

(ii) the Outturn Account, showing, in such detail as may be necessary, the charges on labour and stores, and the general and indirect charges, and

(iii) the Profit and Loss Account, showing on the one side the actual working liabilities of the year, e.g., (a) interest calculated on the mean capital of the year under all the heads named in (i) above (b) the actual maintenance charges of buildings and machinery and plant, (C) depreciation of building, machinery and plant calculated on the capital value thereof, and (d) general establishment charges plus (1) a suitable addition thereto on account of leave and pensionary charges and (2) 1 percent for audit and accounts establishment, only on such jobs in respect of which this percentage is not credited to the major head “26. Audit” or “XLVI. Miscellaneous — Fees for Government audit” in the regular accounts (vide Note 2 to Rule 10 an Appendix 3); and on the other side the percentage charges made in accordance with the Local Ruling under Article 177 excluding the I percent for audit and accounts establishment credited to “26. Audit” or ‘XLVI. Miscellaneous — Fees for Government’” Audit”, under Note 1 to Rule 10 in Appendix 3.

**Note :-** The stock account should be treated as a part of the workshop account, only if, and to the extent that, the reserve stock is declared by the Government to be part and parcel of the shops. When the whole or part of a stock is merely an adjunct to a workshop, neither the interest charges on it nor the losses or gains (including supervision charges) arising out of it, should appear in the profit and loss account of the workshop.

(2) The Accountant-General should review the annual accounts of a workshop, in consultation with, the officer in charge of it, and submit a report to the Government on its financial working, specially bringing out the necessity or otherwise, of revising the percentages fixed by the Government for the several charges referred to in Article 177 above,

**Note :-** To facilitate the review of percentages it will be found convenient to show, in the profit and loss account, not only the figures of the year hut also the progressive figures to the close it the year, commencing from a suitable date.

## SECTION 9

### *Transactions with Other Divisions, Departments and Governments*

#### A. — GENERAL

**Article 180.** When a transaction has to be cleared by a book transfer, the transfer should be affected by debiting or crediting into the remittance or other head concerned in the Cash or Stock Accounts if it appears therein, or by an entry in the Transfer Entry Book. (see Articles 14 to 19 also).

*Note 1* :—Such percentage charges on account of supervision and establishment and tools and plant as may be livable under the rules, should also be included, by a transfer entry, in the amount transferred.

*Note 2* :—The cost of workshop jobs need not be adjusted monthly. (vide Article 176).

#### B. — TRANSACTIONS ORIGINATING IN THE DIVISION

**Article 181.** When a transaction originates in a Public Works Division, the necessary transfer should appear ordinarily in the accounts of the division for the month in which the transaction occurred, but in the case of work done in workshops the cost should be adjusted in accordance with the directions in Articles 175 to 177.

**Article 182.** In respect of work done in a division for other divisions, departments or Governments, the intimation of the transfer will be given after audit (see Notes below), by the Accountant-General to the Accounts Officer concerned, or to the division or department for which the work, is done, if in the same State. The division undertaking the work should bring the transaction to account under the remittance or other head concerned, and submit vouchers to the Accountant-General in the same way as for works of the division itself.

*Note 1*:- For the purpose of this Article, work done should include jobs executed in workshops.

*Note 2* :—The provision regarding pre-audit may be relaxed in the case of any item appearing in the accounts for March, and requiring adjustment with another Government. (vide Article 234).

#### **LOCAL RULINGS UNDER ARTICLE 182**

1. In the case of work which are assessable to percentage recoveries on account of establishment, tools and plant, etc., the amount of the estimate and appropriation for the works should be divided into two parts in the correct proportion to represent, respectively the works expenditure and the percentage charges.

2. In the case of work done or supplies made by the Public Works Workshops. Hyderabad, Dowlaishwaram or Vijayawada, to a civil department of the Government the estimated cost of the job or supplies indented should be credited in advance into a treasury under “P.W. Remittances-III Other Remittances — Receipts on account of Public Works Department-Public Works Workshops and Stores Division or Godavari Headworks Division or Krishna Central Division” respectively. The expenditure incurred will be admitted up to the amount of deposit made by such authority, any unexpended balance being credited and expenditure in excess of the deposit, if incurred, being debited, as the case may be after the work or supply is completed, based on the final accepted invoices.

**Article 183.** For other transfer transactions between Public Works divisions subordinate to the same or different Governments, the originating division should send an Advice of Transfer Debit (or Credit), Form P.W.A. 19, accompanied by necessary vouchers in the case of debits, to the division concerned as soon as the transaction occurs. The division required to adjust the amount should, if it accepts the transfer, acknowledge it on prescribed form of Acceptance of Transfer, Form P.W.A. 20. The entry in the accounts of the debiting division should be supported by the Acceptance of Debit, or Advice of Credit, as the case may be.

*Note:* —In cases of transfer debit transactions, all relevant vouchers, including such as do not pass ordinarily beyond the Divisional Office, should accompany the Advice. If this requirement cannot be complied with, in any case, in respect of a cash voucher which cannot be replaced by a certificate of payment, an advice should be attached to the Monthly Accounts for transmission by the Accountant-General, after the audit of accounts, to the division concerned.

### **C. — TRANSACTIONS ORIGINATING IN ANOTHER DIVISION, DEPARTMENT OR GOVERNMENT**

**Article 184.** Transactions originating in another division, department or Government should as a rule be adjusted in divisional accounts only on receipt of intimation of the debit or credited through the Accountant-General. The following are, however, exceptions in which the adjustment be made without receipt of intimation from the Accountant-General :—

(1) recoveries of rent realized on behalf of the Public Works Department by disbursing or Accounts Officers of other accounts circles, provided these entries are supported by certificates (signed by the disbursing or the Accounts Officers, as the case may be) to show that the amounts adjusted in the accounts have been realized from the parties concerned;

(2) transactions for which advices and acceptances of transfers are exchanged direct between one division and another; (vide Article 183);

(3) any other transactions authorized by the Accountant-General.

#### **LOCAL RULING UNDER ARTICLE 184**

All entries in the schedule of credits civil departments will be advised by the Accountant-General, but there is no objection to the P.W.D. raising credits to the Forest Department for forests supplies in anticipation of debits appearing in the exchange accounts.

**Article 185.** The Divisional Officer should examine every transfer advised to his division for adjustment, but should not reject a transfer because the voucher is not in order, or is wanting. Nor should a transfer sent for adjustment be partly accepted and partly rejected; it may be rejected altogether if it does not pertain clearly to the division; otherwise, it should be accepted provisionally in full and the dispute, whether as to the amount or as to other particulars of the transaction, should be settled separately in communication with the officer who advised the transfer.

*Note:* —Railway debits for amounts due on warrants and credit notes passed on by the Accountant-General for adjustment in the divisional accounts should be accepted in full, subject only to readjustment later on of under or overcharges. The adjusting officer is not responsible for

the correctness of the charges with reference to the railway tariffs but only for proper scrutiny with reference to the property of the charges as against the head of the service concerned; the calculations made by the Railway Accounts Department, which are test checked by the Railway Audit Department, should be accepted as correct.

**Article 186.** When a charge is transferred to another division, Department or Government for adjustment, the transfer must be supported either by the necessary vouchers, complete in all respects, or by a certificate (signed by the Accounts Officer of the department originating the transfer) to the effect that the payment vouchers have been audited and passed in accordance with the rules. Divisional Officers are, therefore, responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

#### **D. — SETTLEMENT OF ACCOUNTS**

**Article 187.** In cases in which Advices and Acceptances of Transfer are exchanged direct by Divisional Officers of two accounts circles, those officers shall be jointly responsible for clearing remittance transactions expeditiously in direct communication with each other. If an item cannot be accepted, and the intimation of its rejection issues too late to reach the originating officer within the month in which he has brought it to account the officer who is called upon to adjust it, should also inform his own Accounts Officer, of the number and date of the originating officer's Advice of Transfer and of his own intimation of objection, giving him also brief particulars of the debit or credit, and the grounds of objection.

**Article 188.** In cases in which no advices and Acceptances of Transfer are exchanged, the Divisional Officer should examine, as expeditiously as possible, the transfers which the Accountant-General intimates to him for adjustment in the divisional accounts, and report all his objections to the Accountant-General, whether the transfer is brought to account provisionally or rejected.

**Article 189.** The directions given in Articles 187 and 188 shall apply also to transfer transactions, not relating to the execution of works, with (1) Railways, (2) Military Engineer Services, and (3) Posts and Telegraphs Department (Telegraph Section).

#### ***LOCAL RULINGS UNDER ARTICLES 187-189***

1. Except in respect of transactions of the following classes, the Divisional Officer may authorize the Divisional Accountant to sign Advices and Acceptances of Transfer for him :—

- (i) When the transfer advised is a credit or minus debit,
- (ii) When the transfer accepted is a debit.

So far as Public Works Stores Division, Hyderabad is concerned, the Assistant Superintendent of Stores is authorized to sign Advices and Acceptances of Transfer in the excepted cases mentioned above.

2. The Divisional Accountant will be responsible to see that there is clear authority of the responsible disbursing officer of his division for transfers advised to other divisions or departments, and that no charge advised by another division or department is considered

as finally adjusted until all the necessary vouchers have been received and have further been completed by obtaining thereon, from the responsible disbursing officers of the division, the classification of the charge as attested by their dated initials. He should further see that, when a transfer advised to the division for adjustment is responded to provisionally, the objection raised thereon is pursued with a view to ensure speedy settlement.

## **SECTION 10**

### *Accounts of Cemetery Endowments*

**Articles 190-194. X X X**

## **SECTION 11**

### *Other Directions*

#### **A. — MONTHLY CLOSING OF THE ACCOUNTS**

**Article 195.** The initial accounts of cash and stores, which are maintained in Sub-divisional Offices under the directions contained in Sections 1 and 2, should be closed on the 25th or such earlier date between the 19th and the 25th as may be fixed by the Accountant-General for the purpose, in order that the accounts returns of the subdivisions may reach the Divisional Office in sufficient time for the compilation of the monthly account of the division and its submission to the Accountant-General by the prescribed date.

*Note:-* In cases where Sectional Officers are authorized to maintain separate initial accounts of stock in their charge, which have to be incorporated in those of the sub-divisions they may be permitted, except in March, to close their monthly accounts three days before the date of closing fixed for the sub-division. The limit of three days may be relaxed by the Accountant General in exceptional cases.

#### **LOCAL RULING UNDER ARTICLE 195**

The transactions of the calendar month subsequent to the closing of the accounts should be treated as that pertaining to the accounts of the following month. In the month of March, however, the initial accounts of the sub-division should be kept open until the 31st.

**Article 196.** The cash and stock accounts of the Divisional Office should be closed on the last working day of the calendar month. The Transfer Entry Book of the month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, e.g., those relating to the levy of the prescribed percentages for establishment, tools and plant, supervision charges etc., should be made.\*

\*[See Article 212 below]

#### **B. — REVIEW OF UNSETTLED ACCOUNTS**

**Article 197.** The several registers and schedules relating to the suspense and deposit heads of account, the Contractors' Ledger, Works Abstracts and Registers of Works should be reviewed monthly, so that the action necessary to effect the expeditious clearance of outstanding balances, whether by actual recovery or by adjustment in the accounts, may be taken regularly throughout the year. In February or early in March, special steps should be taken to bring about all possible reduction in the number and amounts of outstanding items at the close of the year.

**LOCAL RULING UNDER ARTICLE 197**

The procedure prescribed in this Article should also be followed in regard to the Rent Registers and other records of assessment and realization of revenue referred to in Section 4 of Chapter III of this Code.

**Article 198.** Similarly, special action should be taken early in March to bring to account all remittance transactions and other liabilities and assets awaiting settlement, and to effect clearance, in the accounts of March, of as many outstanding items as possible. Liabilities as well as outstanding debits and credits remaining unadjusted at the end of March, should be watched individually to secure their clearance before the accounts of the year are closed finally. It is not sufficient that the Divisional Office should bring to account all the transactions, the responsibility for which devolves on itself. It is equally important that necessary action be taken to move the other parties concerned to bring to account or settle the outstanding items; the intervention of the Accountant-General may be sought, where necessary.

*Note* :—In connection with transactions with other Governments and with Railways it should be borne in mind that the Central Accounts Section of the Reserve Bank close their books for the year on the 15th April. (vide Article 234).

**C. — CLOSING OF THE ACCOUNTS OF THE YEAR**

**Article 199.** The financial year terminates on the 31st March and actual transactions taking place after that date should on no account be treated as pertaining to that year. In order, however, that as many of the unadjusted outstandings of the year as possible should be cleared and the errors in accounts coming to notice after 31st March should be rectified, if possible, within the accounts of the year, the Transfer Entry Book and the Stock Accounts should be kept open for inclusions of transfer entries relating to rectification of errors and for settlement of outstandings, but (in the case of stock of accounts) for actual transactions. These accounts should be closed on the 20th May or on such date as may be prescribed by the Accountant-General (see Article 236).

*Note* :—Accounts of transactions with other Governments and with Railways must be settled completely and communicated to the Accountant-General by the 12th April at the latest (Article 234).

**LOCAL RULINGS UNDER ARTICLE 199**

1. The Government has fixed the 20th of May as the last day for the March Final Accounts to be sent by Public Works Disbursing Officers.

2. If any adjustments in accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect them after the 31st March, in the same way as adjustments in rectification of errors noticed after that date.

**D. — CORRECTIONS IN ACCOUNTS**

**Article 200.**(a) If an item in the accounts which properly belongs to a revenue or expenditure head is classified wrongly under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed, but, after the accounts are closed, no correction is admissible except as permitted in Article 251 of Volume IV and except in cases affecting the accounts of works including these failings



under Article 149. [This refers to Vol. 1V of the Comptroller and Auditor-General's Account Code 1.

*Note 1* :—Errors in suspense accounts are governed by the rule in clause (b).

*Note 2* :—If an error is detected after submission to the Accountant-General of the Divisional Officer's Supplementary Account of the year (vide Article 236), it should be reported to the Accountant-General for his instructions, unless the amount is not more than ten rupees.

(b) All errors affecting debt (including suspense) and remittance heads must be corrected, however old they may be.

(c) When a correction is permissible, it should be made by a formal transfer entry, but when it is not permissible, a suitable note of it should be made in the account concerned.

**Article 201.** All corrections in accounts which may be advised by the Accountant-General on his auditing the documents should, after verification, be carried out in all relevant records in red ink and attested by the dated initials of the Divisional Accountant. A reference to the audit note or other advice should also be noted against the correction.

#### ***LOCAL RULINGS UNDER ARTICLE 201***

The Divisional Accountant is responsible that all corrections advised by the Accountant-General are specially brought to the notice of the Divisional Officer.

#### **E. — PROFORMA ACCOUNTS**

**Article 202.** If, for the purposes of any pro forma account which the Accountant-General is required to prepare or check, it is necessary to determine the charges incurred on a particular work or service, or a group of works or services, the expenditure on it should be booked separately in the general accounts, even though, under rule, it may not be customary to estimate or account for such expenditure separately. Detailed instructions in this connection will be issued by the Accountant-General in consultation with the Government concerned, where necessary.

#### ***LOCAL RULING UNDER ARTICLE 202***

1. The proforma accounts showing the results of the working of irrigation, navigation embankment and drainage projects, productive as well as unproductive, for which capital and revenue accounts are kept, are prepared annually by the Accountant General in accordance with the rules prescribed in Appendix 3 to Volume IV of the Comptroller and Auditor-General's Account Code. These accounts are known as the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works.

2. In the case of buildings in charge of the Public works Department, which are available for occupation as residences, capital revenue accounts are prepared triennially by the Accountant-General, for each circle of superintendence, in accordance with the rules prescribed in Appendix 2 to Volume IV of the Comptroller and Auditor-General's Account Code and any further orders that the Government may have issued. For this purpose, Divisional Officers should furnish the Accountant-General annually with the necessary data, in respect of such buildings, of their divisions as may have to be included in the circle accounts in the prescribed forms.

**Note 1** :—On closing the account of a work involving expenditure on the construction, acquisition, or equipment of a building intended to be used as a residence or expenditure on additions and alterations to an existing residential building the Divisional Accountant should see—

(i) that, if it is a new building, it is entered in the Register of Rents of Buildings and Lands,

(ii) the steps are taken to obtain the orders of competent authority to assess or revise the rental, as the case may be,

(iii) that the correct capital cost of the building is noted for entry in the next set of capital and revenue accounts, the note being made in the register of buildings referred to in the Andhra Pradesh Public Works Department Code.

**Note 2** :—Note 1 applies also to expenditure on the provision of special services in connection with residential buildings such as furniture etc., for which rent is charged separately.

**Note 3** :—If a building is actually occupied prior to closing the accounts of expenditure of constructions, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy, and should, therefore, be fixed provisionally with the sanction of the competent authority.

#### F.—ACCOUNTS IN OFFICES TO BE RECONSTITUTED

**Article 203.** When, in consequence of the reconstitution of executive charges or of any other arrangements, the accounts of two or more Divisional Offices are to be amalgamated or those of any office are either to be broken up into parts or closed, the Divisional Officers concerned should apply in time to the Accountant-General for the instructions to be observed in regard to accounts in giving effect to the arrangements.

#### LOCAL RULING UNDER ARTICLE 203

(i) Works in progress and suspense accounts works,	On all the occasions referred to in this Articles.
(ii) Appropriations and sanctions not yet completely operated upon.	the necessary transfer between offices, of un settled accounts (for examples, see margin), of liabilities not yet brought to account, of quantity
(iii) Stock and other suspense account	accounts of tools and plant and road metal and
(iv) Remittance accounts.	of relevant account and establishment records
(v) Deposit and cash balances.	(including unused forms of cheque books and
(vi) Unrealized rent & other revenue.	receipt books), should received the special
(vii) Interest-bearing securities.	attention of all concerned.

## CHAPTER IV

### ACCOUNTS RETURNS RENDERED BY PUBLIC WORKS OFFICERS

[**N.B.** :—The procedure prescribed in this Chapter is primarily applicable to the Public Works Department. The detailed procedure for the Electricity Department, which is some what different, is outlined in the departmental Manual].

#### A. — GENERAL

**Article 204.** The directions contained in this Chapter shall regulate the procedure relating to the compilation of divisional accounts and to their submission to the Accountant-General.

**LOCAL RULINGS UNDER ARTICLE 204**

The duties of the Divisional Accountant in regard to the audit of works transactions are laid down in Chapter 6 of Section IV of the Audit Code (1950 Edition) and the rules in this Chapter should be taken as supplementing those rules.

*Note* :—In the Electricity Department, where Chief Accountants have been appointed the rules regarding the duties and functions of the Divisional Accountant are covered by separate orders of the Government which are incorporated in the departmental Manual.

**B. — SUB-DIVISIONAL ACCOUNTS**

**Article 205.** Arrangements should be made, under the orders of the Divisional Officer, for the despatch of the sub-divisional returns mentioned below, to the Divisional Office on such date as may render possible the compilation of the monthly or other periodical accounts of the division on the due dates

- |                                                                                                                                                                                                                        |                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Copies of the Cash Book<br>(supported by vouchers)                                                                                                                                                                 | Twice a month or often as may be directed by the Divisional Officer, the copy for the last period of each month together with the Cash Balance Report being sent on the date fixed for closing the Cash Book;<br>(vide Article 195). |
| (b) Abstracts of Stock Receipts and Issues, Forms P.W.A. 5 and P.W.A. 6 supported by receipted invoices or other vouchers, and extracts from Registers of Stock Receipts and Issues. (Copies)                          | Within three days of the date on which the accounts of a month are closed.                                                                                                                                                           |
| (c) Works Abstracts (accompanied, where necessary, by Statements of Outturn from Manufacture and Transfer Entry Orders) for each work in progress in connection with which there was any transaction during the month. | —Do.—                                                                                                                                                                                                                                |
| (d) Petty Work Requisition and Accounts for each petty work in progress, in connection with which there was any transaction during the month (in original).                                                            | —Do.—                                                                                                                                                                                                                                |
| (e) Transfer Entry Orders, Form P.W.A. 7, relating to the accounts of the month, other than those proposed from time to time and transmitted separately.<br>(vide Article 108).                                        |                                                                                                                                                                                                                                      |
| (f) Such other returns as may be necessary for the compilation of the accounts required to be submitted to the Accountant General under orders of Governments. (vide Article 239).                                     |                                                                                                                                                                                                                                      |

*Note 1* :—The totals of the “Cash” columns on both sides of the copy of the sub-divisional cash book should be expressed in words in the sub-divisional Officer’s own hand in token of his having satisfied himself that it is a true copy and correct in all respect.

*Note 2* :—The Accountant-General to eliminate the work of preparing copies, may permit sub-divisions at the headquarters of a Divisional Office to maintain two alternative Cash Books- one being submitted in original to the Divisional Office at the end of the month and the other being used in the month following.

*Note 3* :—The Accounts Returns received from sub-divisions should be further checked in accordance with the rules prescribed in this behalf in the Audit and Departmental Codes.

#### **LOCAL RULING UNDER ARTICLE 205**

1. In addition to the returns mentioned in the above Article Sub-divisional Officers should submit to the Divisional Office the following returns in the manner indicated against each:

- |                                                                                                                                                                          |                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| (i) Accounts of Receipts and Issues of Tools and Plant (Forms P.W.A. I & II) supported by the necessary vouchers and acknowledgments in original.                        | Within three days of the date on which the accounts of a month are closed.                 |
| (ii) A certificate regarding the scrutiny of the Materials-at-site Account of a minor works and repairs.                                                                 | Between the 10th and 15th of the following month. (see Local Ruling 1 under Article 126).  |
| (iii) Statement of Receipts, Issues and Balances of Road Metal (Form P.W.A. IV).                                                                                         | Monthly—(see Local Rulings 21 and 22 under Article 92).                                    |
| (iv) Such statements or reports in connection the recoveries of rents of building and lands as the Divisional Officer may require the Sub-divisional Officer to prepare. | Monthly—(see Local Ruling 2 under with Article 116).                                       |
| (v) Estimate of probable requirements of if prescribed by the Divisional Officer.                                                                                        | Monthly—(see Subsidiary Rule 55 cash, under Treasury Rule 16).                             |
| (vi) Balance Return of Stock (Form P.W.A. XI).                                                                                                                           | Half-yearly, on date fixed by the Divisional Officer (see Local Ruling under Article 239). |
| (vii) Register of Tools and Plant (Form P.W.A. III).                                                                                                                     | Yearly on or before the 15th October.                                                      |
| (viii) Reports of verification of stores, including materials-at-site of works.                                                                                          | Immediately after each verification                                                        |

A covering letter in Form P.W.A. XXXVI should be sent to the Divisional Office along with the return specified in items (b) to (e) in the above Article and in item (i) above.

A detailed list in Form P.W.A. XXXVII should be sent with all Works Abstracts and Petty Works Requisitions and Accounts — items (c) and (d) in the above Article. The Materials-at-site Account. Form P.W.A. XXV or XXVI, should also be sent with Works Abstracts, when necessary.

2. The Divisional Accountant, while examining the Cash Book of the Sub-divisional Officer, should see that the total amount of cheques drawn by him during that month does not exceed the prescribed limit (see Subsidiary Rule 55 under Treasury Rule 16).

### C. — COMPILATION OF MONTHLY ACCOUNTS

#### I. — *Introductory*

**Article 206.** Save as provided in Article 207, all the transactions of the divisions, as recorded in the initial accounts of cash and stock and in the Transfers Entry Book, should be posted direct from those sources in one or other of the schedules prescribed in this section, the details being in some cases recorded in supporting schedule docketts. (vide Article 209).

**Article 207.** The cash and stock transactions booked under the head “Transfer within Division” should not be included in any of the schedules leading to the monthly accounts. Nor should be following transactions be posted in the schedules from the initial accounts specified against each:

(i) transactions recorded in the Cash Book under the head “Cash from Treasury”. (These are brought to account through the Transfer Entry Book as a part of the entry “Total amount of cheques drawn”);

(iii) transactions brought to account in the initial account stock (Forms P.W.A. 5 and P.W.A. 6) through the Cash Book or the Transfer Entry Book, e.g., stock purchased in cash, stock sold for cash and stock received from works.

