ANNEXURE

(Referred to in rule 5.3-B)

Procedure to nominate any other person on, before or after retirement

1. Every pensioner who has retired on or before the date of commencement of these rules shall within six months nominate any person for the purpose of this rule in Form A and submit it in triplicate by personal service after taking receipt or by sending through registered post acknowledgement due to the respective Pension Disbursing Authority through whom pension is drawn.

2. Within thirty days of the receipt of nomination in Form A, referred to in Para 1, the Pension Disbursing Authority shall get the particulars of the pensioner, as mentioned in Form A, verified with reference to the available records and return to the pensioner, after obtaining a receipt thereof, the duplicate copy of the nomination in Form A duly attested by him or an officer authorised by him in this behalf. The triplicate copy shall be sent to the concerned Department from where the pensioner had retired while the original copy of the nomination shall be recorded.

3. Every employee who is due to retire after the date of commencement of these rules shall submit the nomination in triplicate in Form A to the Head of Office of the Department from where he is retiring within three months before or after the date of retirement.

4. Within thirty days of the receipt of the nomination in Form A, under para 3, the Head of Office shall get the particulars of the pensioner as mentioned in Form A, verified with reference to the records of the establishment and return to the pensioner, after obtaining the receipt thereof, a duplicate copy of the nomination in Form A, duly attested by him or by an officer authorised by him in this behalf. The triplicate copy duly attested shall be sent to the Audit Officer, who shall pass it on to the Pension Disbursing Authority along with the Pension Payment Order. If the Pension Payment Order has already been issued in a particular case, the nomination shall be sent separately quoting Pension Payment Order number and other particulars of the pensioner to enable the Pension Disbursing Authority to link it up with the Pension Payment Order.

5. A notice of modification of nomination including cases where a nominee pre-deceases the pension shall be submitted triplicate in Form B to the Pension Disbursing Authority in the manner specified in para 1 and thereafter the provision of para 2 shall apply mutatis mutandis with modification as if it was made under para 1.

6. A nomination or a fresh nomination or a notice of modification of nomination shall be signed by the pensioner or, if he is illiterate, shall bear his thumb-impression given in the presence of two witnesses who shall also sign a declaration to that effect in the nomination, fresh nomination or notice of modification of nomination, as the case may be.

1. Annexure inserted (along with Rule 5-38) vide No. 1/2/88-81-2PR II, dated 13-12-84.
7. Nomination, fresh nomination or notice of modification of nomination shall take effect from the date of receipt thereof by the Pension Disbursing Authority or the Head of Office, as the case may be.

8. A nomination made under para 5 and accepted by the Pension Disbursing Authority or the Head of Office, shall be a conclusive proof with regard to the person nominated to receive arrears of pension of the pensioner under these rules.

9. The arrears of pension payable under these rules shall be paid in accordance with the provisions of the existing rules governing the mode of payment of pension.
# FORM A

Pension Disbursing Authority/Head Office

(Name of Bank/Treasury/Post Office/Accounts Officer etc.)

Place

I, _________ hereby nominate the person ________.

(Name of the pensioner in capital letters)

named below under rule 5.3-B of P.F.R., Vol. I:

<table>
<thead>
<tr>
<th>Name and address of the nominee</th>
<th>Relationship with pensioner</th>
<th>Date of birth</th>
<th>If nominee is minor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Name and address of person who may receive the said pension during the nominee's minority</td>
</tr>
</tbody>
</table>

Name and address of person who may receive the said pension during the nominee's minority

1 | 2 | 3 | 4 |

Name and address of person who may receive the said pension during the other nominee's minority

5 | 6 | 7 | 8 | 9 |

Place: ____________________________

Date: ____________________________

Signature (or thumb impression if illiterate), and name of pensioner:

Address:

Witness: ____________________________

Name and Address

Signature of Pension Disbursing Authority/Head of Office

(Acknowledgement to be sent by the Pension Disbursing Authority/Head of Office)

Certified that application/nomination has been received from ——- ———— (Name of Pensioner) whose address is ———— ———— ———— ———— ———— ————

Place: ____________________________

Date: ____________________________

Signature of Pension Disbursing Authority

Bank/Treasury/P.O./Accounts Officer/Head Office

Full Address: ____________________________
**FORM B**

The Pension Disbursing Authority

Name of the Bank/Treasury/Post Office/Accounts Office etc.

Place:

I, hereby make the following alternative nomination in cancellation of the previous nomination made on ________________ under rule 53-B (P.F.R., Vol II):

<table>
<thead>
<tr>
<th>Name and address of nominee</th>
<th>Relationship with pensioner</th>
<th>Date of birth</th>
<th>If nominee is minor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Name and address of the person who may receive the said pension during the nominee's minority</td>
</tr>
</tbody>
</table>

|                                                                 |
| 1 | 2 | 3 | 4 |

Name and address of the other nominee in case the nominee above predeceases the pensioner

<table>
<thead>
<tr>
<th>Name and address of the other nominee in case the nominee above predeceases the pensioner</th>
<th>Relationship with pensioner</th>
<th>Date of birth</th>
<th>If other nominee is minor</th>
<th>Name and address of person who may receive the pension during the other nominee's minority</th>
</tr>
</thead>
</table>

| 5 | 6 | 7 | 8 | 9 |

Place:

Signature (or thumb-impression if illiterate) and name of pensioner.

Date:

Witness:

Name and address

Signature

Signature of Pension Disbursing Authority

Date Stamp.

Certified that application/nomination (Form B) has been received from ________________________ (Name of the pensioner) whose address is ____________________________

Form A has been cancelled and returned to him.

Place:

Signature of Pension Disbursing Authority

Date:

P.O./Bank/Treasury with full address.
CHAPTER VI.—Pay, Allowances, etc. of Gazetted Government Employees

I.—PAY AND ALLOWANCES

6.1 (a) Regular monthly pay and allowances of all the Gazetted Officers will be drawn and disbursed by the Drawing and Disbursing Officer of each department, the Drawing and Disbursing Officer will thus prepare a consolidated bill in respect of each sub-head and present it at the treasury as is done in the case of non-gazetted establishment.

(b) All other payments to Gazetted Officers e.g. Travelling Allowance and Medical Reimbursement will be drawn by the respective drawing and disbursing officers in the form prescribed for non-gazetted staff and disbursed.

Exception:—Claims to pay and allowances of Governor, Ministers, Speaker, Deputy Speaker, Member of Legislative Assembly, Officers appointed under the seal of the President and non-officials appointed in Committees etc., set up by the Government in whose case the existing procedure for the drawal and disbursement of pay and/or allowances will continue to apply.

Note 1:—In order to distinguish the bills in respect of claims of Gazetted Officers from those of non-gazetted Officers, the words "Gazetted Officers Bill" will be written prominently at the top of the front page of such bills in red ink. All certificates which are required to be given in bills in respect of a claim will be given by the Heads of the Offices.

Note 2:—The drawing and disbursing officer shall arrange to obtain stamped acquittances from the gazetted officers concerned and preserve them in records as is done by him in the case of non-gazetted establishment.

Note 3:—The determination of pay and allowances of gazetted officers belonging to State will be done by the Head of the Office in the same manner as for non-gazetted staff working under them. In the case of pay and allowances of the head of office himself such determination will, however, be done by the next higher authority or the head of the department, as the case may be. In the case of Officers belonging to All India Services and Heads of Department not belonging to such services, the determination of pay and allowances will be done by the respective administrative department administering these Cadres/Officers.

Note 4:—The drawing and disbursing officers (Head of Offices) will also maintain such other records like register of bills etc. separately for the Gazetted Officers in the same forms in which these are maintained by them for the non-gazetted establishment.

Note 5:—In order to ensure proper accounting of the General Provident Fund Subscription, the pay bills of All India Services Officers, namely, IAS, IPS and IPS may be drawn on separate bills.1

6.2 The competent authority is not, at liberty to readjust the pay of Government employees by giving one Government employee more and another less the sanctioned pay of his post; nor may he distribute the pay of an absentee otherwise than as provided in the rules governing the service to which the Government employee belongs. There is, however, no

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objection to excess appointments being made in a lower unit or cadre against an equal or greater number of vacancies left unfilled in the higher grade. This liberty may not be used for the purpose of increasing the numerical strength of an office. For each vacancy in a higher unit or cadre only one extra post in a lower unit or cadre is admissible.

Note 1.—The members of the lower grade should normally be promoted to the higher grade in ordinary course. Moreover, such a promotion should be in their own line and not outside the normal line.

Note 2.—The excess appointment in the lower grade which is to be adjusted against a vacancy left unfilled in the higher grade in a gazetted capacity may be of a gazetted or a non-gazetted nature.

II—TRANSFER OF CHARGE

6.3 [Every transfer of charge of Gazetted Government employee should be reported by post on the same day to the Head of Department or other Controlling Authority concerned.]