#### **LOCAL RULING UNDER ARTICLE 207**

To ensure the accurate compilation of accounts, it is essential that the transactions referred to in item (ii) in this Article are not brought to account twice, and the Divisional Accountant should see that all items of this class are correctly separated off in the lower part of the Abstract of Stock Receipts and Stock Issues, Forms P.W.A. 5 and 6. (see Instruction (2) printed on these forms).

**Article 208.** Before the actual compilation of the various schedules and schedule docketts, etc., is undertaken, the Abstract Book Form P.W.A. 23, may be written up from the original Cash Books. Abstracts or Receipts and issues of Stock and the Transfer Entry Book in accordance with the instructions printed on the standard form. The book will consolidate all the transactions of the division and will, thereby, facilitate the location of errors and omissions made in the compilation of the Monthly Account from the schedules and also serve as an independent check over the compiled accounts.

#### **LOCAL RULING UNDER ARTICLE 208**

The Divisional Accountant is responsible that every order or sanction affecting expenditure to be accounted for in the Monthly Accounts is noted at once in a suitable register (or other account) preferably one wherein the expenditure incurred against it can be watched readily. General sanctions to estimates and appropriations for works should be noted in the Register of Works. Sanctions to fixed charges of a recurring character, e.g., those relating to the entertainment of work charged establishments should be entered in the Register of Sanctions to Fixed Charges, Form P.W.A. XXXVIII. For sanctions to special payments chargeable to the accounts of works, and other miscellaneous sanctions, Form P.W.A. XXXIX, Register of Miscellaneous Sanctions, will be found suitable.

*Note 1* :—Form P.W.A. XXXVIII and XXXIX may also be used in respect of sanctions to contingent expenditure when this is not brought to account in the Monthly Account but separate pages of these registers should be set aside for this purpose.

*Note 2* :—Sanctions to estimates for works should be entered in the Register of Works, even though a collective register of all sanctioned estimates be maintained by the Divisional Officer for his own information.

## *II — Schedule Dockets*

**Article 209.** As cash vouchers and transfer entry orders relating to (i) charges on works, other than percentages charged for establishment, tools and plant, etc., and (ii) other items of expenditure or disbursement for which a contingent bill is not required (see Article 226), are received and are scrutinized, they should be posted into Schedule Dockets in Form P.W.A. 24, a separate from being used for—

(a) each work to be accounted for in a schedule of Works Expenditure, Form P.W.A. 27 or in the Schedule of Deposit Works Form P.W.A. 33 (vide Article 219);

(b) each manufacture or other item of expenditure debitable to Stock and to be accounted for in the Schedule of Debits to Stock, Form P.W.A. 28, (vide Article 216); and

(c) each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this Chapter;

Cash receipts which have to be taken in reduction of expenditure (vide Article 20) should be posted as refunds, with brief particulars of the transactions.

**Article 210.** At the end of the month, the schedule dockets should be completed in respect of the Stock transactions. All the Stock debits and credits of the month as recorded in the lower part of Form P.W.A. 5 and P.W.A. 6, Abstracts of Stock Receipts and Stock Issues, respectively, other than those brought to account through the Cash Book and the Transfer Entry Book, (vide Article 98), should be posted in the schedule dockets. The total of the month's Stock transactions relating to each schedule docket should be entered therein as a single figure, plus or minus according as it is a debit or a credit, and if there are both debits and credits to be entered, the net result only should be posted.

**Article 211.** The schedule dockets should then be totalled and reconciled with the works abstracts in the case of works, and with the schedules concerned, in the case of dockets of class (c) of Article 209. All the vouchers (including acknowledgments for stock supplied to contractors), transfer entry orders, survey reports, and sale accounts which are required to be submitted to the Accountant-General (vide Article 232) should then be attached to the respective schedule dockets which should be numbered in a separate series for each month.

*Note 1* :—Accountant-General may, at their discretion, permit Divisional Officers to post the schedule dockets at the end of the month from the Works Abstracts, as soon as the latter are completed and checked. Accountant-General may as so, at their discretion, dispense with the preparation and submission of a schedule docket for a work, when the outlay on that work consists entirely of payments on muster rolls or other vouchers not required to be submitted to the Accountant-General. In that case, the Divisional Accountant should record a certificate in the last column of the schedule of Works expenditure against the relevant item that the vouchers in support of the item are such as are not required to be submitted to the Accountant-General under the rules.

**Note 2** :—Some of the schedules mentioned in clause (c) of Article 209 include charges for works supported by a Schedule of Works Expenditure. Such charges and other transactions relating to the works expenditure should be posted in the schedule dockets for the works concerned.

### **LOCAL RULING UNDER ARTICLE 211**

The audit of schedule dockets is conducted in the Accountant-General's office on the assumption that petty vouchers and initial stock accounts in support of the certified amount of untouched and stock charges have been duly audited by the Divisional Accountant in detail and are available for test audit. The Divisional Accountant is therefor, personally responsible for the accuracy of these amounts as stated in schedule dockets.

**Article 212.** For percentage recoveries made on account of establishment, tools and plant and accounts and audit charges, a single schedule docket should be prepared in Form P.W.A. 25 which should embrace all Government as well as non-Government works on which there percentages may be leviable under rule.

**Note** :—This form serves as the transfer entry order relating to these recoveries (vide Article 196) and should, therefore, be signed by the Divisional Officer.

### **III. — Schedules**

#### *(a) Schedule of Monthly Settlement with Treasuries*

**Article 213.** After the settlement of account mentioned in Article 89 has been effected with treasuries, a Schedule of Monthly Settlement with Treasuries should be prepared in Form P.W.A. 25 separately in respect of the treasuries of each accounts circle.

### **LOCAL RULING UNDER ARTICLE 213**

Form P.W.A. 26 is required for submission to Audit in original. The office copy of the details recorded in it should be signed by the Divisional Officer, and carefully recorded for a period of twenty years.

#### *(b) Schedule of Revenue Receipts*

**Article 214.** The following schedules, which are only extracts of the Registers prescribed in Articles 113 to 115, should be prepared in the same form as that of the corresponding registers:

- (i) Schedule of Revenue Realized.
- (ii) Schedule of Refunds of Revenue.
- (iii) Schedule of Receipts and Recoveries on Capital Account.

**Note** :—A separate schedule should be prepared for each class of receipt for which a separate register is maintained under Article 113.

### **LOCAL RULING UNDER ARTICLE 214**

When, under a major head of revenue, there are more than one system of works for which separate revenue accounts are kept, a summary of the receipts of all systems working up to the total of major head should be also be prepared.

#### *(c) Schedules of works expenditure*

**Article 215.** (a) After a reconciliation has been effected between the totals of works, works abstracts and relevant schedule dockets of schedule of works, expenditure

should be prepared in Form P.W.A. 27, separately for expenditure relating to each of the following classes:

(i) each major head (or a division thereof shown separately in Appendix 2 to Volume I) under which expenditure is recorded, a separate schedule should be prepared for “Central” and “State” expenditure in the case of “50—Civil Works” in States;

(See footnote to Article 10 above).

**Note** :—This form is not used for manufacture transactions, (vide Article 216).

(i) Military Engineer Services;

(ii) xxx;

(iii) Railway Works;

(iv) Indian Navy;

(v) Posts and Telegraphs Department Works;

(vi) Archaeological Works of the Central Government connected with the conservation of ancient monuments which are debitable to the Archaeological Department;

(vii) all other Government works including occasional works of classes (ii) to (v); and

(viii) all non-Government works other than Deposit Works for which separate schedules are prepared, (vide Article 219);

(b) Only those works on which expenditure has been incurred during the month should be included in the schedule. The entries should be detailed in the order of the prescribed heads of the accounts classification in the case of works of classes (i) to (v), and grouped separately for each Government department, division, local body or other party concerned, in the case of works of classes (vi) and (vii). All works which form part of a single project or system should, in the cases, be grouped together,

#### ***LOCAL RULING UNDER ARTICLE 215***

In the case of projects under construction, the schedule of works expenditure should show the total expenditure up-to-date on each of the heads subordinate to the minor heads (e.g., head works, main canal and branches, etc.), as also the total amount of estimate for comparison.

As regards “Revenue Accounts”, the expenditure under “Extensions and Improvements” and “Maintenance and Repairs” should be arranged by works under the several detailed heads given in Appendix 2.

#### *(d) Schedules of suspense transactions*

**Article 216.** (a) All debits to stock should be collected in Form P.W.A. 28. Schedule of Debits to Stock. The entries in this schedule should be arranged in four



groups — (1) “Manufacture” (2) “Land, Kilns, etc..” (3) “Storage” and (4) “Other sub-heads. Under (1), should be detailed all manufacture operations in progress and under (2), all works in progress in connection with the acquisition of land, construction and repairs of kilns, etc. Under (3) should be shown, the expenditure which is incurred, after the acquisitions of the stores, on work-charged establishment employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godown or yards etc. Under (4), should be shown (a) individually, all items of expenditure on the carriage, handling etc., of stock materials, when the cost of such processes is debit to the sub-head of stock under which the materials are classified (vide Articles 98 and 131), (b) individually, all items of acquisition of stock materials for which an estimate is required, and (C) collectively, all other items of acquisition of stock materials. In respect of each manufacture operation, the outturn of the month (vide Article 156) should also be shown in the schedule. The operation and outturn should be entered in two separate lines.

(b) An account of suspense head “Stock” should next be prepared in Form P.W.A. 29, Stock Account. Part I of the main account which should show the receipts, issue and balances, classified by sub-heads. Separate figures should be given in respect of the sub-heads “Manufacture”, “Land Kilns, etc.,” and “Storage” and all other subheads (vide Article 95) should be lumped up. Part II, the Detailed Account of Issues, should be written up first, and from this part and the Schedule of Debits to Stock, Form P.W.A. 28, should be prepared Part I.

#### **LOCAL RULING UNDER ARTICLE 216**

1. If the Divisional Officer is specially authorized by the Government to sanction the carriage, handling, etc., charges up-to a specified money limit, it will devolve upon the Divisional Accountant to conduct the audit of individual items of expenditure against the Divisional Officer’s sanctions but all items of this class should be detailed in the schedule.

2. In Andhra Pradesh, separate figures should be given for all the sub-heads mentioned in Form P.W.A. 29.

**Article 217.** The schedules relating to purchases and Miscellaneous P.W. Advances should be prepared in Form P.W.A. 30 (or Form P.W.A. 31, vide Note I below) and Form P.W.A. 32, respectively, on the basis of the entries made in the Suspense Register, Form P.W.A. 17, (vide Article 164).

**Note 1** :—In respect of Purchases, the Accountant-General may authorize the use of Form P.W.A. in the case of divisions where the number of outstanding items is very large but the number usually affected by the monthly transactions is small.

**Note 2** ;—In the schedule of Miscellaneous P.W. Advances for the months other than March, items which do not exceed Rs. 5/. each may be shown in a lumpsum if the Accountant- General so authorizes.

**Article 218.** The schedule for the Suspense head “London Stores” has already been described in Article 167. The schedule for “Workshop Suspense” should be prepared in such form as may be prescribed by Government in consultation with the Accountant- General. (See the Local Ruling under Article 168).

*(e) Schedules of Deposit Transactions*

**Article 219.** After the reconciliation mentioned in Article 211 has been effected, a consolidated record of the transactions of a month relating to all Deposit Works of the division should be prepared In Form PWA 33, Schedule of Deposit Works, This schedule should show in respect of each work, the amount of deposit received and the expenditure incurred, both during the month and up-to-date. The amount of deposit received for each work should be numbered as a single item, but the transaction which relate to (1) the share available for works expenditure, and (2) the total amount recoverable as establishment, tools and plant and audit and accounts charges, if any, should be shown separately, thus—

For Works Expenditure

For Percentage Charges

**Note** :—Refunds of unexpended balances of completed works should be taken in reduction of the deposits and, therefore, shown in the Schedule as minus realizations and not as expenditure.

**LOCAL RULING UNDER ARTICLE 219**

The percentage leviable should be adjusted month by month as the works expenditure is incurred, but the Accountant-General may authorize the adjustment to be made once a year in the accounts March, provided that if the accounts of work are closed in an earlier month, the adjustment must be made in that month.

**Article 220.** After the transactions relating to Deposit Works have been posted in the Deposit Register, Form P.W.A. 17, a schedule of complete transactions, as accounted for in that Register, should be prepared in Form P.W.A. 34. It should show for each item the opening balance, the receipts and adjustments of the month, and the closing balance.

**Note** :—The Accountant-General may authorize the use of alternative Form P.W.A. 35 under the conditions prescribed in Note 1 to Article 217. This form is in two pans - Part I, Abstract Account, which should show the totals for each class of deposits, and Part II, Detailed Extract from the Deposit Register. In Part II, only such items should be extracted from the Deposit Register as are affected by the month's transactions, but in the schedules for the months of June, September, December and March all current items should be shown, those not affected by the month's transactions being also included.

**LOCAL RULING UNDER ARTICLE 220**

The Schedule of Deposits should also include the cost of all Court of Wards' Estate works entrusted to the Public Works Department for execution.

*(f) Schedule of Takavi Works*

**Article 221.** x x x x

*(g) Schedules of Debits/Credits to "Adjusting Account between Central and State Government" and "Adjusting Account with Railways"*

**Article 222.** (a) In Form P.W.A. 37, separately for debits and credits under each major head, should be brought together all transactions which originate in the division and have to be adjust by the Accountant-General through the major heads "Adjusting

Account between Central and State Governments” and Adjusting Account with Railways” (vide Article 15).

(b) In State divisions, the transactions included in the Schedules of Debits! Credits to “Adjusting Account between Central and State Governments” should be grouped according to the prescribed head of classification, while in the Central Divisions the transactions included in them should be detailed by each Government.

(c) Similarly, in both the Central and State divisions, the transactions included in the Schedules of Debits/Credits to “Adjusting Account with Railways” should be grouped according to each Railway.

*Note :-* Percentage recoveries for audit and accounts should appear in these schedules in the case of State divisions only.

(d) Items or groups of items for which details are given in the separate schedules, e.g., Schedules of Receipts (Form P.W.A. 9) and works Expenditure (Form P.W.A. 27 or P.W.A. 41), should be shown as a single item.

### ***LOCAL RULING UNDER ARTICLE 222***

In the place of the suspense Schedules prescribed in this Article, a separate account should be compiled in Andhra Pradesh for Central transactions as Part II of the Monthly Account, Form P.W.A. 42. The transactions relating to the Central Government under the Public Works Revenue and Service heads and Miscellaneous heads of account will be accounted for in Part II, while those relating to the Andhra Pradesh Government and other State Government under the above heads and other Debt and Deposit heads will be included in Part I. Each Part of the account should be supported by requisite schedules prepared in accordance with the detailed instructions issued by the Accountant-General (See also Article 228 and 229).

#### *(h) Schedule of Debits/Credits to “inter-state Suspense Accounts”*

**Article 223.** In divisions under the administrative control of a State Government, any transactions which originate in the division on behalf of any other State Government should be collected Form P.W.A. 38, separately for debit and credit transactions. The items in the schedule should be detailed by each Government.

#### *(i) Schedules of Debits/Credits to Remittances*

**Article 224.** All Remittance transaction other than those mentioned in Articles 222 and 223 should be collected in Form P.W.A, 39, separately for debits and credits and the entries grouped under the headings given in the sample entries in the form.

#### *(j) Schedule of Debits/Credits to Miscellaneous Heads of Account*

**Article 225.** Subject to such instructions as may be issued in this behalf by the Accountant-General, all disbursements and receipts, which cannot be account for in any of the other schedules prescribed in Articles 213 to 224 should be collected in Form PW.A. 40. The transactions to be accounted for in this schedule must be such as are adjustable finally in the books of the Accountant-General under one of the non-Public Works major heads for revenue and expenditure or a debit head appertaining to the amounts of the Government to which the division is subordinate.

**Note 1** :—In Central divisions income-tax recoveries from work charged establishment and receipts on account of cemetery endowments should appear in the Schedule of Credits to Miscellaneous Heads of Account. Similarly, in these divisions, percentage recoveries for accounts and audit should appear as- credits or minus debits in the Schedule of Credits or Debits to Miscellaneous Heads of Account, according as the amounts are creditable to “XLVI— Miscellaneous — Fees for Government Audit” or “26 audit” (vide Article 72).

**Note 2** :—Save as provided above, no transactions should be accounted for under the final or debt head concerned and shown in the Schedules of Credits or Debits to Miscellaneous Heads of Account, except under the authorization of the Accountant-General. Ordinarily, they should be shown under the remittance head “Public Works Remittances—III other Remittances” and included in the Debit or Credit Schedule (Form P.W.A. 39), as the case may be.

#### ***LOCAL RULING UNDER ARTICLE 225***

Expenditure on Famine Relief Works should be entered in the “Schedule of Debits to Miscellaneous Heads of Account, Expenditure on Local Loan works should also be entered in this Schedule supported by a Schedule of Works Expenditure.

#### ***IV.—Consolidated Account of Contingent Expenditure***

**Article 226.** When cash required to meet contingent charges is drawn from treasuries by cheques, all contingent charges (including stock and adjustment charges) should be consolidated in the form prescribed in Treasury Rules of the Government concerned for the monthly detailed bill of contingent charges countersigned after payment (headed “Not payable at the Treasury”). Particulars of charges need not be entered in this account except in the case of miscellaneous items which do not fall under one of the classified sub-heads for specific charges.

#### ***LOCAL RULING UNDER ARTICLE 226***

In Andhra Pradesh the procedure prescribed in this Article applies only to the Electricity Department. In the Public Works Department, the cash required to disburse contingent charges is obtained from treasuries directly by bills in the same way as cash required for payment of pay and allowances, in accordance with the rules prescribed in this behalf in the Andhra Pradesh Treasury Code and in Andhra Pradesh Financial Code.

#### ***V.—Classified Abstract of Expenditure***

**Article 227.** A consolidated account of all expenditure debited against the grant of the division should be prepared in Form P.W.A. 41. Classified Abstract of Expenditure. The figures relating to the several major heads (or divisions thereof shown separately in column 1 of the Classification table in Appendix 2 to Volume 1) should be entered in separate sections, arranged in the order indicated in the Appendix; and in case of the major head “50. Civil Works” in State the “Central” and “State” transactions should be shown in two different sections.

(See footnote to Article 10 above).

**Note 1** :—When works for Military Engineer Services, Indian Navy, Railways, Posts and Telegraphs Department and Archaeological Department are undertaken as a standing arrangement, (vide Article 215), and funds for the purpose are allotted to the division, the expenditure transactions connected therewith should also be abstracted in Form P.W.A. 41, in accordance with the classification prescribed in respect of the works concerned. (vide Article 17).

**Note 2:**—Refunds of Revenue should be excluded from this Abstract, as they are treated as minus Revenue, vide Article 21. On the other hand, “Receipts and Recoveries on Capital Account” should be included in this Abstract as minus expenditure, as they are taken in reduction of the charges under the major head concerned.

#### **VI.—Monthly Account**

**Article 228.** Finally, the Monthly Account should be prepared in Form P.W.A. 42. This account is an abstract of the entire receipts and disbursements of the month, as detailed in the various schedules and registers, and shows also the openings and closing cash balances. On the back of the form are recorded (1) a memorandum of miscellaneous cash receipts paid into treasuries and (2) a certificate in respect of the closing cash balances of the subordinate disbursing officers.

**Article 229.** The entries in the Accountant should be divided into three groups: (1) Revenue entries, which are totals of receipts of the Government concerned under the several major heads, as taken from the Registers of Revenue Realized, Form P.W.A. 9, (2) Expenditure entries which are the totals of expenditure of the Government concerned for the several divisions of major heads and are posted from the Classified Abstracts of Expenditure, Form P.W.A. 41, and (3) Other Heads, under which both receipts and disbursements are posted from the Schedule of Deposit, [x x x x] “Adjusting Account between Central and State Governments”, “Adjusting Account with Railways”, “Interstate Suspense Account”, “Remittances” and Miscellaneous Heads of Account Forms P.W.A. 34 to P.W.A. 40.

(See footnote to Article 10 above).

**Note 1 :**—The entries posted under the several heads in the monthly account should be checked with corresponding entries in the Abstract Book (Form P.W.A. 23).

**Note 2 :**—The totals of the columns for receipts and disbursements must agree and, if there is any difference due to cash being in transit between two disbursing officers, its amount should be included in the closing balance and the certificate of cash balance should be amplified to explain the amount and the steps taken to adjust the difference.

#### **D. — SUBMISSION TO ACCOUNTANT-GENERAL**

**Article 230.** The Monthly Account should be submitted so as to reach the Accountant-General’s Office by such date between the 7th and 10th of the month following that to which it relates, as may be fixed by the Accountant-General in consultation with the Divisional Officer. It should be supported by the following documents

**Note:**—In the Electricity Department, certain of these accounts returns are, with the approval of the Government, not sent to the Accountant-General. These are specified in the Departmental Manual, which should be taken as supplementing this Code.

- |                                                            |                                                  |
|------------------------------------------------------------|--------------------------------------------------|
| (1) Schedule of Revenue Realized,<br>Form P.W.A. 9, and    | Extracts from the Registers.<br>vide Article 214 |
| (2) Schedule of Refunds of Revenue<br>Form P.W.A. 9        | Vide Article 214                                 |
| (3) Classified Abstracts of Expenditure,<br>Form P.W.A. 41 | Vide Article 227                                 |

- |                                                                                                                                                     |                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| (4) Schedules of Works Expenditure,<br>Form P.W.A. 27                                                                                               | Vide Article 215                                                                          |
| (5) Consolidated account of contingent<br>expenditure (with necessary vouchers).                                                                    | Vide Article 226                                                                          |
| (6) Schedule Docket of Percentage<br>Recoveries, Form P.W.A. 25.                                                                                    | Vide Article 212                                                                          |
| (7) Stock Account, Form P.W.A. 29<br>(with Sale Accounts in support<br>of the Cash Credits to Stock).                                               | Vide Article 216                                                                          |
| (8) Schedule of Debits to Stock,<br>Form P,W.A. 28.                                                                                                 |                                                                                           |
| (9) Schedule of Purchases, Form<br>P.W.A. 30 or P.W.A. 31,                                                                                          | Extracts from the relevant and<br>sections of the Suspense Registers,<br>vide Article 217 |
| (10) Schedule of Miscellaneous P.W.<br>Advances, Form P.W.A. 32                                                                                     |                                                                                           |
| (11) Schedule of London Stores,<br>Form P.W.A. 18.                                                                                                  |                                                                                           |
| (12) Schedule of Workshop Suspense<br>(in the form prescribed by<br>Government).                                                                    | Vide Article 218                                                                          |
| (13) Schedule of Receipts and Recoveries<br>on Capital Account, in the same<br>form as that of the registers.                                       | Vide Article 214                                                                          |
| (14) Schedule Dockets, Form P.W.A.<br>24 (with necessary vouchers, transfer<br>entry orders, survey reports and sale<br>accounts attached to each). | Vide Articles 209 to 211                                                                  |
| (15) Schedules of Credits and Debits to<br>“Adjusting Account between Central<br>and State Govt.”, Form P.W.A. 37.                                  | Vide Article 222                                                                          |
| (16) Schedules of Credits and Debits to<br>“Adjusting Account with Railways”,<br>Form P.W.A. 37.                                                    | Ditto                                                                                     |
| (17) Schedules of Credits and Debits<br>to “Inter-State Suspense Account”,<br>Form P.W.A. 38.                                                       | Vide Article 223                                                                          |
| (18) Schedules of Credits and Debits<br>to Remittances, Form P.W.A. 39.                                                                             | Vide Article 224                                                                          |
| (19) Schedules of Credits and Debits<br>to Miscellaneous Heads of Account,<br>Form P.W.A. 40                                                        | Vide Article 225                                                                          |

- (20) Schedule of Monthly Settlement with Treasuries, Form P.W.A. 26 (with supporting Consolidated Treasury Receipts and Certificates of Issues signed by Treasury Officers). Vide Article 213
- (21) Schedule of Deposits, Form P.W.A. 34 or P.W.A. 35, Extract from the Deposit Register, Form P.W.A. 17. Vide Article 225
- (22) Schedule of Deposit Works, Form P.W.A. 33 (with Reports of Progress of Expenditure). Vide Article 219
- (23) xxxx
- (24) List of Accounts submitted to Audit, Form P.W.A. 44.

**Note 1** :—The Consolidated Account of Contingent Expenditure is not required to accompany the Monthly Account if contingent charges are drawn by bills presented direct at treasuries.

**Note 2** :—if the Divisional Officer is required by any rule to make formal report, periodically, of the progress of expenditure on a Deposit Work, to the administrator or depositor concerned, a report setting forth the amount of the estimate, the total deposits received and the progressive expenditure should accompany the Schedule of Deposit Works, so that the Accountant-General may, after audit of the schedule, verify the report and forward it to the local body or persons concerned.

**Note 3** :—If the Divisional Officer is authorized to refund, without reference to higher authority, fines which have been remitted by a Court of law, the original orders of the Court should accompany the Schedule of Refunds of Revenue, as the audit of the refunds made in such cases is conducted by the Accountant-General on the authority of the orders of the Court.

#### **LOCAL RULING UNDER ARTICLE 230**

The Divisional Officer should send the reports described in Note 2 under the above Article in regard to all deposit works. The reports should be sent in Form P.W.A. XL. When two or more works relate to the same depositor, they may be dealt with in the same report.

“The Schedule of settlement with treasuries of list of documents referred to in the above article may however be sent separately by the 20th of the succeeding month in case there is delay in the reconciliation of departmental figures with those of the treasury”.

[G.O.Ms.No. 276, Fin. & Plg. (Accs-II) Dept., Dt. 18-10-1979]

**Article 231.** The schedule relating to the suspense and deposit accounts should be submitted to the Accountant-General month after month, so long as there are balances outstanding under the account concerned, whether there have been any transactions during the month or not. In respect of the Schedule of Deposit Works, Form P.W.A. 33., the Accountant-General may dispense with the submission, every month, of Part II of the Schedule, provided (1) that this part is submitted invariably with the accounts for March, and (2) that, if Part II for any month contains works any expenditure on which has been debited to Miscellaneous P.W. Advances, on extract from Part II relating to such works

only is submitted to him. Subject to these exceptions, the remaining schedules are necessary, only if there have been any transactions during the month.

**Article 232.**(a) With the exceptions noted below [as to which, however, see clause (b) below], all vouchers and transfer entry orders in support of cash payments and other charges in the accounts should accompany the Monthly Account:

(i) muster rolls or other vouchers in support of payments to labourers, irrespective of amount;

(ii) vouchers in support of payments of wages to members of the work- charged establishment, when the Divisional Officer is authorized to sanction the posts held by them;

(iii) other vouchers, whether relating to works or contingencies, the amounts of which do not exceed Rs. 25/-;

**Note** :—Vouchers not submitted to the Accountant-General should be “cancelled” by means of a perforating or endorsing stamp and kept carefully to be made available for test audit whenever demanded by him.

(iv) invoices or other vouchers in acknowledgment of issues of stock materials, including issues of outturn from manufacture to stock;

(v) vouchers in support of payments made for the conversion of cash deposits into interest-bearing securities, in cases in which no voucher other than the security itself or a safe custody certificate of the security exists; and

**Note** :—When a voucher of this class is not submitted to the Accountant-General the reasons should be noted against the entry of its amount the schedule docket or in the schedule of Work Expenditure. (vide Article 211).

(vi) transfer entry orders of the classes enumerated below

(a) those involving debits to Remittance heads otherwise than in respect of expenditure on works;

(b) those relating to charges which are supported by vouchers received in transfer;

(c) those involving a debit or credit to London Stores, or a credit to a Revenue head (Gross Receipts), or to any Miscellaneous Head of Account otherwise than in respect of expenditure on works;

(d) All vouchers (other than Muster Rolls) in support of debits to contractors should be submitted to the Accountant-General even though falling under any of the exceptions to clause (a).

**Note 1** :—The provisions in clauses (a) and (b) of this Article apply also to vouchers received from other divisions, departments or Governments in support of transfer debits raised by them.

**Note 2** :—The term “Vouchers” used in clause (a) includes Advices of Transfer Credit and Acceptances of Transfer Debit received from other division, departments, etc., in the case of the docket for Schedule of Debits to Remittances.



(a) All vouchers in support of payments for land acquired should be submitted to the Accountant-General.

(b) All survey reports of stores and sale accounts should also accompany the Monthly Account. Sale accounts in support of cash credits to stock should be attached to the Stock Account, Form P.W.A. 29; survey reports and sale accounts in support of other credits to stock should be attached to the schedule dockets pertaining to the works or accounts debited and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited.

**Article 233.** An extract from the Contractor's Ledger should also be prepared in Form P.W.A. 43 and submitted to the Accountant-General with the Monthly Account, unless Government has prescribed in consultation with the Accountant-General that the transactions covered thereby should be audited by the latter locally at the periodical inspections of divisional and other offices.

#### **LOCAL RULING UNDER ARTICLE 233**

In the Electricity Department, the Contractors' Ledgers will be audited only during local inspection.

**Article 234.** In connection with the accounts for March, the following points should receive special attention:

(a) the entry of the closing cash balance should be supported by

(1) the original Cash Balance Reports of all disbursing officers including the Divisional Officer, and

(2) a certificate of the Divisional Officer to the effect that he has obtained, on or after 31st March, and retained in his office, an acknowledgment from the officer or subordinate concerned, in respect of each item of imprest or temporary advance shown in the Cash Balance Reports of the division for 31st March;

**Note** :—The Original Cash Balance Reports of subordinate disbursing officer should be initialled by the Divisional Officer before transmission to the Accountant-General.

(b) to Part II of the Schedule of Monthly Settlement with Treasuries, Form P.W.A. 26, should be sub-joined a statement in the form given below, in respect of the cheques drawn to meet payments of works:-

Particulars	Number of cheques issued	Amount
1. For the whole month	.....	.....
2. During the last five working days of the month.	.....	.....

(c) the Schedules of Credits/Debits to the heads "Adjusting Account between Central and State Governments", "Adjusting Account with Railways" and "Inter-State Suspense Account" should invariably be despatched so as to reach the Accountant-General, not later than the 7th of April of the succeeding year and all correcting entries affecting those schedules should be intimated to the Accountant-General so as to reach him by the 12th of April at the latest.

**Article 235.** Within six weeks of the submission of the Monthly Account for March, a consolidated certificate in respect of balances, other than cash, should be forwarded to the Accountant-General in Form P.W.A. 46, Annual Certificates of Balances.

*Note* :—If the closing balance under any head is nil, it does not follow necessarily that a certificate is not required in respect of it. In all cases in which there was a balance at the commencement of the year, or there were any transactions during the year, a certificate should be recorded but the wording of it may be amended suitably if the closing balance is nil.

**Article 236.** In addition to the ordinary accounts for March, a Supplementary Account for that month, which shall comprise the transfer entries and corrections permitted in Article 199, should be submitted to the Accountant-General with all the necessary accompaniments, so as to reach him by the 1st June or such other date as may be prescribed by him.

*Note* :—This account should be of the simplest character and should set forth only the transactions to be brought to account. It is not necessary, for instance, to repeat in any of the Suspense or Deposit Schedules the items not affected, so long as in addition to the necessary details of the items affected the totals for this account concerned are also given. Similarly, in the Extract from the Contractor's Ledger, Form P.W.A. 43, only the accounts of those contractors whose accounts are affected in any way should be given.

#### ***LOCAL RULING UNDER ARTICLE 236***

The procedure indicated in the second sentence of the Note under this Article is applicable to the "Schedule of Rents of Buildings and Lands" also.

**Article 237.** x x x x

**Article 238.** The Divisional Accountant should sign not only the Monthly Account, but also all the schedules etc., accompanying it. The Divisional Officer need not sign all these documents; he should, however, sign the monthly Account and the List of Accounts, Form P.W.A. 44, unless he is absent from headquarters, in which case he should send to the Accountant-General, as soon as he can examine his books and papers on return, a report in Form P.W.A. 45 (with a duplicate copy of the Monthly Account signed by himself), without which the Accountant-General will not pass the Monthly Account finally. The Consolidated Account of Contingent Expenditure, (vide Article 226), should be signed invariably by the Divisional Officer.

*Note* :—It is desirable that the Divisional Officer should make arrangements for the review by himself of all the vouchers before they are submitted to the Accountant-General and that, unless the circumstances are exceptional, the Divisional Officer should sign the accounts himself.

#### ***LOCAL RULING UNDER ARTICLE 238***

The procedure prescribed in the above Article in regard to the Monthly Account and the List of Accounts should be followed also in regard to the Schedule of Monthly Statement with Treasuries and the Schedule Docket relating to percentage recoveries (see Article 212).

**Article 239.** In addition to the accounts prescribed above, such other accounts (e.g., Subsidiary Accounts of Revenue, Stores, Stock and Tools and Plants, and interest bearing securities, or proforma accounts) should be submitted to the Accountant-General as Government may prescribe or the Accountant-General may require.

**LOCAL RULING UNDER ARTICLE 239**

The Divisional Officer should submit the following accounts to the Accountant-General in the manner noted against each:

**A. — MONTHLY RETURNS TO BE SUBMITTED ALONG WITH THE MONTHLY ACCOUNT (see Article 230)**

- (i) Extract from Account of Receipts of Tools and Plant, Form P.W.A. I. in the same form as the Accounts.
- (ii) Extract from Account of Issues of Tools and Plant, Form P.W.A. II (with supporting Survey Report of Stores, Form P.W.A. VI, Sale Accounts, Form P.W.A. VII, and acknowledgments of officers concerned, in the case of stores transferred to other officers not being Divisional Officers of the State). in the same form as Accounts.

**Note** :—In the Electricity Department, the extract from the Account of Receipts and Issues of Tools and Plant are not submitted to the Accountant-General's Office, as these accounts are audited locally.

- (iii) Schedule of Rents of Boats, Form P.W.A. XLI.

**Note** :—The expenditure on the maintenance of each staff boat should be separately shown in the schedule so as to make it possible to check the annual statement showing the working of the staff boats.

- (iv) Schedule of Rents of Buildings and Lands, Form P.W.A. XLI — A (with supporting Statements of Rents recoverable in cash or by deduction from Pay Bills A.P.F.C. Form I).

**Note** :—In the Electricity Department, the Schedule of Rents of Buildings and Land is sent to Audit once in six months ending with September and March.

**B. — MISCELLANEOUS RETURNS**

- (i) Half-yearly Register of Stock, Form P.W.A. XII, on the following days:

Return from a division in	For half-year ending	To reach the Accountant General on or before
Dowlaiswaram Circle	31 <sup>st</sup> December 30 <sup>th</sup> June	1 <sup>st</sup> February 1 <sup>st</sup> August
Vijayawada Circle	31 <sup>st</sup> January 31 <sup>st</sup> July	1 <sup>st</sup> March 1 <sup>st</sup> September

**Note 1** :—The due dates of submission of the half-yearly stock registers of the Krishna Central Division are 1<sup>st</sup> April and 1<sup>st</sup> October.

**Note 2** :—The Executive Engineers, Krishna Western, Godavari Head works and Visakhapatnam Divisions, may submit annual by (instead of half yearly) stock registers to the Accountant-General and the review thereon may be done once in a Year instead of every half-year.

**Note 3** :—In the Electricity Department, the stock registers and ledgers will be test-checked during local inspection. Hence no return is sent to the Accountant-General's Office.

(ii) Annual Register of Tools and Plant Form P.W.A. III, for the year ending 30th September on or before 15th December.

**Note 1** :—The documents should be submitted in original after transferring the closing balances to the corresponding register of return for the subsequent period.

**Note 2** :—In the Electricity Department, the test-check of the Tools and Plant registers is conducted locally during annual inspections and no return is sent to the Accountant-General's Office.

(iii) Certificate of monthly reconciliation of the ledger and the book balances in respect of each sub-head of stock in the Public Works Stores, Hyderabad, by the 10th of second month succeeding the month to the second which the accounts relate.

(iv) Account of Interest-bearing Securities, Form P.W.A. XLII, prepared at the close of the year from the Register of Interest-bearing Securities (see Chapter XII of the Andhra Pradesh Financial Code).

**Note 1** :—This Account has to be submitted with the Monthly Account for March, only. It should be supported by (1) the acknowledgment in (original) of the depositors for securities returned or retransferred to them during the year and (2) the certificate of the Divisional Officer that all securities shown as outstanding in this account or acknowledgements for them by this authorized custodians, are in his possession.

**Note 2** :—If a security recovered in installments is being deposited in the Post Office Savings Bank, no entries should be made in respect of it in the Register of Interest-bearing Securities, until the security has been fully paid up. The annual Account should, however, be completed in respect of the securities in course of recovery, by taking the recoveries of the period covered by the Account from the Deposit Register, verifying them at the same time with the actual recoveries as shown in the Register of Recoveries.

**Note 3** :—If any Post Office Savings Bank deposits have been hypothecated to a Sub-divisional Officer, the register for such securities should be kept by him and he should sign the annual certificate in respect of them.

**Note 4** —In the Electricity Department, this account is not submitted to the Accountant-General's Office along with the Monthly Account for March. During local inspection, the entries in this register are verified with the securities held.

### **MISCELLANEOUS LOCAL RULINGS**

#### **Cheque Books and Receipts Books**

1. (a) A Register of Cheque (and Receipt Books should be maintained in Form P.W.A. XLIII, separate pages being reserved for cheque books, permanent and temporary books.

(b) Whenever, on examining a Cash Book, it is noticed that a cheque book or receipt book has been brought into use for the first time, the Divisional Account should enter it at once in the register as a new item. At same time, the date on which the corresponding book previously in use was completely written up should be ascertained from the cash book and noted in column 4 of the register against the original entry relating to that book.

(c) The submission of the counterfoils of used cheque and receipt books for check in the Divisional Office should be watched through this register and as soon as the counterfoils are received they should be examined, and it should be seen in particular (i) that all items for which receipts were issued were duly brought to account in the cash book, and (ii) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of Divisional Officer.

**Note:** —The term “Receipt Book” used in the above paragraph applies both to permanent and temporary Receipt books. The blank space provided in the counterfoils of the temporary receipt books for filing in the number and date of the corresponding permanent receipt should invariably be filled in before the submission of the counterfoils for check in the Divisional Office.

2. The Register of Cheque (and Receipt) Books should be reviewed periodically and enquiries should be made of the disbursing officer concerned if there is any unusual delay on this part in bringing a book into use. Even if the cause of the delay be known, it will be found advisable to obtain an assurance from the disbursing officer that the book is in his personal custody and contains the full number of forms intact.

### **Miscellaneous Matters**

1. When a Divisional Accountant is about to be relieved of his duties in a Divisional Office, either permanently or temporarily, he should prepare a memorandum reviewing the accounts of the Division. The state of the stock and other suspense accounts and of outstandings in the accounts of works should be reviewed in particular. All important liabilities, as also recoveries to be made from the staff or from contractors and others which should receive special attention, should be mentioned. Any arrears of defects in the working of the Divisional Office or subordinate offices rendering accounts to it should be specified, with a statement of the remedies applied or contemplated. Other points requiring the special attention of the relieving Accountant, whether in regard to the initial or compiled accounts or to Objection Statements and Audit Notes received from the Audit office, should also be set forth in detail (See paragraph 270 of the Comptroller and Auditor-General’s Manual of Standing Orders).

The memorandum should be in a tabular form with columns for (1) remarks by the relieving Accountant, (2) remarks by the Divisional Officer, and (3) orders of the Accountant-General. The relieving Accountant should examine it when taking over charge and promptly forward it, with his remarks, to the Accountant-General through the Divisional Officer, who will record such observations as he may consider necessary.

4. Divisional Officers should review from time to time the several registers, books and accounts maintained in the Divisional and Sub-divisional Offices even though under the rules in this Code they may have scrutinized and initialled the individual entries or sets of entries therein. To this end they may require these records to be laid before them through the Divisional Accountant, monthly or at such other intervals as may be fixed by them. The fact of such review should be placed on record in all cases preferably in Form P.W.A. XLIV (Memo. of the Review) posted in a suitable position on the Account, etc., concerned.

5. On behalf of the Divisional Officer, the Divisional Accountant should examine the accounts of the disposal of money obtained on bills presented direct at treasuries.

## PART III

### FOREST ACCOUNTS

#### CHAPTER V

#### CLASSIFICATION OF FOREST RECEIPTS AND EXPENDITURE

##### A. — GENERAL

**Article 240.** The major and minor heads prescribed for the classification of forest receipts and expenditure are set out in Appendix 2 to Volume I. The sub-heads, detailed heads or wilts of grants and appropriation will be determined by Government according to local requirements. The authorized arrangement of heads should not, however, be altered except in consultation with the Accountant-General.

(The list of major heads issued by the Comptroller and Auditor-General is printed separately as Appendix 2 to his Account Code, Volume 1. The portions of this Appendix relating to State transactions are reproduced in Appendix A to the Andhra Pradesh Budget Manual).

##### B. — TRANSACTIONS WITH OTHER DEPARTMENTS AND GOVERNMENTS

**Article 241.** Adjustments with other Departments and Governments in respect of supplies made or services rendered by or to the Forest Department should be regulated by the directions contained in Chapter 4 of Volume I.

**Article 242.** Recoveries or payments made in cash should be treated like other revenue receipts or service payments, as the case may be. But when a transaction has to be adjusted by book transfer, the transfer should be effected by debiting or crediting the amount involved to “Book Transfers”, the entry in the ‘accounts being supported by full particulars of the transaction and where necessary by the bill or invoice duly accepted by the department debited or by the bill or invoice of the Supplying Department accepted by the Forest Officer.

##### *LOCAL RULING UNDER ARTICLE 242*

The head “Book transfers” is not operated on the Andhra Pradesh. Items relating to other departments should be credited or debited in the accounts rendered to the Accountant-General under the head “Suspense Accounts — Departmental Adjusting Accounts”, and the Accountant-General will make the necessary transfers to the heads concerned.

**Article 243.** Transactions of the Central Government or of Railways or of another State Government originating in a State Forest Division, in so far as such transactions are adjustable by book transfers, should be entered in the accounts as debits or credits to the head “Book Transfers — Central”. “Book Transfers — Railway” or “Book Transfers — Government of the State of . . . . .”, as the case may be. Likewise the adjusting entries in respect of Railways or State transactions originating in a Forest Division of the Central Government should be taken to the head “Book transfers- -

Railways” or “Book Transfers — Government of the State of — - - - - “, the necessary adjustment will be made by the Accountant-General against the balances of the Government concerned or the Railway Fund, as the case may be.

#### **LOCAL RULING UNDER ARTICLE 243**

In Andhra Pradesh any original transactions under “Forest Remittances” which are adjustable in the Central Books of the Accountant-General or of another accounting circle, should be classified in the Forest Departmental Accounts directly under the head “Adjusting Account between Central and State Governments”, and those relating to Railways under the head “Adjusting Account with Railways”, and those relating to other States under the head “Inter State Suspense Account”. The responding transactions under “Forest Remittances” should always be classified as “State”.

#### **C. — INTER-DIVISIONAL TRANSFERS**

**Article 244.** All revenue and expenditure should be recorded in the accounts of the division within which it is collected or incurred without reference to its origin or object and save as provided in Article 245, no inter-divisional adjustments should be made except under special orders of Government.

**Article 245.** In cases where Government in consultation with the Accountant-General have declared a Division or a Circle as a unit for the purpose of ascertaining the financial results of the working of the forests, adjustments may be made between different units. Those in case where the unit is the division, adjustments may be made between different divisions; where the unit is the circle, adjustments made between divisions in different circles. These adjustments may be made monthly or annually as may be found convenient.

#### **LOCAL RULING UNDER ARTICLES 244-245**

No inter-district adjustment should be made in regard to any item of Forest Revenue. But for the purposes of the departmental or administrative accounts, revenue collected in one district on behalf of another should be shown against the district (or districts) to which it belongs and against the proper sub-head in the prescribed Forms.

When expenditure is incurred in one district on account of another, it should at once be recorded in the accounts of the district within which it was incurred; but such expenditure (except in the case of seeds, stumps etc., supplied for regeneration purposes) should be adjusted in due course by debit to the district on account of which it was incurred, with a corresponding credit to the district in which the expenditure was first incurred.

**Note 1** :—Advances of pay and travelling allowances granted to officers on transfer should be debited to “Objection Book Advances — Forest Officer” in the accounts of the division where the advance are made (vide also Local Ruling under Article 274).

**Note 2** :—Pay due in respect of duty in one circle or division to officers on their transfer to another circle or division should be drawn in the latter circle or division and charged to the appropriate head of account, viz., “Pay of officers” or “Pay of establishments” as the allotments for these heads of account are retained by the Chief Conservator of Forest without distribution. The travelling allowance due to and drawn for them at the new station may, however, be charged to the appropriation of the circle or division to which the transfer has been made.

**Note 3** :—Any amount paid into the State Bank of Hyderabad, Hyderabad by a purchaser or Issue on account of Forest Revenue should be credited to the districts to which it relates. (See Instruction 14(b) under Treasury Rule 10).

#### **D. — CHARGES FOR ESTABLISHMENTS, TOOLS AND PLANT ETC.**

**Article 246.** Charges on account of general services like establishment, Live Stock, Stores and Tools and Plant should be classified under appropriate sub-heads under the minor head “Establishment” or “Conservancy and Works” as the case may be and, save as provided below, no attempt should be made ordinarily to include in the cost of an individual work any portion of expenditure on account of those services. The cost of materials purchased for a specific work should, however, be debited to the accounts of that work.

**Article 247.** Pay and Allowances of such temporary establishment as is employed upon the actual execution as distinct from the general supervision of specific work or upon the subordinate supervision of departmental labour stores and machinery in connection with such a work should be debited to the appropriate sub-head under “Conservancy and Works” and not under “Establishment”.

**Article 248.** Where such expenditure stores, a building material, small stores, house fittings, etc., to the general sub-head for Stores and Tools and Plant are utilized subsequently on any specific work, the value thereof should be transferred to the accounts of the work concerned by write-back to the sub-head to which the stores were debited originally. Similarly, the cost of carnage of these stores to the-site of a work and carriage charges in connection with the movement from place to place of other materials and Tools and Plant issued to or provided specifically for a work may be debited direct to the accounts of that work.

#### **E. — FOREST REMITTANCE**

**Article 249.** All sums paid into the treasury by a departmental officer or on his account should be debited to “Forest Remittances”, irrespective of whether a remittances is made in cash or by a cheque. Similarly, the value of all cheques drawn should be credited to “Forest Remittances”, irrespective of whether or not they are cashed at once.

(See also Article 225 infra).

#### **F. — FOREST ADVANCES**

##### *I. Advances to Disburses*

**Article 250.** When a subordinate officer who is not authorized to draw cheques against the drawing account of the Divisional Officer is given a cash advance of suitable amount to enable him to make the disbursements entrusted to his charge, the amount of the advances should be debited in the account of the officer making the advance to “Forest Advances” as an advance to the disburser concerned. When an account of the advance is rendered by the disburser, the amount of the expenditure incurred should be credited to “Forest Advances” by a per contra debit to the appropriate sub-head of accounts classification.

##### *II. Advances to Contractor, etc.*

**Article 251.** Advances to contractor, suppliers and labourers made, in connection with the execution of works under the orders of competent authority should be debited



in the accounts of the officer making the advances t the head “Works Advances” subordinate to the minor head “Conservancy and Works”, the entry being supported by an acknowledgment by the payee. When recovered (wholly or partially) from the contractor, etc., either by work done or in cash the amount recovered should be credited under “Works Advances”. If the recovery is the value of work done, such value should simultaneously be debited per contra to the appropriate sub-head of accounts classification.

**Article 252.** Petty advances to labourers which are made by a subordinate Out of his own imprest of advance (see Article 250) and allowed to be treated as part of the cash balance with him should not, however, be accounted for as “Works Advances”.

### G. — RECOVERIES OF SERVICE PAYMENTS

**Article 253.** Recoveries of service payments should be dealt with as follows

(a) If made before the close of the year in the account of which the payment was included—

(1) When the recovery is in adjustment of an overcharge on account of pay or travelling allowance and is made by deduction from a bill dubitable to the same detailed head, the net amount only should be debited to that head.

(2) In all other cases, the amount recovered should be entered initially in the accounts as an item of receipt under “Recoveries of Service Payments” but in the account rendered to the Accountant-General the amount should appear as a minus entry under the sub-head to which it was debited originally.

(b) If made after the close of the year in the accounts of which the payment was included, the amount should be credited in the accounts as miscellaneous revenue.

### H. — OTHER RECOVERIES

**Article 254.** Other recoveries from pay bills, etc., should be recorded as pertaining to “Provident Funds, Income-tax. etc.,” as the case may be, but such recoveries as are creditable to the Central Government (e.g., deduction on account of Income-tax, Postal Life Insurance Fund, etc.) should be classified under the head “Book Transfers — Central” (see Article 243). In the same way, any recoveries creditable to another State Government should be taken to the head “Book Transfers — Government of .....”.

### I. — FOREST DEPOSITS

**Article 255.** Earnest money deposits which are paid under the rules of Government by contractors or purchasers of forest produce direct into a treasury or sub-treasury should be treated as Revenue Deposits and not as Forest Remittances. Such deposit should not appear in the accounts of the officers of the Forest Department. Similarly, earnest money deposits which are received initially by a Forest Officer but remitted subsequently to the treasury as such should also be dealt within the treasury accounts as Revenue Deposits.

X X X X X X X X X X X X X X X X

(See Local Ruling 3 under Article 257 below and Instruction 14 under Treasury Rule 10 in Andhra Pradesh Treasury Code, Volume I).

## CHAPTER VI

### ACCOUNTS TO BE KEPT IN FOREST OFFICES

#### A. — CASH BOOK

##### *I. General*

**Article 256.** Every officer who is authorized to receive or disburse Government money should keep an account in Cash Book, Form F.A. 1, in which he should enter not only all money transactions as they occur but also book transfer permissible under Article 260.

##### *LOCAL RULINGS UNDER ARTICLE 256*

Officers in charge of ranges or depots who are authorized to receive and disburse money will keep their accounts in a bound Cash Book in Form F.A.

**Article 257.** Only transactions connected with Public service and no other should be shown in the Cash Book. Sufficient detail should be given in the column "Particular" to admit of the main points of each transaction being ascertained readily without reference to the detailed vouchers. All items of revenue must be detailed fully; the forest from which the revenue is received, the person who pays it, and the articles and quantities removed should be stated in that column whenever the information is available. The classification of receipts and charges should be given in the column "Head of Service" in accordance with the prescribed accounts classification (see Chapter V).

##### *LOCAL RULINGS UNDER ARTICLE 257*

1. It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilized or to keep the Cash Book open after the 31st of March and make disbursements in April entering them in the Cash Book as having been made in March.

2. Acknowledgements of payments should, as far as possible be taken at the time of payment and on one of the printed forms prescribed for the purpose. They should be numbered in a separate series for each month and the serial number of each voucher should be entered in the Cash Book as soon as the payment transaction is entered therein.

3. An earnest money deposit received by a Forest Officer should be entered in the Cash Book on the debit side as soon as it is received, and a corresponding entry should be made on the creditor side when the amount is remitted to treasury. In the classified abstract also (see Local Ruling 1 under Articles 282-297), it should appear on both sides of the account as "Miscellaneous Remittances".

**Note :—**The transactions relating to the earnest money deposited by an intending bidder at an auction sale should also be entered in the Cash Book, even though it is returned to the depositor immediately after the auction.

Account of District Forest Officers

4. The Cash Book of District Forest Officers, Form F.A. 1, shall contain :—

(a) a detailed record of the daily transactions of the District Forest Officer himself,

(b) the classified expenditure incurred by Range Officers, or other disbursing subordinates in totals only, the details of those totals being shown in the original accounts, which will be filed for record in the District Forest Office,

(c) recoveries of service payments, (see Article 253), and

(d) the advances made to contractors and disbursers (and the recoveries of such advances), other than advances by subordinates made and recovered during the month.

**Note** :---The opening and closing cash balances in the account of each subordinate should agree with the balances shown as outstanding against him in the district ledger (see Articles 272 to 276) at the commencement and close of each month.

5. The entry of a payment into the treasury should record the number and date of the receipt and the number of the treasury into which the money was paid. The Conservator may order the submission of vouchers — such as auctioneers' accounts sales passes, permits or licenses in support of the items of revenue.

The first monthly entry in the cash column on the receipt side will be the cash balance in hand at the beginning of the month. The accounts will close with the closing balance at the end of the month. (see Article 265).

6. All entries in the Cash Book of "Remittances of revenue to treasuries" should be supported by vouchers in the treasury receipt from (chalan). When remittances to the treasury are made by means of postal money orders, the chalan may be replaced by the Treasury Officer's advice list. The name of the treasury and the treasury number and date of each receipt should invariably be entered in the Cash Book in the column "To whom paid etc".

7. The procedure to be followed in regard to the repayment or adjustment of a revenue deposit is indicated in Instructions 19 and 23 under Treasury Rule 16. Immediately on receipt of an intimation from the treasury of the adjustment of an earnest money deposit against revenue due, the District Forest Officer should enter the amount in his Cash Book on the debtor side as "Revenue" and on the creditor side as "Forest Remittances" taking care to see that the entries are made in the Cash Book for the month in which the adjustment is reported to have been made in the accounts of the treasury.

**Article 258.** When a cheque is drawn in favour of self or order to replenish the cash chest, the amount of its should be entered at once as a receipt. This entry must not be delayed until the money has been received after the cheque has been cashed at the treasury.

#### ***LOCAL RULINGS UNDER ARTICLE 258***

1. The amount of the cheque should also be entered on the payment said of the Cash Book in the column "Bank or Treasury".

2. Cheques accepted in payment of Government dues should be entered in the cash account as "Receipts" as and when received and as "Disbursements" when remitted into the treasury for encashment just like moneys received by a Government servant. If a large number of cheques is received daily should be initially entered in a subsidiary register in M.T.C. Form 14-A for watching the encashment of the cheques and only the daily total of receipts and remittances accounted for in the Cash Book. Cheques drawn by the

District Forest Officer or by some other Government servant in favour of the District Forest Officer may, however, be treated as “Cash” while the cheques are in transit to the treasury for realization.

**Article 259.** A cheque drawn in order to be paid away should be entered simultaneously on both sides of the Cash Book, once as a receipt of money from the treasury and again as a payment to the payee concerned, the number and distinguishing letter of the cheque being specified in both the entries.

**Article 260.** Similarly, all book transfers, i.e., transaction in which no actual payment or receipt of cash is involved, should be entered simultaneously on both sides of the Cash Book, the credit or debit to “Book Transfers” appearing on one side and an equivalent debit to an expenditure head or credit to a revenue head, on the other.

#### ***LOCAL RULING UNDER ARTICLE 260***

The head “Book Transfers” is not operated on in Andhra Pradesh, the Local Ruling under Article 242.

**Article 261.** Pay and Allowances of Forest Officers and their establishments which are paid by cheques or Out of cash obtained from the treasury should be entered in the Cash Book under the head “Establishment” without further details, the entries being supported by bill as vouchers.

#### ***LOCAL RULING UNDER ARTICLE 261***

The exhibition in the Cash Book of the deductions made from pay bills on account of Income-tax and Postal Life Insurance should follow the procedure indicated in the Local Ruling under Article 243. Credits on account of General Provident Fund or any other account pertaining to a State head of account should be shown under the relevant head or the departmental adjusting account concerned with reference to the Local Ruling under Article 242.

### ***II. Cancelled, Lost or Lapsed Cheques***

[See also Subsidiary Rules 49 to 51 under Treasury Rule 16]

**Article 262.** If a cheque which has been drawn and entered in the Cash Book has to be cancelled subsequently, the amount of it should be accounted for on the creditor side as a “cancelled cheque”, the cancelled cheque being treated as a voucher. Simultaneously, an entry should be made on the debtor side, as indicated below :—

(a) If the cancelled cheque is replaced immediately by a fresh cheque, the fresh cheque should be shown as a “Forest Remittance”, the number and date of the cheque in lieu of which it is drawn being quoted in the entry.

(b) If the cancelled cheque is not replaced immediately, the expenditure in payment of which it was drawn should be written back by making an entry of the cancelled cheque on the debtor side as for a cash recovery of a service payment (Article 253,).

**Article 263.** A lost cheque should be treated in all respects like a cancelled cheque (Article 262), the treasury certificate of non-payment being regarded as a voucher in support of the entry of cancellation on the creditor side of the Cash Book.

**Article 264.** A lapsed or time expired cheque, if renewed, should be treated as a cancelled cheque and the fresh cheque issued in its place entered in the Cash Book in the manner indicated in clause (a) of Article 262.

### ***III. Closing and Balancing***

**Article 265.** \*The Cash Book should be closed and balanced monthly. The account balance at the close of the month should be checked with the actual cash balance on hand verified by actual count. If any excess or deficiency is found, it should be entered at once as such in the Cash Book on the debit or creditor side, as the case may be.

\* See also Instruction I under Treasury Rule 11.

**Article 266.** “All Subordinate Officers i.e., Range Officers should close their accounts on the last day of the month on which date the Sub-treasury Accounts are closed and render accounts to the Divisional Forest Officer on 5th of the next month or such earlier date may be necessary in order to ensure that the Divisional Officers’ Accounts reach the Accountant-General by 15th of next month”.

(Sub. by G.O. Ms. No. 305, Finance and Planning, Dt. 21-11-1979)

#### ***LOCAL RULING UNDER ARTICLE 266***

The date on which the Cash Books of Range Officers should be closed each month will usually fixed by the District Forest Officer with reference to the date on which the Taluk Treasury accounts are closed, in order to preserve agreement between the departmental and the treasury figures.

### **B. — REGISTER OF CHEQUES DRAWN**

**Article 267.** A monthly register of cheques drawn on all treasuries with which the drawing officer is placed in account should be kept in Form F.A. 2.

#### ***LOCAL RULING UNDER ARTICLE 267***

A copy of the monthly register of cheques drawn in Form F.A. 2 will be sent to the Treasury Officer for verification and counture at the close of each month see Article 58 and Local Ruling 2 under it in the Andhra Pradesh Accounts Code, Volume II.

### **C. — WORKS ACCOUNTS**

#### ***I. Muster Rolls***

**Article 268.** For work executed by labourers, whether paid by the day or otherwise, a Muster Roll should be kept in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

#### ***LOCAL RULING UNDER ARTICLE 268***

The muster roll should be kept in Form F.A. XI in accordance with the instructions in Chapter VIII of the Andhra Pradesh Financial Code and the notes printed on the form.

#### ***II. Measurement Books***

**Article 269.** For work done otherwise than on a lumpsum contract, and for supplies made by a contractor, a Measurement Book should be kept in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

**LOCAL RULING UNDER ARTICLE 269****Measurement Books**

1. The instructions for the maintenance of measurement books are laid down in Chapter VIII of the Andhra Pradesh Financial Code. Measurement books are not to be used in the case of existing buildings where the only purpose aimed at is the preparation of estimates for periodical repairs and of contractors, bills for such repairs; in such cases all that need be used is a standard measurement book which should be maintained in Divisional Forest and Range Offices.

When standard measurement books of buildings are maintained, the rules prescribed by the Government in consultation with the Accountant-General should be followed carefully

(i) The entries of measurements and abstracts thereof should be recorded legibly in ink and certified by the Range Officer concerned, in his own handwriting to the effect that they are correct for the purpose of preparing both the periodical repair estimates and contractors, bills. Any correction should be attested by a District Forest Officer.

(ii) All the standard measurement books maintained in a Forest Division should be entered in an alphabetical series so as to be readily distinguished from ordinary measurement books and the entries relating to them should be noted on separate pages of the register of measurement books maintained in the Divisional Forest Office. The original standard measurement books should be kept in the personal custody of the head clerk of the Divisional Forest Office.

(iii) Certified copies of measurement books relating to works in charge of a Range Officer should be sent to him to be kept in his personal custody and the entries relating to them should be made on separate pages of the Range Register of measurement books.

**Note :—**.-This need not be done when the Divisional Forest Office and the Range Office are at the same station.

(iv) For the use of the Forester, standard measurements of each work in his charge copied on loose sheets and signed by the District Forest Officer should be sent to the Range Officer for issue to the Forest concerned.

**Note :—**This need not be done when the Range Officer and the Forester are in the same station.

(v) When corrections have to be made owing to additions or alterations in a building, the Range Officer concerned should make the corrections in his copy of the measurement book. At the same time, he should intimate them to the District Forest Officer who will have the book in his office corrected under his initials. The copies with Foresters in which corrections have to be made should be called for by the Range Officer, corrected under his initials and returned.

(vi) On the 30th April, each year, the District Forest Officer should send a certificate to the Conservator to the effect that all the standard measurement books in his division have been inspected by him, that the entries therein have not been tampered with, that all corrections due to additions or alterations in the buildings have been made in the books and that the latter are reliable and up-to-date records.

(vii) When a payment has to be passed on standard measurements, the subordinate preparing the bill for payment should certify in the ordinary measurement book and the bill that the whole of the work (or the work since the previous running bill, as the case may be) as per standard measurements in a book, the number of which should be quoted, has been done and that it has not previously been billed for in any form.

(viii) Separate measurement books should be set apart for nothing the details of such bills so as to facilitate the review of payments based on standard measurements.

(ix) All bills so paid should be specially checked in the Divisional Forest Office with reference to the standard measurements contained in the records of that office.

### **Bills and Vouchers**

2. For payments other than those made on muster rolls the authorized forms of bills and vouchers are the following:

- (a) First and Final Bill, Form F.A. II
- (b) Running Account Bill, Form F.A. III
- (c) Hand Receipt, Form F.A. IV.

The use of these forms is explained in the following sub-sections:

*First and Final Bill Form F.A. II* :—This form should be used for making payments both to contractors and suppliers when a single payment is made for a job or contract, i.e., on its completion. A single form may be used for making payments to several payees, if they relate to the same works (or to the same head of account in the case of supplies) and are billed for at the same time.

*Running Account Bill, Form F.A. III* :—This form is intended both for contractors for work done and for supplies. It should be used when payments are made on running accounts to contractors and suppliers. This form will contain one man's account only; full details of quantities of the different classes of work or supplies must also be set forth.

*Hand Receipt, Form F.A. IV* :—This is a single form of voucher intended to be used for all miscellaneous payments and advances for which none of the special Forms F.A. II and F.A. III is suitable.

3. Before the bill of a contractor is prepared, the entries in the measurement book relating to be description and quantities of Work or supplies should be scrutinized by the subordinate and the calculations of "Contents or Area" checked arithmetically by him. The rates allowed should be entered by him in the abstract of measurements. The bill should then be prepared from the measurement entries in one of the forms prescribed in Local Ruling 2 above applicable to the case.

Full rates in accordance with the agreement, catalogue, indent or other order should be allowed only if the quality of work done or supplies made is up to the stipulated specification. When the work or supplies fall short of the standard, and under the agreement, it is permissible to make a final payment if the contract is determined, or an on account payment if contract is to run on, only such a fraction of the full rate should be allowed as is considered reasonable, with due regard to the work remaining to be done and the general terms of the agreement.

4. Before signing the bill, the subordinate should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically. When the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made up, any recoveries which should be made on account of the work or supply or on other accounts being shown therein. If the subordinate is empowered to pay the bill, he should then record a formal pay order specifying, both in words and figures, only the net amount payable, though the payee should be required to acknowledge in his acquittance the gross amount payable inclusive of the recoveries made from the bill.

The total charge for each item of work and the grand total of a contractor's bill should be rounded in accordance with the instructions in Chapter XIV of the Andhra Pradesh Financial Code, but pies should not be omitted from the rates for the various items of works.

If the subordinate who prepares the bill has authority to make payment, only one signature at the foot of the bill is necessary.

5. If the subordinate is not empowered to make the payment, the bill should be submitted with the measurement book to the next higher authority, who will pass and return the bill for payment, if after the necessary scrutiny it is found to be in order.

6. From the measurement books, all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for work or supplies measured, a remark to the effect "Bill submitted to the ..... on ....." "should be endorsed on the abstract of measurements. The officer who signs the pay order should, immediately on signing it, cross out every page containing the detailed measurements of the work or supplies paid for by a diagonal red ink line. The office who actually disburses the amount should enter the number and the date of the voucher of payment with the remarks "Paid on ..... by voucher No ..... on the abstract of measurements.

**Note** :—The document on which payment is made should invariably show in the space provided for the purpose the number and page of the measurements book in which the detailed measurements are recorded, and the date on which the measurement was made, or the date on which the articles were brought to account in the Register of receipts of timber, etc.

7. (a) Payments for work done or supplies made in a running account should ordinarily be made monthly. But the "quantities" and "amount" of each distinct item of work or supply should be shown separately in the bill. It will be observed that the form provides for recording the total quantity and value of work done up-to-date, the work done to the end of the last bill and since then.

(b) Such payments should be treated as payments on account, subject to adjustment in the final bill, which should be drawn in Form F.A. III but printed on yellow paper, when the work or supply is completed or the running account is to be closed for other reasons. When a final payment is made on a running account, the payee, if he is able to write, should add in his own handwriting that the payments is 'in full settlement of all demands'. If the payee is illiterate or is unable to write, beyond signing his name, these words should not be filled in by the making the payment.



**Note 1:** — If the contractor refuses to give an acknowledgment to the effect that the payment made to him was in full settlement of all demands, it is not necessary to insist on obtaining a qualified acknowledgment.

**Note 2 :**— A form printed on yellow paper is never to be used except for final payments.

(c) A separate running account is maintained in respect of each contract. Transactions relating to two or more separate working estimates should not be brought on to the same running account; they should not, therefore, be covered by a single contract.

### **Charges on account of materials**

8. In the case of works executed departmentally, the required materials may be obtained from stores or by purchase or transfer from other works at which there may be a surplus and so on. The materials brought on to the site of a work will be in the custody of the officer incharge of the work and will be issued for use on the work as required. In order to watch the proper receipt, issue and balance of materials in the interests of Government, it is important that a simple and concurrent account should be kept of each item of material as it is received and issued for the work. For this purpose an account in Form F.A. V is prescribed.

9. Form F.A. V will however, be maintained only in the case of such works where its maintenance has been specially ordered by the sanctioning authority. All materials brought on to the site of such works for use thereon, whether by purchase or from stock or by transfer from another work, etc., should immediately be entered in the receipt column with a brief reference to the measurement book or other record, a separate page being used for each material. As the materials are issued for use on the work, they should be duly entered on the day of issue in the issue column, the balance being immediately posted.

10. Immediately after the completion of the Work, the Range Officer will verify the unused balance of materials, submitting along with the completion report for the work a report of verification containing the actual verified balances and a certificate that he has brought them to account in Form No. 6 of the Andhra Pradesh Forest Code. The report should also indicate the action taken or proposed to be taken (1) to adjust the discrepancies, if any, and (2) to dispose of the surplus balances.

Discrepancies may be due to differences between the actual receipts of issues with those entered in the accounts, arising from errors in measurement, or in posting the accounts or from losses of materials due to carelessness neglect or fraud on the part of the subordinates. They should be carefully investigated into and adjusted as follows

(1) Shortages and losses for which any subordinate is held responsible should be adjusted by prompt recovery under the orders of the District Forest Officer, the amount being credited to the work. Pending recovery, such amounts should be debited to 'Advances recoverable' by credit to the work. The question of other disciplinary action should be separately examined.

(2) Other actual losses which are irrecoverable should be written off the account in Form No. 6 of the Andhra Pradesh Forest Code under the sanction of the competent authority, no further adjustment in accounts being required.

(3) Materials found in excess should be brought on to the account in Form No. 6 of the Andhra Pradesh Forest Code separately with the remarks 'Materials found in excess on verification'.

11. Steps should be taken expeditiously to dispose of all surplus materials either by transfer to other works in progress or by sale. The value of such materials should be credited to the work concerned and debited to the work to which they are transferred and, if sold, the value realized should be credited to the works.

*Note* :—Completion report for the works should contain a reference as to the manner in which deficit or excess materials have been adjusted.

The unused materials at the site of a work should also be verified, whenever the officer or subordinate in direct charge of the work is transferred before its accounts are closed, be the relieving officer in company with the relieved officer and a report on the verification should be submitted to the District Forest Officer through the Range Officer only in cases where the verified balances do not agree with the book balances. If the verification does not disclose any discrepancies a certificate to the effect that the book balances have been verified and found correct, will be signed and submitted by the relieving officer to the District Forest Officer through the Range Officer.

12. The accounts of "Materials-at-site" prescribed in the above Local Rulings are not intended to include office stores, tools and plant and other equipment. (See also Article 271 and the Local Ruling under it).

### ***III. — Register of Works***

**Article 270.** A detailed record of the expenditure relating to each sanctioned work should be kept in a register in Form F.A. 3.

#### **Local Rulings under Article 270**

1. The expenditure incurred on works sanctioned either by the Government, the Chief Conservator or the Conservator should be entered in detail in the register, Form F.A. 3, to be kept in the District Forest Office, one or more pages being devoted to each work. A separate register should also be maintained for recording the expenditure on works sanctioned by the District Forest Officer. The register should be posted monthly from the duplicate copy of their Range Cash Book. For works costing Rs. 100 or less, it is not necessary to classify expenditure under the various estimate sub-heads in the I. register, the column. "Total Expenditure" only being posted.

The first volume of the register in use should have an index under the Various budget heads for all works sanctioned in the division.

2. For the procedure to be followed in regard to the submission of the completion report for a work, see Article 181 in Chapter VIII of the Andhra Pradesh Financial Code, Volume I and the instructions in the Departmental Code.

#### **D - Stores Accounts**

**Article 271.** An account of stores, such as building materials, small stores, house fittings, etc., which may be held in stock for general purposes, as distinct from materials purchased for specific works, should be kept in such form as the Government may determine in consultation with the Accountant-General.

***LOCAL RULING UNDER ARTICLE 271***

The Government have directed that the account of stores referred to in the Article need not be kept in Andhra Pradesh.

**E.—CONTRACTORS' AND DISBURSERS' LEDGERS**

**Article 272.** A ledger should be maintained by the Divisional Officer in form F.A. 4 for all accounts with disbursers and contractors. On the debtor side should be entered all payments made to them and on the creditor side the amounts of all bills passed to their credit and all sums repaid by them in cash.

**Article 273.** Only one account should be opened with each disburser, but in the case of contractors a separate account should be kept with each person in respect of each work.

**Article 274.** Each item entered in the Cash Book under 'Forest Advances' or 'Works Advances' should be posted at once in the ledger, and when any work is accepted as having been done by a contractor, or any account supported by the necessary vouchers is accepted from a disburser, the amount covered by work done or expenditure should be set off against the amount due from the contractor or disburser, as shown in his account in the ledger. The ledger account should thus be a running account with each contractor and disburser from which the amount due by him or from him can always be ascertained easily.

***LOCAL RULING UNDER ARTICLE 274***

When an advance is outstanding against an officer on transfer, the amount shall be shown as 'transferred to the accounts of district' in the accounts of the district he is leaving, on receipt of intimation from the District Forest Officer of his new district that the outstanding has been brought to account in his ledger.

**Article 275.** The account with each contractor and disburser should be balanced on the last day of each month in which any transaction takes place.

***LOCAL RULING UNDER ARTICLE 275***

In Andhra Pradesh, the account of each contractor and disburser for any month in which any transaction has taken place should be balanced and initialled by the District Forest Officer as soon as possible after the date of the despatch of the monthly accounts to the Accountant-General, and in case not later than the 12th day of the month.

**Article 276.** The pages in the ledger should be numbered consecutively, and there should be an index to the accounts it contains. Each new account opened should be assigned a number which will be appropriate to that particular account until it is closed finally. The numbers should be given to the accounts in the ledger in consecutive order, as they are opened and should run in a consecutive sequence until a new ledger volume is opened.

**F—CLOSING OF THE ACCOUNTS OF THE YEAR**

**Article 277.** The financial year terminates on 31<sup>st</sup> March and actual transactions taking place after that date should on no account be treated as pertaining of that year. In order, however, that as many of the un-adjusted outstanding of the year as possible

should be cleared, and that errors in accounts coming to notice after the 31st of March should be rectified, if possible, within the accounts of the year, the account books prescribed above should be kept open, after the closing of accounts for March, for the inclusion of transfer entries relating of rectification of errors and for settlement of outstandings. These accounts should be closed on the 20th of May or on such date as may be prescribed by the Accountant-General.

### G.—CORRECTION OF ERRORS

**Article 278.** If an item in the Forest accounts which properly belongs to one head is classified wrongly under another head, the error should be corrected in the following manner :—

(a) If the error is discovered before the close of the month's accounts, the necessary correction should be made in the original entries before the accounts are closed. The mistake should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials.

(b) If the error is discovered after the close of the month's accounts, but before the accounts of March supplementary are closed, the correction should take the form of a fresh entry in the Current Cash Book. (Article 277).

**Note 1** —Errors affecting only revenue or expenditure (service heads where the amounts involved do not exceed Rs. 10) need no formal correction.

**Note 2** :—If the error affects one or more heads on each side of the Cash Books, the correcting entry should be made on both sides in the manner indicated in Article 260, but if it affects only receipts or expenditure heads on one side or the Cash Book, the entry should on the one side affected, the amount (plus or minus) pertaining to each head being specified in the column headed "Particulars" and the column "Receipts" or "Disbursements" as the case may be, being left blank. At the same time, a suitable remark should be made in red ink against the original incorrect entries in all accounts, the reference to the correcting entry being quoted.

**Note 3** :—No correcting entry should be made unless supported by the order of the Divisional Forest Officer obtained on transfer Entry Memorandum in the form below:

Particulars of the original transaction, with reasons or the proposed adjustment	Debits		Credits	
	Head of Account	Amount Rs.Ps.	Head of Account	Amount Rs.Ps.

Passed.

Divisional Forest Officer.

(c) If the error is discovered after the accounts for March supplementary have been closed and despatched to the Accountant-General, it should be reported by letter to the Accountant-General who will deal with it in accordance with the rules in Volume IV

and advise to the Forest Officer the corrections (if any) which he should make in his accounts.

[Volume IV of the Comptroller and Auditor-General's Account Code]

(d) In all cases in which a formal correction is not permissible, a suitable note (in red ink) should be made in all the accounts concerned.

#### ***LOCAL RULING UNDER ARTICLE 278***

In Andhra Pradesh the March supplementary accounts, are not prepared by Forest Officers but they should intimate to the Accountant-General any corrections to be made in the accounts so as to reach him not later than the 20th of May in each year.

### **H.—SUBSIDIARY ACCOUNTS OF COMMERCIAL UNDERTAKINGS**

**Article 279.** If the activities of any individual Forest Unit or of any self-contained exploitation scheme like a Saw-mill or a Forest Railway, are such as to require the maintenance of subsidiary accounts on a commercial basis, the form of accounts to be kept may be settled by Government after consultation with the Accountant-General.

#### ***LOCAL RULING UNDER ARTICLE 279***

There are no commercial undertakings in the Forest Departments in Andhra Pradesh.

## **CHAPTER VII**

### **ACCOUNTS RETURNS RENDERED BY FOREST DEPARTMENT OFFICERS**

#### **A. — GENERAL**

**Article 280.** The directions contained in this Chapter shall apply primarily to accounts of Divisional Officers. They shall also apply mutatis mutandis to accounts of Conservators and other Forest Officers who draw funds against their own drawing accounts and render separate accounts to the Accountant-General in respect of transactions passing through them.

#### **B. — INCORPORATION OF SUBORDINATES' ACCOUNTS**

**Article 281.** Before closing the accounts of a month the Divisional Officer should satisfy himself that the accounts of his subordinate officers for the month have been examined and incorporated truly and accurately in his own accounts. For this purpose, the accounts of the latter should reach the office of compilation in time for the preparation and submission of the accounts returns on due date (x x x). If they do not arrive in time to be so incorporated, they should be taken in the following month's accounts but such an occurrence should be avoided as far as possible. In the case of accounts for March, however, the Divisional Officer must keep open his accounts until receipt of all the subordinates, accounts in order that all receipts and payments of the official year may, as far as possible, be brought into the accounts of the year (see also Article 277).

***LOCAL RULING UNDER ARTICLE 281***

The duplicate copy of the Cash Book prepared by carbon paper to be sent by Range Officers to the District Forest Officer should be accompanied by all the necessary vouchers as prescribed for District Forest Officers and should show the cash balance in hand at the end of the month, which should be personally counted by the officer closing the Cash Book and compared by him with the entries in the Cash Book and the duplicate copy of the Cash Book. The fact should be certified at the foot of the latter return in the following form

“I hereby certify that I have personally counted my cash balance on this day and found it to agree with the balance as shown in the Cash Book and in this return. The entries in the Cash Book and in this return have also been compared by me throughout and found to agree”.

The accounts and returns of Depot Keepers and other subordinates should be incorporated in the duplicate copy of the Cash Book and the timber and stock returns.

**C. — COMPILATION OF MONTHLY ACCOUNTS**

**Articles 282-287.** x x x

**D. — SUBMISSION TO ACCOUNTANT-GENERAL**

**Articles 288-297.** x x x

***LOCAL RULINGS UNDER ARTICLES 282-297***

1. District Forest Officers should render the following accounts to the Accountant-General. The Divisional Forest Officers should be despatched as a rule by registered post so as to reach his office on or before 15th of the month except in the months in which they may be specially required to be despatched earlier and special steps should be taken, if necessary, so as to ensure that they are despatched promptly. The accounts of the District Forest Officer, Upper Godavari, may be despatched so as to reach the Accountant-General not later than 10th of each month, as a special case, in view of the time involved in postal transit. If the due date happens to be a postal holiday, the accounts may be sent one day (but not more than one day) later. With a view to avoid delay, the accounts (but not the vouchers) may, in the absence of the District Forest Officers be signed by his Head Clerk or by a Gazetted Government servant on his behalf. The District Forest Officer should, however, check the accounts on his return and forward with the vouchers a certificate of his responsibility as to the correctness of the accounts submitted to the Audit Office, giving the totals under each head of revenue and expenditure.

[G.O.Ms.No. 305, Fin. & Plg., Dt. 2111-1979]

**Accounts to be rendered**

A classified abstract of the cash accounts (Form F.A. VII) showing for month:

- (a) the total revenue and expenditure under each of the prescribed heads of account;
- (b) the total amount of all cheques drawn;
- (c) all remittances to treasuries;

- (d) all advances paid and recovered;
- (e) all other cash recovered;
- (f) inter-departmental transfers;
- (g) forest refunds; and
- (h) receipts and payments on account of other Governments and Railways.

This account should be accompanied by the following documents and appendices—

#### **Documents**

- (i) Return of cheques drawn duly certified by the Treasury Officer (see Art. 267).
- (ii) Consolidated Treasury Receipt from the Treasury Officer for remittances into the treasury.
- (iii) Schedule of receipts and payments on behalf of other Govts. and Railways.
- (iv) Return of rents (Form F.A. VIII).
- (v) Schedule of Forest Remittances Treasuries in Form F.A. VI-A.

#### **Appendices**

I. Account particulars of the amounts debited and credited to “Advance Recoverable” and “10 Forest — Conservancy and Works — Suspense — Works Advances”.

**Note** :—Each item outstanding for more than six months should be entered in red ink in this Appendix. The return for March in each year should be accompanied by a brief statement explaining the circumstances in which each such item remains unadjusted and the steps which have been taken with a view to its early clearance.

Certificates of each balance in the hands of Range Officers and other disbursers who have received advances directly from the District Forest Officer, together with explanations of any differences between the amounts of such certificates and those shown in this Appendix should also accompany the March return.

II. Account particulars of cash recoveries made on account of over payments; retrenchments, etc.,

III. Account particulars of items credited to the detailed head “Other sources” under the head “X — Forest — Miscellaneous”.

**Note** :—The posting or ‘Aversa’ Register (Form F.A.X) prepared by the Accountant of the Divisional Forest Office should be attested monthly by the District Forest Officer when he approves of the accounts and field with the office copy of the accounts.

2. The submission of the monthly accounts should on no account be delayed. If, however, they cannot reach the office of the Accountant-General before the due date prescribed in Local Ruling 1 above, a separate statement (and if necessary a telegram) should be despatched so as to reach his office on the above due date, giving the figures under the following heads of account in the order noted below. The special reasons necessitating delay in the despatch of the accounts should also be furnished along with the accounts.

**I. — RECEIPTS AND CHARGES BY MAJOR HEADS OF ACCOUNT****Receipts**

- A. X. Forest (Gross).
- B. Refunds under’.
- C. State Provident Funds.
- D. Civil Deposits.
- E. Other Deposits and Advances, (i.e., Advances Repayable - Special Advances and Forest Advances; Suspense Accounts Departmental Adjusting Accounts).
- F. Loans and Advances by State Government.
- G. Adjusting account between Central (Non-Railways) and State Governments.
- H. Cash Remittances.
- I. Inter-State Suspense Account.
- X. Account with Railway (Southern Railway, Eastern Railway - each Railway separately).
- J. Opening balance.
- K. Total Receipts.

**Charges**

- L. 10 - Forest.
- Z. 65 - A Capital outlay on Forests.
- M. State Provident Funds.
- N. Civil Deposits.
- O. Other Deposits and Advances (i.e., Advances Repayable - Special Advances and Forest Advances; Suspense Accounts-Departmental Adjusting Accounts).
- P. Loans and Advances by State Governments
- Q. Adjusting account between Central (Non-Railways) and State Governments.
- R. Cash Remittances.
- S. Inter-State Suspense Account.
- Y. Account with Railways (Southern Railway, Eastern Railway - each Railway separately).
- T. Closing balance.
- U. Total charges.

**II. DETAILS FOR THE AMOUNT SHOWN UNDER THE HEAD “ADJUSTING ACCOUNT BETWEEN CENTRAL AND STATE GOVERNMENTS****Receipts**

- (a) Taxes on Income.
- (b) Account between Central Revenues and Andhra Pradesh.



- (c) Account between Civil and Posts & Telegraphs.
- (d) General Family Pension Fund, West Bengal.
- (e) Total receipts - Adjusting account between Central and State Governments.

**Charges**

- (f) Accounts with Governments of the other Countries.
- (g) Account between Central Revenues and Andhra Pradesh.
- (h) Account between Andhra Pradesh and Military.
- (i) Total Charges — Adjusting Account between Central and State Govts.

3. Two schedule dockets of works vouchers should be submitted for each range in Form F.A. IX, one for works sanctioned by the Conservator or higher authority, and the other for works sanctioned by the District Forest Officer and all other charges under “Conservancy and Works” including commission payments.

A contingent bill for the whole district should also be submitted for contingent charges under the minor head “Establishment”, except when separate bills are required under any rule or order to be sent for particular items. Contingent bills should be prepared in the forms prescribed and in accordance with the Subsidiary Rules and Instructions under Treasury Rule 16 except for the fact that the bills are not presented at the treasury. Particular attention should be paid to the rules regarding the submission of sub-vouchers, their cancellation, etc.

As regards travelling allowances, the original bill countersigned by the controlling officer should be submitted with accounts as vouchers, the payee’s receipts being filed in the District Forest Office.

Vouchers should also be submitted for advances to contractors and disbursements, transfers to other departments and the like.

Vouchers and sub-vouchers pertaining to each range should have a distinguishing letter attached to their members.

4. “The vouchers should be despatched by Registered Post, accompanied by a covering list showing the number and amount of each voucher in the prescribed form, accompanying the monthly accounts are signed by some other Gazetted Government Servant on behalf of the Divisional Forest Office?”

(Issued as C.S.No. 2/79 vide G.O.Ms.No. 305, F&A (Accts. II) Dept., Dt. 21-11-1979,  
w.e.f 1-3-1980)

5. All accounts in an Indian language should be accompanied by abstracts in English. The necessary particulars should be entered in English on all vouchers in an Indian language and signed by the District Forest Officer, when they are forwarded for audit in support of the charges entered in the direct monthly accounts.

6. In addition to the monthly accounts prescribed above, Capital and Revenue Accounts of Government owned and leased residences should be prepared annually and submitted to the Accountant-General in the form and manner prescribed by him.

# APPENDICES

## APPENDIX I

*[See Chapter II, Local Ruling under Articles 11 and 26]*

### **RULES GOVERNING THE ALLOCATION OF EXPENDITURE BETWEEN CAPITAL AND REVENUE AND FINANCING AND ACCOUNTING OF CAPITAL EXPENDITURE**

Expenditure on public services may be classified into “Expenditure on Revenue Account” and “Expenditure on Capital Account” or “Capital Expenditure”. The Comptroller and Auditor-General has broadly defined capital expenditure as expenditure incurred with the object of either increasing concrete assets of a material and permanent character, or of reducing recurring liabilities, such as those for future pensions by payment of commuted value. Capital expenditure may be met from non-revenue resources, such as capital receipts, accumulated revenue surpluses of previous years or the proceeds of loans. It is not however, necessary that all capital expenditure should be met from non-revenue resources. Prudent Financial Administration requires that capital expenditure should not be met from such sources, unless it is remunerative or is so large that it cannot be met from current revenues. Expenditure on a temporary asset cannot, ordinarily, be considered as expenditure of a capital nature.

2. For the purpose of laying down rules to determine what is capital expenditure and how such expenditure should be financed i.e., whether from the revenue account or from non-revenue resources, the public services on which the Government incur capital expenditure may be divided into the following categories :—

A. Irrigation works and electric schemes for which regular capital and revenue accounts are kept.

B. Government commercial undertakings.

C. Other departments and services for which no separate capital and revenue accounts are kept (e.g., civil works).

#### **A. — IRRIGATION WORKS AND ELECTRIC SCHEMES FOR WHICH REGULAR CAPITAL AND REVENUE ACCOUNTS ARE KEPT**

##### *I. Allocation of expenditure between capital and revenue*

3. Irrigation and navigation works and electric schemes are generally of a revenue producing character, and a number of them have been financed from non-revenue resources. It is essential to make clear the financial affect of their working, and for this purpose separate capital and revenue accounts have to be maintained for them, showing the total cost of construction, the cost of extensions and improvements, the gross revenue and the cost of working and maintenance.

It is not, however, necessary to maintain separate capital and revenue accounts for small works, viz., works estimated to cost not more than Rs. 50,000/- each, nor if the work is of such a character as not to permit of clear capital and revenue accounts being kept.

4. The following rules should be observed in deciding whether an item of expenditure to an irrigation or navigation work should be debited to capital or to revenue

(1) Capital bears all charges for the first construction of a project as well as charges for intermediate maintenance of the work while not yet opened for service, and bears also charges for further additions and improvements in accordance with rule (3) below.

(2) Revenue bears all subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also on such renewals and replacements and such additions, improvements and extensions as are chargeable to the revenue account under rules (3) and (4).

(3) When the construction estimate of a project is closed, the expenditure on works of extensions will be charged thus

(a) Estimates exceeding Rs. 1,000/- for (i) works which are in themselves directly remunerative, such as new distributaries, mills or works for increasing the canal discharge, and (ii) works which are necessary for the full development of a project, but are not in themselves directly remunerative, shall be charged to the capital account.

(b) Estimates accounting to Rs. 1,000 or under shall be charged to the revenue account under Extensions and Improvements.

(c) All estimates for works which are neither remunerative in themselves nor considered necessary for the development of the project shall be charged to the revenue account under Extensions and Improvements.

(4) In the case of renewals and replacements of existing work, if the cost really represents an increase in the capital value of the system and exceeds the cost of the original work by Rs. 1,000, the cost of the new work should be divided between capital and revenue; the cost of the original work, which should be estimated if the actual cost is not known, should be charged to revenue and the balance to capital. In other cases the whole cost of the new work should be charged to revenue. Thus a renewal which does not represent a substantial improvement of the original work and is in all material essentials the same as the original work should not be charged to capital but to revenue, even when the cost exceeds Rs. 1,000/-.

5. In theory, it is legitimate to make capital bear the charges for interest on money borrowed to finance the construction of a new project before this project becomes revenue earning. In fact, however, a Government project is only part of the operations of Government and it may be sound financial administration to meet interest charges from other revenue during the process of construction. The charge of interest to capital in Government accounts is justified only when there would be undue disturbance in the Government's budgetary position by taking interest to revenue. The writing back of capitalized interest should be the first charge on any capital receipts or surplus revenues derived from a project when opened for working.

6. The foregoing rules are generally applicable to electric schemes also, except that extensions to electric schemes which are directly remunerative and which cost Rs. 1,000 and under may also be debited to Capital.

## *II. Classification of works into productive and unproductive*

7. Although most of the works included in the category of works having capital and revenue accounts produce some revenue, not all of them produce revenue sufficient to meet the cost of working and maintenance and the interest charges on the capital. Works are accordingly classified into 'productive' and 'unproductive'.

8. A new work will be classed a 'productive' if, at the time of according sanction to it, there is good reason so believe that the net revenue derived from it will, within ten years after the probable date of its completion. Repay the annual interest on the capital invested at such rate as may be fixed by the Government from time to time. The capital invested in a work will include direct and indirect charges and arrears of simple interest, if any, i.e., balance of total interest over total revenue during the ten-year period, but no reduction should be made from the total capital outlay on account of anticipated excess of revenue over simple interest.

A new work which does not satisfy the criteria laid down above will be treated as 'unproductive'.

*Note* :—In the case of works sanctioned before 1st April, 1937 the rate of interest will be calculated at 4½ percent, irrespective of whether they were completed before or after that date, at 5 percent in the case of those sanctioned between 1st April, 1941 and 1st April, 1946 and at 4 percent in the case of those sanctioned on or after 1st April, 1946.

9. A productive work may be changed into an unproductive work and vice versa in the following circumstances :—

(a) If, at any time during the period of construction, or within ten years of the date of the course of its construction estimate, it becomes apparent that a work originally classed as productive will not actually be remunerative according to the criterion prescribed in paragraph 8 above, it should be transferred from the productive to the unproductive class, and similarly, if it becomes obvious, during the same period, that a work sanctioned as unproductive will actually prove remunerative, the transfer of the work from the unproductive to the productive class may be effected.

(b) If a work which is classed as productive fails, at any time after the expiry of ten years from the date of the closure of its construction estimate, in three successive years to yield the relevant return prescribed in paragraph 8 above, it should be transferred to the unproductive class. A work classed as unproductive which succeeds in three successive years, the relevant return prescribed for a productive work may, on the same principle, be transferred to productive class. The Government may, however, postpone the transfer of a work from one class to the other, if they are satisfied that its success or failure is due to purely transient causes.

Thus every work classified, under paragraph 8 or clause (a) of this paragraph will retain the classification in the 11th, 12th and 13th years after the closure of its construction estimate.

10. If an existing irrigation, navigation embankment, or drainage work be extended or improved, the criterion of productivity prescribed in paragraphs 8 and 9 above shall be applied to the whole system or scheme including such extension or improvement, as if the extension or improvement had been executed simultaneously with the original

work, and the date of sanction referred to in paragraph 8 for the purpose of determining the percentage to be returned by the system as a whole shall be that on which sanction was accorded to the original project or scheme. As an exception to this rule, if any extension be, owing either to its nature or its magnitude, such as may reasonably be considered to be a separate project and if it be susceptible of having clear capital and revenue accounts kept of it, distinct from those of the project or scheme as a whole, it should be treated as a separate project or scheme. In that case, the conditions, relating to original projects or schemes, and not those relating to extension and improvements, shall be applicable. In all such cases, separate capital and revenue accounts should be maintained for the extension in order to enable the productivity test to be periodically applied.

11. For the purpose of determining the productivity of an old work which has been developed by the British Government, only the capital expenditure expended by that Government should be regarded as the capital at charge on which interest is chargeable.

### ***III. Financing of expenditure***

12. *Productive Work* :—A new work, or a work of extension or improvement connected with an existing project or scheme which is treated as a separate work, may be financed from non-revenue resources, including borrowed money, if the work satisfies the test of productivity laid down in paragraph 8.

A work of extension or improvement, which is treated as part of an existing project or scheme, may also be met from non-revenue resources, if the work is expected to be remunerative by itself and the estimated cost is not less than Rs. 10,000. If such a work is unproductive, it should be financed from current revenues, unless the estimated cost of the work exceeds Rs. 5 lakhs, when the work may, if necessary, be met from non-revenue resources.

13. *Unproductive Works* :—Capital expenditure on new unproductive projects and extensions and improvements to existing unproductive projects should, ordinarily, be met from current revenues.

If, however, the estimated cost of the work is more than Rs. 5 lakhs, it may be, financed from non-revenue resources. If a work falls within the scope of the proviso to Section 5 of the Madras Famine Relief Fund Act, 1936, it may be financed from the Famine Relief Fund.

### **B. — GOVERNMENT COMMERCIAL UNDERTAKINGS**

14. In the case of Government commercial undertakings, the expenditure incurred on the construction or acquisition of fixed assets of a material character, such as land, buildings, machinery, etc., is treated as capital. while expenditure on floating assets like raw materials consumed, wages, supervision charges, and other running expenses of the undertaking, depreciation on the value of fixed assets, and losses written off are chargeable to revenue.

Capital expenditure on Government commercial undertakings may be met from non-revenue sources, if the undertaking is working at a profit after providing for interest on the capital invested by the Government at the rates which the Government fix every year.

**C. — OTHER DEPARTMENTS AND SERVICES FOR WHICH NO  
SEPARATE CAPITAL AND REVENUE ACCOUNTS  
ARE KEPT (e.g., CIVIL WORKS)**

15. *Works for which no separate capital and revenue accounts are kept:*- Irrigation and navigation works which do not satisfy the criterion of the maintenance of separate capital and revenue accounts (See paragraph 3 above), and all other works which do not relate to commercial undertakings fall under this category. The expenditure on such work should, subject to the exceptions specified below, be met from current revenues:—

(a) If a work is expected to be remunerative i.e., is expected to produce a revenue after allowing for the cost of maintenance and repairs and interest on the estimated cost of the work, it may be financed from non-revenue resources, if the estimated cost of the work exceeds Rs. 50,000.

(b) If the work is unremunerative, i.e., does not satisfy the criterion laid down above for a remunerative work, it may be financed from non-revenue resources, provided that the cost of the work or group of works exceeds Rs. 5 lakhs.

For the purpose of the limit of Rs. 5 lakhs, works may be grouped together if they satisfy the following general principles

(i) the works should be interdependent; or

(ii) the works should be essential for the purpose of a single scheme or project.

(iii) all expenditure incurred at or about the same time on objects arising directly from the central idea underlying a scheme may be treated as having been incurred on that scheme.

Examples of works which form a group of works are the construction of quarters for Government servants generally in the agency tracts (scheduled areas) or for the Government servants of a particular department, such as the Police Department, in pursuance of a definite policy of the Government and works included in a building programme for the establishment of a new State or district headquarters.

16. *Commutation of pensions* :—This is generally recognized as a legitimate item of capital expenditure, since it reduces recurring liabilities in respect of pensions. The expenditure incurred annually on the commutation of pensions does not, however, vary to any appreciable extent from year to year and since it is practically a recurring expenditure, it can more properly be met from current revenues.

17. *Loans and advances to local bodies, cultivators, etc.*, :—These may be met from loans or from other non-revenue sources; such as accumulated balances and recoveries of loans.

18. *Grants-in-aid to local bodies for any scheme* :—Grants-in-aid do not go to build tangible assets for the Government, as distinguished from those of local bodies, and they should accordingly be met from current revenues.

—

## APPENDIX 2

*[See Chapter II, Local Ruling 1 under Article 29]*

### DETAILED HEADS PRESCRIBED BY THE GOVERNMENT IN REGARD TO IRRIGATION, ETC., WORKS WITH INSTRUCTIONS AS TO THE CHARGES TO BE CLASSIFIED UNDER THEM

**General remarks** :—(1) The detailed heads in this list may be varied, under the orders of the Government, to suit the circumstances of each project. (2) Combined works falling under two or more heads — e.g., combined bridges and falls, or combined falls and regulators — should be classified according to that aspect of the work which predominates.

#### A. — PRELIMINARY EXPENSES

Surveys and preliminary investigations — This head does not appear under “Extensions and Improvements” nor under “Maintenance and Repairs”.

#### B. — LAND

Compensation for taking permanent or temporary possession of land required for the purposes of the work.

The term “*Compensation*” includes the following besides the payment for the land itself, (1) payments for buildings, trees, crops, etc., and (2) cost of special land acquisition establishment when it is chargeable to the Public Works Department. Sale-proceeds of work, building materials, etc., obtained on clearing land taken up should be taken in reduction of the charge, if realized before the accounts of the estimate for the acquisition of the land have been closed. (see Art. 68). If any buildings acquired with the land are used as residences or otherwise let, they should be brought on the Register of Rents, Form P.W.A. XIII and rents realized should be treated as ordinary rent receipts.

#### C. — WORKS

All construction works whether of earthwork or of masonry, etc., excluding work falling under the heads I — Navigation and K — Building in all cases and under L — Earth work where this is maintained as a separate detailed head. Ordinarily the grouped head C - Works takes the place of such of the heads D, E, F, F (1), G, H, J and L, as are not separately provided for.

#### D. — REGULATORS

Works (other than escapes and heads) for the regulation of supply.

#### E. — FALLS

Falls and rapids other than those required to maintain the depth of water for navigation purposes.

#### F. — RIVER AND HILL TORRENT WORKS

Aqueducts, super passages, culverts, syphons, inlets, and outlets and cross drainage works generally, when such works are in connection with river and hilt torrent.

---

**F (1). — OTHER CROSS DRAINAGE WORKS**

Cross drainage works of the classes referred to under the head “F — River and Hill Torrent Works”. When such works are in connection with drainage other than that from river and hill torrents.

**G. — BRIDGES**

Bridges, both road and railway, for crossing a canal, including subsidiary works e.g., approach roads, fencing gates, glints, steps, etc.

**H. — ESCAPES**

Masonry and earthwork connected with escapes (including escape heads).

**I. — NAVIGATION**

Locks at head-works and on a canal; separate navigation channels and weirs designed for maintaining the requisite depth of water for navigation purposes.

**J. — MILLS**

Water-Power plant (if a permanent fixture) and buildings in connection with such plant, also sluices and channels conducting water to and from the same.

**K. — BUILDINGS**

Permanent and temporary buildings (including staff quarters, offices, workshops, stations, etc., but excluding buildings for water-power) and station drainages, roads, gardens, enclosure walls, conservancy works, etc., pertaining to buildings individually or collectively. In the case of maintenance and repairs this head includes also taxes payable by the Government and rents of buildings hired by the Government.

**L. — EARTHWORK**

Excavation and embankments for the channel, protective works for the bed and sides; trimming; tiring or riveting slopes; retaining walls for embankments.

**L (1). — BOUNDARY AND SERVICE ROADS**

Subordinate to the detailed head ‘L — Earthwork’ — Roads and Communications.

This head may be opened to record the expenditure on side roads and service roads separately, if it is not proposed to classify it under ‘L — Earth work’.

**M. — PLANTATIONS**

All regular plantations, including the cost of cleaning land, transplanting soil and planting trees. Gardening charges in connection with buildings do not fall under this head.

**N. — TANKS AND RESERVOIRS**

Earthwork, masonry, etc., on tanks and reservoirs (e.g., tail tanks) in connection with canals other than tanks chargeable to ‘Head Works’ in the case of storage projects.

**O. — MISCELLANEOUS****1.**

Works and services not falling under any other detailed head. Includes (1) experiments; (2) works in connection with irrigation outlets not debitible to the head ‘Water-courses’; (3) distance marks; (4) boundary pillars. Includes also minor works



constructed in the banks of canals or distributaries for the direct delivery of water. Includes also, in the case of original works and of extensions and improvements, charges for compensation not debitable to any other detailed head.

#### **P. — MAINTENANCE**

All repairs work prior to the opening of the revenue account for the project or the section concerned. This head appears only under 'Works'.

---

### **APPENDIX - 3**

*(See Chapter II, Local Ruling under Article 42)*

#### **RULES FOR THE ACCOUNTING AND DISTRIBUTION OF ESTABLISHMENT AND TOOLS AND PLANT CHARGES**

1. The accounts of Establishment and Tools and Plant charges are kept on the following principles :—

(i) The charges of division or special office are, as a rule, met out of the single major head '50. Civil Works' in the first instance.

(ii) Before closing accounts of the year, the Accountant-General apportions the charges of the whole State amongst the major heads to which the cost of the works was charged.

(iii) In certain cases whether this annual adjustment is unsuitable, as for example in the case of non-Government works or for works done only occasionally for other departments, the recovery of cost is effected in the accounts of the divisions concerned from time to time by the levy of a percentage charge,

(iv) Otherwise, the shares pertaining to individual works are not determined except for the purposes of certain proforma accounts, as in the case of Irrigation and Navigation Works.

2. Subject to the exceptions mentioned in Article 39 of this Code and in Rule 3 below, the establishment charges of a division or of a special office should, in the first instance, be classified under the major head 'Establishment' of the major head '50. Civil Works'. The same major head should bear, in the first place, the charges for the ordinary tools and plant of the division, under the minor head 'Tools and Plant'.

*Note* —For the classification of the charges (1) the special tools and plant of a division, and (2) the tools and plant of a special office. (see Rule 4 below and the Andhra Pradesh Public Works Department Code, respectively).

3. The under mentioned special establishments should be charged as indicated below:

(i) *Establishment employed on works in the Scheduled Areas* :—To the head '50. Civil Works — Scheduled Areas'. (See Art 39).

(ii) *Pay of the driver in charge of the lifting machine for the falling shutters over the Krishna Anicut* :— To the minor head 'Establishment' under the head 'XVII. Irrigation, Navigation, etc., Works'.

(iii) Establishment employed for the execution of irrigation projects :—To the head '68. Construction of Irrigation, Navigation, Embankment and Drainage Works' or '80. A Capital outlay on multi-purpose river schemes'.

4. The cost of special tools and plant including those required for use on Famine Relief, should be classified in accordance with Articles 37 and 41. Tools, Plant and Machinery required for a workshop of a quasi-commercial character should be charged direct to the accounts of it.

5. Recovery of the cost of establishment and tools and plant should be made in the following cases

(a) Work done for other States.

(b) Work done for the Railways, the Archaeological Department or other departments of the Central Government.

(c) Work done for the other departments, when the cost is chargeable to those departments.

(d) Non-Government works.

(e) For all work done in the Public Works Workshops at Hyderabad, Dowlaishwaram and Vijayawada, even though the work is for a Public Works Division within the State.

(f) For work done in the Physics and Soil Mechanics Office and Irrigation Research Station, Poondi, on behalf of departments of the State Government, other Governments, Railways, private person, or bodies.

6. In the cases referred to in Rule 5 above, recoveries will be made at percentage rates on the value of work done; The percentage for Archaeological works and for such other works of the Central Government which may have to be executed in special cases will be 19 percent for establishment, pensionary and tools and plant charges. The percentages for items (a), (c), (d) and (e) and for Railways in item (b) are fixed separately for establishment and tools and plant charges, and readjusted if necessary at quinquennial intervals, by the Government, in consultation with the Accountant-General, the rates being based on the actual average cost (per 100 rupees of outlay on works) in the State during the previous five years. The actual average cost should be taken to mean, in the case of establishment, that portion of the average expenditure on the whole establishment, which may be considered to have been incurred in the actual execution of works and their connected preliminaries. The object of the latter rule is to exclude from the ratio of the cost of establishment to the outlay on works, the share of the cost of establishment employed on other miscellaneous duties of the Public Works Department, such as the annual inspection of Railway affecting tanks, preparation of data statements for buildings, inspection of buildings annually and the scrutiny of plans on behalf of local bodies without actually executing any work in order that in the aggregate, the recoveries made on the work done may represent fairly the actual cost of the services for which the percentages are charged.

The percentages applicable are—

(i) for work done for other States — Same as Sub-clause (iv) (a) below, except 1 percent for audit and accounts;

(ii) for work done occasionally for Railways — Same as Sub-clause (iv) (a) below;

(iii) for work done for all other departments and charged to the departments concerned — Same as Sub-clause (iv) (a) below, except the percentages for audit and accounts and for pensionary charges:

Provided that if the work done is for a commercial department, the percentage for pensionary charges should be levied.

**Note** :—If the establishment employed on a project of the kind referred to in Sub-clause (iii) of Rule 3 above (which should be treated as a commercial department with reference to the rules in Chapter 4 of this Code, Volume 1), executes work on behalf of Public Works Department divisions charged to “50. Civil Works” or for other departments, the percentage charges applicable are those in Sub-clause (iv) (a) below, but excluding 1 percent for audit and accounts.

(iv) for non-Government works (including local fund works, municipal works, and other contribution works) as below :—

	(a) For works other than water-supply and drainage schemes :—
13	percent on the amount of works outlay for establishment.
1 ½	percent on the amount of works outlay for pensionary charges.
1	percent of the amount of works outlay for tools and plant.
1	percent of the amount of works outlay for audit and accounts.

---

16 ½ per cent.

These rates will apply to works which were started on or after 1st April, 1937.

**Note 1** :—When lumpsum contributions are received towards Government works from local bodies or private persons or bodies, they should invariably be distributed, for accounts purposes, in two parts, the one representing a share of works expenditure and the other the amount chargeable on that share as Establishment and Tools and Plant and Pensionary charges calculated according to the percentage fixed in Sub-clause (iv)(a) above. No charge for audit and accounts should be levied in such cases.

In the case of contribution works where the local bodies or private donors permitted to carry out the works themselves under the supervision of and in accordance with the plans and estimates approved by the Public Works Department and where no centage charges are to be recovered for supervision and scrutiny of plans and estimates, centage charges at rates detailed below should be credited to the Public Works Department in the manner laid down in Rule 5 (1) of Statement E Appendix 4, Andhra Pradesh Public Works Account Code, and the same amount debited to the concerned department which is benefited by the work. The rates of centage charges to be adopted in such cases will be 1 percent of the estimated cost for scrutiny and sanction of estimate and 2 percent of the sanctioned estimated cost of work for supervision and direction including test check.

**Note 2** :—If, in the case of any local fund or municipal work executed by the Public Works Department, the local fund or municipal staff are employed on investigation and preparation of plans and estimates before they are sanctioned and such plans and estimates are worked to, without revision, the rate for establishment will be reduced 101,6 per cent.

**Note 3** :—If the Public Works Department prepares the plans and estimates for any works to be executed by the Central Government, other departments of the State Government, local

bodies including municipalities, and private persons, a charge of 2½ per cent on the estimated cost exclusive of the cost of land will be levied subject to a minimum of Rs. 10. In cases where the Public Works Department merely scrutinizes the estimates and plans prepared by the Central Government, other departments of the State Government, local bodies including municipalities and private persons, the charge should be 1 percent on the estimated cost, exclusive of the cost of land, subject to a minimum of Rs. 5. This rule does not apply (i) to the scrutiny of trunk road maintenance estimates undertaken with reference to Rule 3 of the rules in both Sections A and B of Appendix IX to the Andhra Pradesh Public Works Department Code, and (ii) to the preparation or scrutiny of the plans and estimates for works financed entirely from the Road Fund. In the case of works executed by local bodies and financed partly from the Road Fund and partly from other funds, the centage charges leviable should be based on the proportion of the estimated cost of the work to be met from funds other than the Road Fund. Such charges may be debited to the estimates for the works, provided that no grant may be claimed from the Road Fund in respect thereof.

**Note 4** :—(1) Under the reciprocal arrangement entered into with the Railway in this State, centage charges at the above rates will be payable to the Railway for work done by them for the Government.

(2) When plans and estimates are prepared by the Public Works Departments for Railway works or vice versa and if the works are not subsequently carried out by the Public Works Department or by the Railway, centage charges will be payable on the sliding scale fixed by the railway from time to time.

The above arrangements will also apply to works undertaken by the Railway for the Police Department.

**Note 5** :—In cases where Public Works Department Officers are required to issue certificates of reasonableness of rent for private buildings occupied by educational institutions aided from State Funds, fee shall be collected at the following rates :—

(a) Ten percent of the monthly rental recommended by the Public Works Department as reasonable, subject to a minimum of Rs. 20 in each case, where the building concerned is situated within five miles from the headquarters of the inspecting officers;

(b) Ten percent of the monthly rental recommended, subject to a minimum of Rs. 20 in each case, plus the travelling allowance involved, where the building concerned is situated beyond five miles from the headquarters of the inspecting officers:

(c) For renewal of the certificates, a fee of Rs. 10 only shall be collected in each case;

(d) I. For water-supply and drainage schemes executed by the Public Works Department with its own staff:

	<b>For a scheme the cost of which exceeds Rs.1 lakh – Percentage of works outlay</b>	<b>For a scheme the cost of which does not exceed Rs.1 lakh – Percentage of works outlay</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
(a) For establishment employed on execution, supervision and direction	10	10
(b) For pensionary charges	1 ½	1 ½
(c) For preparation of Plans and estimates by the Sanitary Engineer	2 ½	2 ½

(1)	(2)	(3)
(d) For scrutiny by the Chief Engineer	½	...
(e) For audit and accounts	1	1
<b>Total</b>	<b>15 ½</b>	<b>15</b>

*Note:-* No centage charges will be levied on account of “Tools and Plant”.

II. For water-supply and drainage schemes in direct charge of Municipal Engineers, supervised by and certified to by the Public Works Department Executive Engineer.

	For a scheme the cost of which exceeds Rs.1 lakh Percentage of works outlay	For a scheme the cost of which does not exceed Rs.1 lakh Percentage of works outlay
(a) For supervision and direction by the Public Works Department	4	4
(b) For pensionary Charges	½	½
(c) For preparation of plans and estimates by the Sanitary Engineer	2 ½	2 ½
(d) For security by the Chief Engineer	½	....
<b>Total</b>	<b>7 ½</b>	<b>7</b>

*Note :-----*If in any of these cases, the plans and estimates are prepared by the Municipal Engineer and they are worked up to in execution, the above rates of centage charges will be reduced by 2 percent of works outlay.

III. For water-supply and drainage schemes taken up by the Public Works Department for execution, retaining the Municipal Supervisors to work under one of the Public Works Department sub-divisions, centage charges should be levied at the rate specified in Sub-clause (1) less the cost of the actual municipal establishment employed on the work.

IV. In the case of panchayat water-supply and drainage schemes executed under the control of District Board Engineers but supervised by the Public Works Department Superintending Engineers; the charges for supervision and direction should be recovered at the rate of 2 per cent of works outlay.

*Note :—*(i) The rates specified in Sub-clause I above shall apply only to those works the execution of which was actually started on and after the 15th June, 1938.

(ii) The rates specified in Sub-clauses II, III and IV shall apply to the schemes taken over under the supervision of the Public Works Department after the 15th June, 1938 and will be levied on the expenditure incurred thereon from and after the dates on which they were taken over.

(iii) If the Electricity Department entrusted with the work of preparation of tender notice, contract, drawings and specifications and also with scrutiny and advice on tenders for electrification works connected with the water-supply and drainage schemes, a consolidated fee of 1 ½ percent on the estimated cost of the electrical part of the work should be paid to that department and it should be allocated and adjusted as shown below:

(A) One percent for the preparation of tender notice, plans and specifications To be adjusted from the centage charges of 2 ½ percent leviable for the preparations of plans and estimates by the Sanitary Engineer.

(B) *Quarter percent for scrutiny and advice tenders* :—To be adjusted—

(i) in the case of schemes taken up for execution by the Public Works Department, from the centage charges of 10 percent mentioned in item (a) Sub-clause I above.

(ii) in the case of schemes taken up for execution by the Municipal Engineers under the supervision of the Public Works Department from the centage charges for “direction” included in the rate of 4 percent mentioned in item (a) Sub-clause II above, and

(iii) in the case of Panchayat schemes executed by the District Board Engineers under the supervision of the Public Works Department, from the centage charges of 2 per cent for supervision and direction referred to in Sub-clause II above, and

(C) A charge of 2 ½ percent on the estimated amount, if it does not exceed rupees one lakh and 3 percent if it exceeds rupees one lakh, will be levied on plans and estimates for water supply and drainage schemes which are not executed but are finally recorded or revised.

V. For works done in the Public Works Workshops at Hyderabad, Seethanagaram and Dowlaishwaram—

The percentages are fixed separately for establishment including accounts and audit, tools and plant, repairs and carriage and depreciation interest on capital and depreciation of buildings and pension and are revised periodically by the Government in consultation with the Accountant- General the rates being based on the proportion which the actual charges under the above heads bear to the value of work done in the Workshops.

VI. For Archaeological and other works of the Central Government—

	<i>Per Cent</i>
On the works outlay, for establishment	15
Do for pensionary charges	2 ½
Do for tools and plant, ordinary	½

*Note 1* :—In the case of work done in special cases for Military Engineering Services and Posts & Telegraphs, an additional charge of 1 percent on the works outlay should be levied for accounts and audit.

*Note 2* :—As regards charges for the preparation of plans and estimates by the State Government in these cases. (see Note 3 under Rule 6(iv)(a) above).

VII. For work done by the Engineering Research Laboratories, Hyderabad on behalf of departments of the State Government, other Governments, Railways, private persons or bodies, actual proportionate cost of the establishment and tools and plant employed on the work and 5 percent of the cost of establishment to cover supervision charges will be recovered.

7. As an exception to Rule 6(vi), the establishment charges on new supplies and repairs of barrack furniture of the Military Engineering Services is fixed at 10 percent on the outlay.

8. The prescribed percentages can be remitted, with the sanction of the Government in the case of non-Government works consisting less than Rs. 1,000/-. The remission of charge is not permissible in other cases, as such aid as it may be desired to give

to a local body in the contribution of a work in which it is interested, is usually given separately in the form of a cash grant-in-aid.

9. The percentage referred to in Rules 6 and 7 are leviable on the actual outlay booked in the account, i.e., on the net outlay in case there are any refunds or write-back except in the case mentioned in the Note 3 under Rule 6 (iv) (a). No item of expenditure should be excluded from the levy on the plea that it involved little or no department supervision, etc., but the prescribed percentage charges for tools and plant should not be levied in the case of non-Government works on which tools and plant of the department are not used.

**Note** :—Under this rule, even the cost of land acquired through the Revenue Department is not exempt when it is adjusted in the divisional accounts as part of the cost of a non-Government work; but if the estimate for the work does not include the cost of the acquisition of the land and this cost is not passed through the Public Work Accounts, no percentage charge is leviable on account of it.

**Exception** —In the case of works done by the Southern Railway on behalf of the Public Works Department and vice versa, the percentages should be levied on the gross and not the net outlay on the works.

10. Recoveries made in accordance with Rules 5 to 9 should be classified as indicated in Articles 66 to 72 of this Code, the adjustments being made in the accounts of the Divisional Officer, whenever the cost of work done is adjusted by charge to the deposit remittance or other account concerned.

**Note 1** :—The additional charge of 1 percent recovered in respect of works referred to in item (b) excluding the works of the Archaeological Department and in item (d) of Rule 5 should be adjusted as follows

The recoveries will be adjusted in the divisional accounts, those relating to works executed on behalf of (1) private parties, and (2) local bodies as revenue receipts under the minor head “Fees for Government audit” subordinate to the major head “XLVI. Miscellaneous — Central” and those relating to Railways and works executed for Military Engineering Services and the Posts & Telegraphs Department as reduction or expenditure under “26. Audit — Central”.

**Note 2** :—In the case of work done in workshops of a quasi-commercial character the percentage charges include this 1 percent even in the case of jobs executed for other divisions, or departments, both of the same State and of other States, but such recoveries should not be credited to “26. Audit” or “XLVI. Miscellaneous — Fees for Government Audit” except in the cases referred to in Note I above.

11. Recoveries on account of services rendered by Special Officers other than Chief and Superintending Engineers, do not appear in the accounts of the Divisional Officer in cases in which there is no works expenditure, e.g., fees for advisory work. Such fees should be paid direct into the treasury to be credited to the head of account which bears the cost of the establishment of the Special Officer concerned when the fees have been recovered from outside bodies or departments of the same Government, and to the corresponding Receipt or Capital head of expenditure in other cases. (vide Articles 55 to 72 of this Code).

12. In the case of large surveys for new projects of Irrigation, Navigation, Embankment and Drainage works, for which special establishment is entertained, an addition

of 5 per cent to the cost of the establishment should be made by the Accountant-General to cover the supervision charges thereon.

In the case of (1) Irrigation works for which special establishment chargeable to the concerned Irrigation head of account is employed, and (2) Famine Relief Works for which special establishment chargeable to "54-A. Famine Relief" is employed, the Accountant-General should add to the cost of such establishment employed on these works, 2 percent on the works outlay to cover the "Direction" charges.

In the case of works in the Scheduled Areas executed by establishment chargeable to "50. Civil Works — Schedule Areas", the Accountant-General should add to the cost of establishment employed on these works, 2 percent on the works outlay to cover "Direction charges" on account of the Chief and Superintending Engineers and an additional 8 percent of the works outlay for the services rendered by the Executive Engineers and Sub-divisional Officers in supervising the works.

*Note* —The percentage levied on workshop jobs on account of establishment [vide Rule 6(v) includes a provision of 1 percent for "Audit." The Recovery made on account of such portion "Audit" as is not credited to "26. Audit" or "XLVI. Miscellaneous — Fees for Government Audit" under Note 1 to Rule 10 above is deducted from the establishment charges before the pro rata distribution is made.

13. Thus, when the accounts of the year are about to be closed the charges detailed below will represent the residual charges to be apportioned to the several classes of works executed in the year, other than those for which either percentage charges were levied under Rules 5 to 8 and 12 or special establishment was employed (Rules 2 and 3). This apportionment will then be made by the Accountant-General as indicated in Rules 14 to 16.

(i) Net charges booked under the minor head "Establishment"

(ii) Net charges booked under the minor head "Tools and Plant"

(iii) Minus the recoveries (on account of establishment and tools and plant charges) referred to in Rule 9, whether credited to recoveries of expenditure", or receipts and recoveries on capital account. under several major heads

14. (a) The establishment charges to be distributed pro rata will be—

The sum of the residual establishment charges (vide Rule 13 above) in each circle of superintendence (excluding in the case of the Madras Circle, the cost of the establishment of the Public Works Workshops and Stores Divisions, Madras, which will be distributed over all circles).

Plus a share of the additional charges mentioned in the next sub-paragraph.

Minus the special charges mentioned in the last sub-paragraph to this clause.

*Note* :—The Electrical Engineer's Division shall be treated as a "Circle" for purposes of this rule.

The additional charges, a share of which will be debited to each circle, are—

(1) the cost of the Chief Engineers and the Consulting Architect and their establishment.



(2) the cost of other Special Officers, if any, whose jurisdiction extends beyond a single circle of superintendence and their establishments.

Minus the percentage recoveries made under Rule 6 above.

**Note** :—The expenditure on establishment included in the direct charges on works does not come under the above Rule.

(3) leave salaries, sterling overseas pay, etc., paid in England as booked under the minor head “Charges in England” subordinate to the major head “50. Civil Works —. State”.

The Electrical Engineer’s Division should be debited with a portion of the establishment charges detailed in (1) and (3) above only. The debit on account of (1) will be calculated 4 percent of the gross establishment charges of the Electrical Engineer’s Division. The debit on account of (3) will be in the proportion which the works outlay of that division bears to the works outlay of the whole State. The balance of charges on (1) and (3) and the charges on (2) and (4) will be distributed equally among the regular circles.

The Electrical Division will also be debited with a charge of 4 percent on the gross establishment charges of the division on account of the technical supervision of the Chief Engineer (Electricity).

The special charges that are to be deducted from the circle charges are—

(1) the special charges or establishments adjusted separately under Rules 2 and in each circle.

(2) the amount (on account of establishment charges) calculated at 2 amiss per acre irrigated in the case of all irrigation works for which capital and revenue accounts kept and at Y2 percent of the capital value of all State buildings, the mean of the figures of the beginning and end of each year being taken.

(b) The tools and plant charges to be distributed pro rata will be the sum of the residual charges (vide Rule 13 above) in each circle (excluding the charges booked under the major head 54. A Famine Relief”).

**Note** :—The expenditure on the cost of special tools and plant charged direct to works does not come under the above rule.

The Electrical Division shall be treated as circle for purposes of this rule. In distributing the additional charges mentioned above among the several circles, the Electrical Engineer’s Division should be debited only with a proportion which the works outlay of that division bears to the works outlay of the whole State and the balance distributed equally among the regular circles.

15. To rata distribution of the establishment or and plant charges, determined under Rule 14 above should be thus—

I. For purely Irrigation or mixed Irrigation and Civil Works circles of superintendence—

(a) The divisible establishment or tools and plant charges of each circle should be divided among the several major heads operated on (Rule 13) in proportion to the works expenditure under each head.

(b) No items of works expenditure recorded finally under the major head concerned should be excluded.

II. For circles of superintendence in which the only work executed falls under the Civil Works branch of the department—

(a) The divisible establishment or tools and plant charges in all the circles combined should be 13) on the basis of the works expenditure in all the

(b) No items of works expenditure recorded finally under the major head concerned should be excluded.

III. The amount calculated at 12 naya paise per acre [Vide clause (2) in the last sub-paragraph of Rule 14(a)] should be debited to 'XVII. Working Expenses', and the amount calculated at percent of the capital value of State buildings should be debited to '50. Civil Works — State'.

IV. (a) If a purely Irrigation or mixed Irrigation and Civil Works circle of superintendence consists of divisions with largely varying conditions of work and the Government are satisfied that the adoption of the circle as the unit of distribution will, in a series of years, result ultimately in a disproportionate charge to the administrative accounts of one or more important Irrigation, Navigation, Embankment or Drainage projects under construction in one or more divisions of the circle, they may order those divisions, collectively or severally to be treated as a separate unit or units of distribution and the remaining divisions of the circle as another unit.

(b) If this course is adopted, the annual prorated distribution of the establishment and tools and plant charges relating to each unit should be made as in clause I above, with the exception that the establishment charges to be distributed should be determined as follows :—

(i) Take the total establishment charges in each unit.

(ii) Add to this a share of the establishments of the Chief Engineers and Special Officers, and of leave salaries paid in England, calculated thus :— First determine the share chargeable to the entire circle of superintendence under Rule 14(a) without making the deductions mentioned therein. Divide this among the units making up the circle, in proportion to the works expenditure under each head, as in Clause I of this Rule.

(iii) Then deduct the special and percentage charges for establishments adjusted separately under Rules 2, 3 and 5 to 11 in each unit.

(c) Orders passed by the Government under sub-clause (a) above will ordinarily cease to be operative on the expiry of the projects, whose interests it was sought to protect, were closed, unless an earlier date has been fixed by the Government.

16. The apportionment should not be carried further in the regular accounts, but in the proforma (Administrative) accounts of individual productive or unproductive projects of Irrigation, Navigation, Embankment and Drainage Works prepared annually by the Accountant-General, suitable additions to the outlay on the projects should be made to

cover the cost of establishment and ordinary tools and plant. On the basis of the figure of the establishment (or tools and plant) charges in each circle, or other unit of distribution as finally booked under the major head concerned, should be determined the percentage (to 4 places of decimals) which that figure bears to the total works outlay finally booked under that head in the unit concerned. The establishment (or tools and plant) charge on account of each project under that head should then be calculated by multiplying the works outlay on the project by this percentage.

*Note* :—In Administrative accounts of Irrigation, Navigation, Embankment and Drainage works, an indirect charge of 1 percent on account of audit and accounts establishment should be levied on the works expenditure of the year.

17. For purposes of audit, or of allotment of funds, it is not necessary to include in the estimates for individual works any provision on account of establishment and tools and plant charges, unless percentage charges are leviable, under the rule, on actual works expenditure and are adjusted monthly. For administrative purpose, such provision is, however, made in the project estimates of irrigation works for which Capital and Revenue Accounts are kept and of any others of which it is desirable to forecast the ultimate financial results.

---

# FORMS

## LIST OF FORMS

<i>Sl.Nos. of Forms</i>	<i>Description of Forms</i>	<i>Page No.</i>
<b>Forms prescribed by the Comptroller and Auditor-General</b>		
T.A. 1-5	[ <i>Omitted</i> ]	
<a href="#">T.A. 6</a>	<a href="#">Register of Reserve Bank deposits</a>	187
<a href="#">T.A. 7</a>	<a href="#">Register of Misclassifications by the Bank</a>	187
<a href="#">T.A. 8</a>	<a href="#">Daily Sheet of Sub-Treasury</a>	188
T.A. 9	[ <i>Omitted</i> ]	
<a href="#">T.A. 10</a>	<a href="#">Register / Schedule of Railway / Department Receipts</a>	189
<a href="#">T.A. 11</a>	<a href="#">Register of Payments made to officers of the Railway / Dept. on Cheques against Letters of Credit or otherwise</a>	189
<a href="#">T.A. 12</a>	<a href="#">Consolidated Receipt-cum-Schedule for Forest Cash Remittances</a>	190
<a href="#">T.A. 13</a>	<a href="#">Register / Schedule of Forest Cheques Paid</a>	191
T.A. 14-19	[ <i>Omitted</i> ]	
<a href="#">T.A. 20</a>	<a href="#">Register of Receipts of Deposits</a>	191
<a href="#">T.A. 21</a>	<a href="#">Register of Repayments of Deposits</a>	192
<a href="#">T.A. 22</a>	<a href="#">Register of Personal Deposits</a>	192
<a href="#">T.A. 23</a>	<a href="#">Register of Cash Orders on Sub-treasuries Issued and Adjusted</a>	193
<a href="#">T.A. 24</a>	<a href="#">Register of Daily Receipts and Repayments of Personal Deposits</a>	194
<a href="#">T.A. 25</a>	<a href="#">Issue-cum-Drawing Schedule Register – Telegraphic Transfer</a>	194
<a href="#">T.A. 25A</a>	<a href="#">Issue-cum-Drawing Schedule Register Drafts</a>	195
<a href="#">T.A. 26</a>	<a href="#">Register of Reserve Bank of India Remittances Encashed</a>	196
T.A. 27-30	[ <i>Omitted</i> ]	
<a href="#">T.A. 31</a>	<a href="#">Register of Advances Made / Recovered</a>	196
T.A. 32	[ <i>Omitted</i> ]	
<a href="#">T.A. 33</a>	<a href="#">Register of Advances Made / Recovered</a>	197
<a href="#">T.A. 34</a>	<a href="#">Register / Schedule of Payment of Coupons on Bearer Bonds</a>	198
<a href="#">T.A. 35</a>	<a href="#">Register / Schedule of Payment of Interest on Promissory Notes / Stock Certificates</a>	198
T.A. 36-38	[ <i>Omitted</i> ]	
<a href="#">T.A. 39</a>	<a href="#">Scheduled of Forest Remittances</a>	199
T.A. 41-41A	[ <i>Omitted</i> ]	

<i>Sl.Nos. of Forms</i>	<i>Description of Forms</i>	<i>Page No.</i>
<a href="#">T.A. 42</a>	<a href="#">Schedule of Payments / Cheques paid on account of Department / Railway</a>	199
<a href="#">T.A. 43</a>	<a href="#">Extract Register of Receipts of Deposits</a>	200
<a href="#">T.A. 44</a>	<a href="#">List of Repayment of Deposits</a>	200
<a href="#">T.A. 45</a>	<a href="#">Extract Register of Receipts &amp; Payments of Personal Deposits</a>	201
<a href="#">T.A. 46</a>	<a href="#">Plus and Minus Memorandum</a>	201
T.A. 47-48	[Omitted]	
<a href="#">T.A. 49</a>	<a href="#">Statement of Lapsed Deposits</a>	201
T.A. 50	[Omitted]	
<a href="#">T.A. 51</a>	<a href="#">Cash Book Receipts</a>	202
<b>Forms prescribed by the Government</b>		
<a href="#">T.A. I</a>	<a href="#">Shroff's Cash Book</a>	202
<a href="#">T.A. II</a>	<a href="#">Shroff's Cash Balance Register</a>	203
<a href="#">T.A. III</a>	<a href="#">Day Book</a>	204
<a href="#">T.A. IV</a>	<a href="#">Weekly Statement of Receipts &amp; Payments of Deposits under the Provisions of the Madras Estates Land Act</a>	208
<a href="#">T.A. V</a>	<a href="#">Check Register of Cash Orders</a>	209
<a href="#">T.A. VI</a>	<a href="#">Register of Repayments of Deposits at Sub-treasuries</a>	209
<a href="#">T.A. VII</a>	<a href="#">Daily Classified List</a>	210
<a href="#">T.A. VIII</a>	<a href="#">Transfer Slip</a>	210
<a href="#">T.A. IX</a>	<a href="#">Alteration Memorandum</a>	211
<a href="#">T.A. X</a>	<a href="#">List of Payments (General)</a>	211
<a href="#">T.A. X-A</a>	<a href="#">Schedule of Payments relating to Pay Bills</a>	214
<a href="#">T.A. X-B</a>	<a href="#">Schedule of Payments relating to Travelling Allowances, Contingencies and Miscellaneous Charges</a>	214
<a href="#">T.A. X-C</a>	<a href="#">List of Payments (Departmental)</a>	215
<a href="#">T.A. X-D</a>	<a href="#">Schedule of Payment</a>	215
<a href="#">T.A. XI</a>	<a href="#">Memorandum of Transfer of Deposits</a>	215
<a href="#">T.A. XII</a>	<a href="#">Extract Register of Receipts of Deposits</a>	216
<a href="#">T.A. XIII</a>	<a href="#">Extract Register of Repayments of Deposits</a>	216
<a href="#">T.A. XIV</a>	<a href="#">Statement of Lapsed Cash Orders</a>	216
<a href="#">T.A. XV</a>	<a href="#">Statement of Central (Non-Railways) Transactions at Non-Bank Treasuries</a>	217
<a href="#">T.A. XVI</a>	<a href="#">Statement of Railway Transactions at Non-Bank Treasuries</a>	218
<a href="#">T.A. XVII</a>	<a href="#">Schedule of Receipts / List of Payments on account of Railway at Non-Bank Treasuries</a>	218

**FORM T.A. 6**

[See Chapter III, Article 44]

**Register of Reserve Bank Deposits Central / State**

For the Month of .....

Treasury.

Date (1)	Net Payments (2) Rs.P.	Net Receipts (3) Rs.P.	Initials of Treasury Officer (4)
-------------	------------------------------	------------------------------	-------------------------------------

Total for the Month \_\_\_\_\_

Deduct Payments / Receipts \_\_\_\_\_

Net Payments / Receipts \_\_\_\_\_

**Note:-** There will be only one entry in one column (2) or column (3) as the case may be, against each date. When the total receipts exceed the total payments, the difference will be posted in column (2) and when the total payments exceed the total receipts, the difference will be posted in column (3).

**FORM T.A. 7**

[See Chapter III, Article 46]

**Register of Misclassifications by the Bank**

The ..... Branch of the ..... State Bank of India.

Date of Bank Scroll (1)	Particulars of Bills and (or) Challans (2)	Receipts Rs.P. (3)	Payments Rs.P. (4)
-------------------------------	--------------------------------------------------	--------------------------	--------------------------

**A. Central transactions included in the State Statement**

	Chalan NO.728 – 021. Taxes on income other than Corporation Tax-Ordinary collections Voucher No.82 - 279 Scientific Services and Research. A survey of India – Direction and Administration -1 Salaries Voucher No. 90 - 304. Other General Economic Service – Regulation of Joint Stock Companies-1. Salaries	875.00	-
			320.00
			180.00
	Total-A	875.00	500.00

**B. State transactions included in the Central Statement**

Chalan No.751 -	7,500.00	-
-----------------	----------	---

(1)	(2)	(3)	(4)
	029 – Land Revenue – Land Revenue Chalan No.758		
	030. Stamps and Registration fees- D.Registration fee- (a) Fees for Registering documents Voucher No.94 -	100.00	-
	277. Education-B-Secondary (c) Government Secondary Schools (i) Govt.Secondary Schools for Boys-I. Salaries Voucher No.102 -	-	270.00
	255. Police (f) District Police (i) District Police Force-1. Salaries	-	410.00
	Total-B	7,600.00	680.00

### FORM T.A. 8

[See Chapter III, Article 47]

#### Daily Sheet of Sub-treasury

Sub-treasury 19.....		Sub-treasury 19.....	
Receipts		Payments	
Head of Account	Amount Rs.P.	Head of Account	No. of Voucher
Amount Rs.P.	Remarks	Amount Rs.P.	Remarks
		Closing balance	
		Details of Closing Balance	
		Rs.P.	
		Currency notes (Total)	
		Current rupees (Total)	
		Current small coin (Total)	
		Uncurrent coin (Total)	
		Grand Total .....	
		The prescribed maximum normal balance is Rs. ....	
		<i>Note</i> :- If the closing balance exceeds this amount, the reasons must be stated.	
Total ....	_____	Head Accountant Officer-in-charge of the Sub-treasury	

**FORM T.A. 10**

[See Chapter III, Article 57]

**Register / Schedule of .....****Railway / Department Receipts**

During the month of ..... 19 .....

* Payments made into Treasury by officers of the department				** Payments made into Treasury on account of officers of the department.		
Date of receipts	-	-	-	-	Form whom received	On what account
	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.

\*\* Payments made into Treasury on account of officers of the department

On account of .....	On account of .....	On account of .....	On account of .....	Other items	Daily total carried to Day-book	Remarks
Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	

\* Here should be entered the official designation of the officer concerned. All payments made by the officer (including his subordinate) should be entered in this column.

\*\* These columns should be filled up only when payment into the treasury are not made by officers of the department but by others on their account.

**FORM T.A. 11**

[See Chapter III, Article 57]

**Register of payments made to Officers of the ..... Railway / Department**

On cheques against Letters of credit or otherwise from to ..... 19 .....

**Cheque Book Number**

Date of payment	Sl.No.	No. of cheque	Amount	* Balance	** Initials of T.O.
			Rs.P.	Rs.P.	



**Cheque Book Number**

Serial Number	Number of cheque	Amount	* Balance	** Initials of T.O.
		Rs.P.	Rs.P.	

**Cheque Book Number**

Serial Number	Number of cheque	Amount	* Balance	** Initials of T.O.
		Rs.P.	Rs.P.	

**Cheque Book Number**

Sl.No.	No. of cheque	Amount	* Balance	Initials of T.O.	Daily total **payments carried to Day-Book.
		Rs.P.	Rs.P.		

\* A separate column should be used for each officer having a letter of credit to separate account on the treasury.

\*\* Entries should be made in the column of "balance only when the amounts are drawn against letters of credit. Each such entry and each payment entry must be attested by the Treasury Officer's initials, who should see that the balance is correct in each case.

In the case of payments at the Bank or at Sub-treasury, it should be sufficient to enter in the register the daily total paid and to note the balance available after each such entry.

**FORM T.A. 12**

[See Chapter III, Article 58]

**Consolidated Receipt cum Schedule for Forest Cash Remittances**

Treasury.

Received from the Officer-in-charge of ..... Division the ..... sum of Rs. .... As detailed below for credit to the Forest Department :-

Date of Remittances to Treasury Sub-treasury	Name of Treasury or Sub-treasury	By whom remitted.	From	Forest
			Division For	19 ....
			Number of each challan	Amount remitted with each challan
				Rs.P.

Number of Credit item and the date of entry in Forest Account	Name of the Range	Name of the accused	Offence Report Number and date.
---------------------------------------------------------------	-------------------	---------------------	---------------------------------

Officer-in-charge of Treasury.

19 .....

Countersigned.

Forest Officer.

Division.

Date ..... 19...

### FORM T.A. 13

[See Chapter III, Article 85]

#### Register / Schedule of Forest Cheques paid

During ..... 19 .....

Treasury

Date of payment	Particulars of cheques		By whom drawn.	Division	Division	Remarks
	Number	Date				
				Rs.P.	Rs.P.	

### FORM T.A. 20

[See Chapter III, Article 64 and 66]

#### Register of Receipts of Deposits

In the month of ..... at ..... Treasury.

							Date of repayments						
Date of receipt.	Number of each deposit.	From whom received.	Nature of deposit.	Name of the court or authority ordering the deposit.	Amount of each deposit	Initials of T.O.	Daily total carried to Day-book.	Date	Name of the court or authority ordering the repayment.	Amount of each payment.	Initials of T.O.	Date	Name of the court or authority ordering the repayment.
					Rs.P.		Rs.P.			Rs.P.			

<u>Details of repayments</u>											
Amount of each repayment.	Initials of T.O.	Date	Name of the court or authority ordering the repayment.	Amount of each repayment.	Initials of T.O.	Date	Name of the court or authority ordering the repayment	Amount of each repayment.	Initials of T.O.	Total repayments.	Lapsed and credited to Government.
Rs.P.				Rs.P.				Rs.P.		Rs.P.	

*Note:-* The entry in the column "Nate of deposit" should be sufficient to explain why the amount is deposited.

### FORM T.A. 21

[See Chapter III, Article 66]

#### Register of Repayment of Deposits

In the month of ..... at ..... Treasury.

<u>Details of Original Deposit.</u>					
Date of receipt.	No. as per register or receipts	Amount or balance deposit	Date of present payment	Number of repayment Voucher	To whom repaid.
		Rs.			

  

<u>Amount repaid</u>		<u>Initials of</u>		Daily total carried to Day-book.	Remarks
In cash	By transfer	Accountant	Treasury or Disbursing Officer.		
Rs.P.	Rs.P.			Rs.P.	

### FORM T.A. 22

[See Chapter III, Articles 68 74]

#### Register of Personal Deposits

Treasury, on account of		
Date	Number of Payment cheque	Amount received. Rs.P.
Amount paid Rs.P.	Balance after each * transaction Rs.P.	Treasury Officer's Initials

\* [If there be large number of transactions on the same day, a balance need not be struck after each transaction but the Treasury Officer, if there be any possibility of an overdrawal should, by totaling the items of receipts and refunds and striking the balance whenever necessary satisfy himself that the balance is not overdrawn. The Treasury Officer should, however, invariably strike a total at the end of each day's transactions.

### FORM T.A. 23

[See Chapter III, Article 69]

#### Register of Cash Orders on Sub-treasuries Issued and Adjusted

Personal Ledger Account with ..... Sub-treasury.

Orders issued					
Date	Number of order	Payee	Value how received	Initials	
				Accountant	Treasurer
Orders issued					
Amount of each order Rs.P.	Initials of Treasury Officer	Daily total to be carried to Register of Personal Deposits. Rs.P.	Payment at Sub-treasury		
			Date	Amount Rs.P.	
Orders paid					
Date	Number of order	Amount of order Rs.P.	Daily total to Register of Personal Deposits Rs.P.		

The column "Payment at Sub-treasury" is provided under "Orders issued" in order to give space for making of paid orders and ascertaining whether the total of the orders outstanding agrees with the balance on the books. The balance month by month (the difference between the sums of the two columns of daily totals) should be carried forward to the column "Daily total" under "Orders issued". Under "Orders paid" the entries should be made in the order in which the paid orders are received back from the Sub-treasury without reference to the period of issue, and the total should be agreed with the total charge in the Sub-treasury account; and payments should at the same time be marked in the issue columns from the original paid orders. The orders may be numbered in a general series of the whole district, but those on each Sub-treasury must also be numbered in a separate annual series. The column "Value how received" is intended for remarks denoting cash or transfer.

---

### FORM T.A. 24

[See Chapter III, Articles 70 and 73]

#### Register of Daily Receipts and Repayments of Personal Deposits

at the ..... Treasury in the month of ..... 19 .....

#### Receipts

Date	Account No.				Daily total to Day-book
Total		Rs.P.	Rs.P.	Rs.P.	Rs.P.

#### Repayments

Date	Account No.				Daily total to Day-book
		Rs.P.	Rs.P.	Rs.P.	Rs.P.

A separate column on each side should be assigned to each account, in which the daily gross receipts and gross charge should be entered from the personal ledger. Thus there should be but one single line in this register for the transactions of all personal ledger accounts each day and its gross totals should give the figures to pass into the cash book. A page of foolscap has probably breadth enough for nine such accounts; if there be more than one page can accommodate, either the two sides may be separated into different parts of the same volume, the same columns being carried across both pages or more than one register may be opened, and the totals of the second, third etc., carried into separate columns of the first.

---

### FORM T.A. 25

[See Chapter III, Article 78]

#### Issue-cum-drawing Schedule Register Telegraphic Transfers

*Register of Telegraphic Mail Transfers Issued by*

[Name of issuing Officer]

Schedule No. .... Dated .....

Exchange						Drawn on								
Name of Applicant	Rate	Amount	Telegram	Charges	Telegram	Telegram Confirmation	Initials	Name of Payee	Office	Place	Amount	Initials	Acknowledgement received on	Duplicate PO received on

**Schedule of Telegraphic Mail Transfer Issued By**

(Name of Issuing Officer)

Schedule ..... Dated ..... Remarks

Drawn on							
Date of payment	Initials	Remarks	Name of Payee	Office	Place	Amount	Marked off on Initials For use in C.A.S.

**FORM T.A. 25-A**

[See Chapter III, Article 78]

**Issue-cum-Drawing Schedule Register – Drafts**Register of Drafts Issued by  
(Name of Issuing Officer)

Schedule No. .... date .....

Name of Applicant	Name of Payee	Exchange Rate / Amount	Draft No.	Drawn on Office / Place	Amount	Initials	Remarks
		Rs.P.			Rs.P.		

Schedule of Drafts Issued By  
(Name of Issuing Officer)

Schedule No. .... date .....

Draft No.	Drawn on Office / Place	Amount Rs.P.	<u>Initials</u> For use in C.A.S.	Marked off on Initials
--------------	----------------------------	-----------------	--------------------------------------	---------------------------

**FORM T.A. 26**

[See Chapter III, Article 82]

**Register of Reserve Bank of India Remittances Encashed**

During the period from ..... to .....

Number of item	Drawn		Date	Nature drawing
	By	Place		

Name of Payee	Serial number of remittance	Amount Rs.P.	<u>Initials of Treasury</u> Sub-treasury Officer	Remarks
------------------	--------------------------------	-----------------	-----------------------------------------------------	---------

[In case of Telegraphic Transfers, the name of the beneficiary should be given.]

**FORM T.A. 31**

[See Chapter III, Article 91]

**Made**  
**Register of Advances** \_\_\_\_\_

**Recovered**

TREASURY

In the month of ..... 19 .....

Date	<u>No. of Chalan</u>	<u>From whom received</u>	Loans and Advances
	No. of Voucher	To whom paid	

Advances Repayable	Daily total carried of day-book	Initials of Treasury Officer	Remarks
-----------------------	------------------------------------	---------------------------------	---------

**FORM T.A. 33**

[As per G.O.Ms.No.43, Fin. & Plg. (Accounts II) Dept., Dt.19-2-1982]

[See Chapter III, Art. 91]

List of payments relating to Pension Vouchers for the month ..... Account  
..... by ..... Treasury.

Date of payment	Voucher number	PPO No.	Name of the Pensioner	Period of which pension is paid	Whether it is first payment or not
(1)	(2)	(3)	(4)	(5)	(6)

**PENSION**

Before 1-10-53	Before 1-11-56	A.P.Govt.	Other Govt.	Total Pension
(7)-a	(7)-b	(7)-c	(7)-d	(7)-e

**TEMPORARY INCREASE**

Before 1-10-53	Before 1-11-56	Other T.I.	Total T.I.	Total Pension and temporary increases
(8)-a	(8)-b	(8)-c	(8)-d	(8)-e

**GRATUITIES**

Before 1-10-53	Before 1-11-56	A.P.Govt.	Other Govts.	Total
(9)-a	(9)-b	(9)-c	(9)-d	(9)-e

**COMPASSIONATE GRATUITIES**

Before 1-10-53	Before 1-11-56	A.P.Govt.	Other Govt.	Total
(10)-a	(10)-b	(10)-c	(10)-d	(10)-e

**DEDUCTIONS**

Income Tax	Surcharge on I.T.	Other recoveries	Total recoveries	Net payment	Remarks
(11)	(12)	(13)	(14)	(15)	(16)

**Note:-** In case of first payment vouchers the words "First Payment" should be indicated in column 6 of the proforma. If not the word "No" should be indicated.



**FORM T.A. 34**

[See Chapter III, Article 91]

**Register/Schedule of Coupons on Bearer Bonds Treasury**

For the month of ..... 19 .....				
Date	Number of bond	Amount of bond	Particulars of the coupons paid	
			Half-year represented by coupons	Dividend numbers of coupons
		Rs.P.		
Amount of coupons paid*				
4% of		3-1/2% of	3% of	Deductions of Income-tax
Rs.P.		Rs.P.	Rs.P.	Rs.P.
Net Payment		Treasury Officer's initials		Daily total of net payments
Rs.P.				Rs.P.

\*[Sub-columns should be opened according to local requirements]

**FORM T.A. 35**

[See Chapter III, Article 91]

**Register/Schedule of Payment of Interest on Promissory Notes/  
Stock Certificates****TREASURY**

For the month of ..... 19 .....

Date	Number of Voucher	Name of Payee	Number of note	Amounts of note		
			Total			
Date upto which paid	Number of half years for which paid			Interest paid*		
				Rs.P.	Rs.P.	Rs.P.
			Total			

\*Name of loan should be entered in the blank columns as required.

Deduction of Income-tax credited per contra		Net payment	Daily total of gross payments	Initials of Treasury Officer.
Amount	Rate			
Rs.P.		Rs.P.	Rs.P.	
Total		Total (in words)		
		Treasury Officer.		

### FORM T.A. 39

[See Chapter IV, Article 102]

#### Schedule of Forest Remittance

Treasury

Credited during ..... 19 ..... as acknowledged in separate  
consolidated Treasury receipts (Form T.A. 12)

Item No.	Name of division	Amount	Remarks.
		Rs.P.	

Total

### FORM T.A. 42

[See Chapter IV, Article 104]

#### Schedule of Payments/Cheques Paid

On account of ..... Department/Railway ..... from ..... To ..... 19 .....

Date of payment	Serial number	Number of	Voucher Cheque	Amount	Remarks.
				Rs.P.	

**FORM T.A. 43**

[See Chapter IV, Articles 105 and 125]

**Extract Register of Receipts of ..... Deposits**

at the ..... Treasury in the month of ..... 19 .....

No. of each deposit	Date of each deposit	From whom received	Nature of each deposit	Amount of each deposit	For use in the Accountant-General's Office		
					In the year of receipt	In the first year following the year of receipt	Total repayment on each deposit.
				Rs.P.			Rs.P.
<u>Balance of each deposit.</u>							
		Lapsed				Transferred to clearance register.	
		Rs.P.				Rs.P.	

**N.B.** :- It is not necessary to total the last three columns of this register.**FORM T.A. 44**

[See Chapter IV, Article 107]

[For use only where a duplicate (carbon) copy of Form T.A. 21 is not utilized for the purpose]

**List of Repayment of ..... Deposits**  
of ..... Treasury for the month of ..... 19 .....

Detail of original deposit.			Number of repayment voucher	Amount repaid
Date of receipts	Number as per Register of Receipts.	Amount or balance of deposit.		
		Rs.P.		Rs.P.

**FORM T.A. 45**

[See Chapter IV, Article 108]

**Extract Register of Receipts and Payments of Personal Deposits**  
at the ..... Treasury in the month of ..... 19 .....

Accounts	Opening balances	Receipts of month	Total credits	Number of vouchers	Payments	Closing balances
	Rs.P.	Rs.P.	Rs.P.		Rs.P.	Rs.P.

Total -

**FORM T.A. 46**

[See Chapter IV, Articles 90 and 110]

**Plus and Minus Memorandum**  
of ..... for ..... 19 .....

Nature of transactions	Balance from the last month	Additions to balance this month	Total	Deductions from balance	Balance at the end of month	Remarks
---------------------------	-----------------------------------	---------------------------------------	-------	-------------------------------	-----------------------------------	---------

TREASURY,

Dated..... 19 .....

Treasury Officer.

Certified that the closing balance as shown in the plus and minus memorandum agrees with that of the Account/Stock/Register maintained in the Treasury.

Treasury Officer.

**FORM T.A. 49**

[See Chapter IV, Article 127]

**Statement of lapsed \*Deposits**  
of the ..... Treasury, for the year ..... 19 .....

<u>Particulars of deposit</u>			For use in the Accountant-General's Office.			
Year	No.	Balance lapsed	Number and date of refund order	Amount of refund sanctioned	Initials	Remarks
		Rs.P.		Rs.P.		

\*Civil Courts, Criminal Courts or Revenue.

**FORM T.A. 51****Shroff's Cash Book Receipts**

Date	Serial number	Persons by whom paid	Particulars	Total amount of receipts	Currency Notes		Remarks
					Number	Value	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
				Rs.P.		Rs.P.	
Total -							
Coins							
Rupee	$\frac{1}{2}$ Rupee	$\frac{1}{4}$ Rupee	10 Paise	5 Paise	2 Paise	1 Paise	Remarks
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	
Total -							
Shroff	Sub-Treasury Officer				Double Lock Officer.		

**FORM T.A. I****Shroff's Cash Book****DISBURSEMENTS**

Date	Serial number	Persons by whom paid	Particulars	Total amount of charges	Currency Notes		Remarks
					Number	Value	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
				Rs.P.		Rs.P.	
Total -							
Coins							
Rupee	$\frac{1}{2}$ Rupee	$\frac{1}{4}$ Rupee	10 Paise	5 Paise	2 Paise	1 Paise	Remarks
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	
Total -							
Shroff	Sub-Treasury Officer				Double Lock Officer.		

**FORM T.A. II****Shroffs Cash Balance Register**

For the ..... day of ..... 19 .....

Notes		Coins								Total
Number	Value	Rupee	½ Rupee	¼ Rupee	10 Paise	5 Paise	2 Paise	1 Paise		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	
Opening Balance										
Issues from double lock										
receipts from Public										
Total:										
Issue to the Public										
Balance:										
Add on substract										
exchanges										
Balance:										
Railway in double										
lock closing balance.										
Shroff			Sub-Treasury Officer				Double Lock Officer.			

**Note I:-** The Sub-treasury Officer should check that –

- the opening balance agrees with the closing balances of the previous day;
- issue from double lock agrees with the entries in Treasuries Daily Balance Sheet;
- the receipts and issues to the Public agree with the totals of T.A. Form I;
- the amount put away agrees with the entry in Treasurer's Daily Balance Sheet;
- the closing balance represents cash in single lock.

**Note II:-** The total closing balance should be entered also in words.

—

**FORM T.A. III**

[See Chapter III, Local Ruling under Article 32-34]

**Book**

(non-bank) for

Receipts						Disbursements					
Chalan No.	Particulars	Head of account	Cash Rs.P.	Transfer Rs.P.	Transfer Rs.P.	Chalan No.	Particulars	Head of account	Cash Rs.P.	Transfer Rs.P.	Transfer Rs.P.
1292	Sub-Registrar-Circle	030. Stamps and Registration fees D.Registration fees- (1) Fees for registering Documents	100-00			128	Sub-Registrar-Contingent bill	230 Stamps & Registration D.Registration, (a) Direction and Administration (iii) District offices -4. Office expenses	50-00	-	50-00
		Search fees	5-00		105-00	129	Supplemental pay of the office of District and Sessions Judge	214 Administration of Justice (b) Civil and Session Courts Salaries	200-50	49-50*	550-00
	Travelling allowance bill of Inspector of Excise-Circle	039. State Excise-Recoveries of over Payments		5-00	5-00	130	Travelling Allowance bill of Revenue Divisional Officer	253 District Administration (b) other establishments (i) Sub-Divl.Establishments			
1252	Y.Gnanamani, Clerk Collector's Office (Account Test)	051 Public Service Commission Examination Fees	6-00		6-00			3. Travel Expenses 253 District	112-00	-	112-00
1267	A.V.Pillai (Special Test)	Do.	8-00		8-00	131	Transfer travelling allowance bill of KGD Ayyangar, Senior Inspector of Co-op.Societies	253 District Administration (b) other establishments (i) Sub-Divl.Establishments			
1279	Assistant Surgeon	058 Stationery and Printing Sale of Gazettes etc.	1-00		1-00			3. Travel Expenses	100-00	-	100-00
						132	Travelling allowance bill of A.B. Jack	239 State Excise-Dist.Offices-1. Salaries	96-00	5-00	101-00
	AS PER CHITTAS-						AS PER CHITTAS-				
029	Land Revenue	-	800-00	-	800-00	230	Stamps & Registration fees, Discount on sale of Stamps	Non-judicial	-	15-00	15-00
039	State Excise	-	1,200-00	-	1,200-00		Local Funds Deposits	Elementary Education Funds 886 Adjusting account between Central Government and State	300-00	280-00**	580-00
030	Stamps & Registration Fees	Non-judicial	285-00	15-00	300-00		Charges transferred from central day-book		260-00	217-50	478-00
	Local Fund Deposits	Zilla Parishads Funds	500-00	30-00	530-00			Total.....	1,119-00	567-00	1,686-00
	Government Provident Funds subscriptions	State Provident Fund		25-00	25-00						
	Amount transferred from Central day-book	886 Adjusting account between Central (Non-Railways) and State	300-00	492-00	792-00						
		Total ....	3,305-00	567-00	3,772-00						

		Rs.P.
Total day-book receipts	.....	3,772-00
Last day's balance	.....	1,800-00
		5,572-00
Charges	.....	1,686-00
		3,886-00
Balance	.....	3,886-00
		Rupees three thousand eight hundred and eighty-six only.

\*The deduction is made up of Income-tax Rs.10/-, Postal Life Insurance premium Rs. 14.50 p. and subscription to General Provident Fund Rs.25/-. The deductions on account of Income-tax and Postal Life Insurance should be entered in the adjustments columns of the chittas for Income-tax and Postal Life Insurance both of which will be subsidiary to

the Central day-book, while the deduction on account of General Provident Fund should be entered in the General Provident Fund Register (State).

\*\*Out of this sum of Rs.280/-, Rs.30/- represents a credit to Zilla Parishad Funds and the balance of Rs.250/- represents a credit to the Head "Account current between Andhra Pradesh and Posts and Telegraphs".

Central day-book of ..... the treasury for											
	Recovery of travelling allowance advance from income-tax officer ..... Circle	220 Collection of Taxes on Income and Expenditure-Direction and Administration-3 Travel Expenses	20-00	-	200-00	120	Transfer travelling allowance bill of the Income tax Officer Circle.	220 Collection of Taxes on Income and Expenditure-Direction and Administration-3.Travel Expenses	100-50	200-00	300-50
	Adjustment from Zilla Parishad Elementary Education Funds	888 Adjusting Account between Andhra Pradesh and Posts and Telegraphs	-	250-00	250-00	121	Contingent bill of the Income-tax Officer	220 Collection of Taxes on Income Expenditure-Direction and Administration-			
	AS PER CHITTAS							4.Office Expenses	57-00	-	57-50
021	Taxes on income other than Corporation Tax		300-00	27-50	327-50	122	V.P.Ayyar	249 Interest Payments.			
	Postal Life Insurance premia		-	14-50	14-50			A. Interest on Internal Debt-5 percent 1929-47. (Central Loan)	102-50	171-50	120-00
	Total receipts transferred to State day-book	886 Adjusting Account between Central (Non-Railways) and State	-	-	-	Total payments transferred to State day-book		886 Adjusting Account between Central Governments and State	-	-	-
		Total	300-00	492-00	792-00			Total	260-50	217-50	478-00
			Nil	Nil	Nil				Nil	Nil	Nil

(1) The Income-tax deducted should be entered in the adjustment column of the Income-tax chitta.



**FORM T.A. IV**

[See Chapter III, Local Ruling under Articles 64-67]

**Weekly Statement of Receipts and Payments of Deposits under the Provisions  
of the Madras Estates Land Act as adopted by Andhra Pradesh**

DEBIT					
Date	Serial number of voucher	Number of the suit execution petition or sale application	Name of payee	Purpose for which the deposit was made	Amount
(1)	(2)	(3)	(4)	(5)	(6)
					Rs.P.
Balance to credit Total					
CREDIT					
Date	Serial number of chalan	Number of the suit execution petition or application	Name of depositor	Purpose for which the deposit is made Balance brought forward	Amount
(1)	(2)	(3)	(4)	(5)	(6)
					Rs.P.
Total:					

Station :

Date :

To

The Revenue Divisional Officer,  
Officer-in-charge of the Treasury.

---

**FORM T.A. V**

[See Chapter III, Ruling 3 under Articles 68-70]

**Check Register of Cash Orders**

Payable in the ..... Taluk for the year 19 .....

Number		To whom payable	Amount of cash orders	Initials of the Sub-treasury Officer	Date of payment and to whom paid
Date of cash orders	Printed/Special				
(1)	(2)	(3)	(4)	(5)	(6)
			Rs.P.		

Abstract of the daily payments					
Amount paid	Initials of the Sub-treasury Officer	Date of payment	Numbers of cheques paid	Daily totals carried to Cash or Day-book	Remarks
(7)	(8)	(9)	(10)	(11)	(12)
Rs.P.				Rs.P.	

**FORM T.A. VI**

[See Chapter III, Local Ruling 2 under Articles 75-77]

**Register of Repayments of Deposits at Sub-treasuries**

In the taluk of ..... in the district of ..... during the month ..... 19 .....

Details of original deposit							
Date of receipt	District Treasury number as per register of receipts	Taluka number	Amount or balance of deposit	Date of present repayment	Number of repayment voucher	To whom repaid	Amount paid in cash
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Rs.P.				Rs.P.

Amount paid by transfer	Initials of the Head Accountant	Daily total carried to Day-book	If adjusted to proper head state in what amount and in what item included, and under what head credited.
(9)	(10)	(11)	(12)
Rs.P.		Rs.P.	

### FORM T.A. VII

[See Chapter IV, Local Ruling 2 under Articles 95-99]

#### Daily Classified List

For ..... date .....

Description of item	Amount of each item	Amount entered in posting Register	Major head total
(9)	(10)	(11)	(12)
	Rs.P.	Rs.P.	Rs.P.

Checked and agreed with day-book. The differences are accounted for by the refunds of revenue or cash recoveries taken as abatement of charges as explained below:-

Posted in Posting Register

Head Accountant  
Accountant

### FORM T.A. VIII

[See Chapter IV, Local Ruling under Articles 95-99]

#### Transfer Slip

Monthly Serial No. .... dated ..... 19.....

Page of posting register in which posted.	Dr.		Cr.		Page of Posting register in posted
	Amount	Account	Amount		
	Rs.P.	Heads	Rs.P.		
Explanation of the necessity for the alteration					

Posted	Initials of Accountant	Initials of Head Accountant	Initials of Head Accountant	Initials of Accountant	Posted
--------	------------------------	-----------------------------	-----------------------------	------------------------	--------

Signature of Head Accountant

**FORM T.A. IX**

[See Chapter IV, Local Ruling 8 under Articles 95-99]

**Alteration Memorandum**

Treasury Account of ..... District.

What month's account.	Amount to be adjusted	To the debit of Original amount.	To the credit of Original amount.	Reasons for adjustment.
	Rs.P.	Rs.P.	Rs.P.	

Total Rupees (in words).

I have personally satisfied myself that the alteration (s) proposed is/are necessary.

Dated ..... 19 .....

Treasury Officer.

To

The Accountant-General, Andhra Pradesh.

**FORM T.A. X**

[See Chapter IV, Local Ruling II under Articles 95-99]

**List of Payments (General)**

DISTRICT .....

List of Payments made at ..... Treasury of the Government of Andhra Pradesh between the ..... and ..... of ..... 19 .....

Number of Vouchers as per schedule.	Particulars of payment.	Amount paid.	Remarks
		Rs.P.	

**DEPARTMENTAL PAYMENTS**

Account No.s 2 to 21, 23, 26, 27 .....

**DEBT AND REMITTANCE HEADS**

805. State Provident Fund	A.Civil	-	-	-
General Provident Fund				
..... Provident Fund		-	-	-
847. Deposits of Local Funds –				
District Funds -		-	-	-

Number of Vouchers as per schedule.	Particulars of payment.	Amount paid. Rs.P.	Remarks
	Panchayat Body	-	-
	Funds	-	-
		-	-
		-	-
	Municipal Funds	-	-
		-	-
		-	-
	Port and Marine Funds –		
	Minor Port Funds		
	Other Funds		
	Education Funds –		
	University Fee Fund		
	_____ Fund		
	Other Funds		
	843. Civil Deposits.	-	-
	Revenue deposits	-	-
	Deposits in connection with Elections		-
	Civil Court Deposits		-
			Bank -
			Treasury -
	Criminal Court Deposits	-	-
	Market Committee Funds		
	Village Panchayat Funds		
	Deposits for work done for Public		
	Bodies and private individuals		
	Workamen Compensation Act Deposits		
	Personal Deposits		
			Central Trust
	Trust Interest Fund		Local Trust
			Charitable Endowments
	Other Departmental deposits		
	Departmental Advances		
	850. Civil Advances –		
	Advance for remitting treasure		
	Other Advances		
	Revenue Survey Advances		

Number of Vouchers as per schedule.	Particulars of payment.	Amount paid. Rs.P.	Remarks
	Cost of Survey marks		
	Revenue Advances.		
	872. Permanent Cash Imprest – Civil.		
	879. Account with the Government of other Countries – Burma		
	858. Suspense Accounts-Transactions on behalf of the Reserve Bank		
	858. Suspense Accounts, Suspense Account (Civil)		
	766. Loans to Govt. Servants etc.		
	House Building Advances		
	Advances for purchase of Motor Conveyances		
	Advances for purchase of other Conveyances		
	Festival Advances and other Allowances.		
	767. Miscellaneous loans		
	882. Other local Remittances-Cash Remittances and adjustments between Officers rendering accounts to the same A.G./Accounts Officer –		
	Cash Remittances etc.		
	Cash Remittances between Treasuries and currency chests		
	Forest Remittances		
	Public Work Remittances	Cheques	
		Remittances	
	Reserve Bank Remittances		
	886. Adjusting Account between Central (Non-Railways) and State Governments –		
	Andhra Pradesh.		
	Pay and Account Officer		
	887. Adjusting Account with Railways –		
	Southern Railway		
	Western Railway		
	893. Inter-State Suspense Account –		
	Bombay		
	West Bengal		
	Uttar Pradesh		
		Total .....	

Separate list should be prepared for State and Central transactions (See Local Ruling 1 Under Article 96-99).



**FORM T.A. X-C**

[See Chapter IV, Local Ruling 11 under Articles 95-99]

**List of Payments (Departmental)**

Payments made at ..... Treasury of the Government of Andhra Pradesh  
Between the ..... and ..... of ..... 19 .....

Number of voucher as per schedule (1)	Particular of payment (2)	Amount paid		Remarks (5)
		In cash (3) Rs.P.	By adjustment (4) Rs.P.	

**FORM T.A. X-D**

Schedule of repayment of ..... deposits of .....  
Treasury for the month of ..... 19 .....

Sl.No.	No. and date of repayment voucher	Amount repaid Rs.P.	Remarks

Total:-  
Dated:

Treasury Officer.

**Note:-** Separate schedule should be prepared for each class of deposit.

**FORM T.A. XI**

[See Chapter IV, Local Ruling 1 under Articles 105-108]

**Memorandum of Transfer of Deposits**

in the ..... district during the month of ..... 19 .....

Voucher number (1)	Amount paid by transfer (2)	To what head transferred		Amount in which included. (5) Rs.P.	Remarks (6)
		Major head (3)	Minor and detailed heads. (4)		



**FORM T.A. XII**

[See Chapter IV, Local Ruling 4 under Articles 105-108]

**Extract Register of Receipts of ..... \*Deposits**

Taluk, ..... district, during the month ending ..... 19.....

Taluk No.	Huzur No.	Date of Deposit	Form whom received	Nature of Deposit	Amount	Orders of the Treasury Officer	Replies of the Sub-treasury Officer
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
					Rs.P.		

\*Civil Courts, Criminal Courts or Revenue.

**FORM T.A. XIII**

[See Chapter IV, Local Ruling 3 under Articles 105-108]

[For use only when a duplicate (carbon) copy of Form T.A. 21 is not utilized for the purpose]

**Extract Register of Repayments of ..... Deposits**

in the taluk of ..... in the district of .....  
during the month ending ..... 19 .....

Details of original deposit

Date of receipt	Huzur number as per register of receipts	Taluk number	Amount or balance of deposit.
(1)	(2)	(3)	(4)
			Rs.P.

Number of repayment voucher and date.	Amount repaid	Remarks
(5)	(6)	(7)
		Rs.P.

**FORM T.A. XIV**

[See Chapter IV, Local Ruling under Article 116]

**Statement of Lapsed Cash Orders**

In the district of ..... for the month

Cash orders issued and personal deposit chalans.					
Cash Order and personal deposit chalan	Number and month of the voucher or cheque in which the charges were originally drawn or on which the amount was credited in cash.	Name of the Officer by whom drawn or the name of the party by whom the cash was remitted and the purpose of remittance.	Amount  Rs.P.	Head of account to which the amount is now credited in detail.	
Item in which the amount credited is included.	Initials of the Auditor in token or verification of the adjustment in the Treasury account No. and month of Transfer Entry and the head of account to which the amount is adjusted.	Initials of the Supdt. in token of the adjustment having been made.	Number and date of Refund order.	Amount of refund sanctioned & head to which it is charged.	Initials of the Gazetted Officer.

### FORM T.A. XV

[See Chapter IV, Local Ruling under Articles 117-118]

#### Statement of Central (Non-Railways) Transactions at Non-Bank Treasuries

Treasury

for the week ending

Receipts	Payments	Net	Receipts payments	Remarks
Rs.P.	Rs.P.		Rs.P.	

Dated :

Station:

Treasury Officer.

To

The Accountant-General, Andhra Pradesh (Account Current Section).

**FORM T.A. XVI**

[See Chapter IV, Local Ruling under Articles 117-118]

**Statement of Railway Transactions at Non-Bank Treasuries**Treasury  
for the week ending

Name of Railway	Receipts as per separate schedules enclosed	Payments as per lists of payments enclosed	Net		Remarks
			Receipts _____	Payments	
Rs.P.	Rs.P.		Rs.P.		
Southern Railway					
Northern Railway					
Western Railway					
Central Railway					
..... Railway					
..... Railway					

Dated :

Station:

Treasury Officer.

**Note:-** The statement for the last week of the month should include transactions to end of that month, so that the total amount of four statements of the month may agree with the total of receipts and payments in the Treasury accounts.

To

The Accountant-General, Andhra Pradesh (Account Current Section).

**FORM T.A. XVII**

[See Chapter IV, Local Ruling under Articles 117-118]

**Schedule of Receipts/List of Payments on Account of Railway  
at Non-Bank Treasuries**Treasury  
for the week ending

Date of	Receipt _____	No. of	Chalan _____	Particulars	Receipts	Payments
	Payment		Voucher		Rs.P.	Rs.P.
Total						

Dated :

Station:

Treasury Officer.

**Note:-** (1) One copy with relevant vouchers and chalans or schedules should be sent to the Railway Accounting Officers and one copy should be sent to the Accountant-General, Andhra Pradesh (Account Current Section), along with Form T.A. XVI.

(2) The total receipts and payments as per this statement should agree with the lumpsum figures shown in Form T.A. XVI.