III—ENGAGEMENT OF PASSAGES

6.4 A Government employee entitled to passage concessions when desiring to obtain one, should apply to the Accountant-General Haryana, on P.F.R. Form 6, for the necessary certificate.

1. Subsd. Vide No. 14/6(P.F.R./85-SAOFD), Dt. 4-3-86.
CHAPTER VII.—Pay, Allowances, etc., of Establishment

[---DATE OF BIRTH]

7.1 [Deleted]

7.2 [Deleted]

7.3 Every person newly appointed to a service or a post under Government should at the time of appointment declare the date of his birth by the Christian era with confirmatory evidence as far as possible, confirmatory documentary evidence such as Matriculation Certificate, Municipal birth certificate and so on. If the exact date is not known an approximate date may be given. The actual date or the assumed date determined under note 1 below should be recorded in the History of Service, Service Book or any other record that may be kept in respect of the Government employee's service under Government and once recorded, it cannot be altered except in the case of a clerical error, without the previous orders of Government. See also Annexure-A to this Chapter.

Note 1:—(a) If a Government employee is unable to state his exact date of birth but can state the year, or year and month of birth, 1st July, or the 15th of the month, respectively, may be treated as the date of his birth.

(b) If a Government employee is only able to state his approximate age, his date of birth may be assumed to be the corresponding date after deducting the No. of year representing his age from his date of appointment.

(c) When a Government employee who first entered military employment is subsequently employed in a civil Department the date of birth for civil employment should be the date stated by him at the time of attestation, or if at the time of attestation he stated only his age, the date of birth should be deducted with reference to that age according to the method indicated in sub-para (b) above.

Note 2:—[Omitted]

Note 3:—For administrative instructions in respect of alterations in the date of birth see Annexure A to this Chapter.

7.4 [Deleted]

II—ALTERATION OF ESTABLISHMENT

7.5 When the entertainment of a new establishment or a change, temporary or permanent, is proposed in an office, a letter fully explaining the proposals and the conditions which have given rise to them together with the proposition statement, if necessary, under rule 7.5 should be submitted to the competent authority. In this letter should be set out inter alia—

1. Subsd. vide No. 9330-IFR-6/83/2228, dt. 3-12-1968.
2. Subsd. vide No. 5/12-61 and Deleted vide No. 9330-IFR-6/83/2228, dt. 3-12-68.
4. Deleted vide No. 9330-IFR-68/32228, dt. 3-12-68.
(i) the present cost, either of the section or sections affected or of the total establishment as the circumstances of the case may indicate to be necessary;

(ii) details of the pay of the post or posts and the number of posts which it is proposed to add or modify; and

(iii) as accurate an estimate as possible of the extra cost involved.

Note 1.—In determining the extra cost, allowance, whether fixed or variable, should be included.

Note 2.—The authorities submitting the proposals should take into account any claims to positions that may arise in consequence of their proposals with reference to Article 429 of the Civil Service Regulations and Note 1 below rule 52 of the Punjab Civil Services Regulations, Volume II and certify to their having done so in their proposals. The estimate of extra cost due to variable allowances, cannot be exact but should be as accurate as possible.

Explanation (a)—When a scheme requires the sanction of higher authority only because particular items are beyond the powers of sanction of the subordinate authority, in the letter submitted to the higher authority full detail should be given of these items and of any other part of the scheme so connected with them that, unless it is explained, it must be difficult for the higher authority to determine whether sanction should be given to these items or not. Details of other parts of the scheme are not required and should not be given, lump sum figures showing the total cost of each part of the scheme being sufficient.

Example 1.—It is proposed to establish a medical college, and the sanction of higher authority is required only because it is desired to create posts in the Provincial Medical Service for the Principal and three Professors. Full details of the teaching staff should be given, because without these the necessity for the appointment in the Provincial Medical Service cannot be gauged. No details should be given of the clerical or other subordinate staff.

Example 2.—It is proposed to establish a Medical School and the sanction of higher authority is required only because it is proposed to create an appointment in the Provincial Medical Service for the Principal. No details are required of the staff proposed for the school except the Principal, because the knowledge of these details is not necessary in order to determine whether an appointment in the Provincial Medical Service is required.

Explanation (b).—When the revision of a number of establishments is undertaken in pursuance of a definite central idea, which constitutes a single scheme for purposes of sanction, and when the scheme requires the sanction of higher authority, in the letter submitting the proposal for sanction full details of the several establishments need not be given, but only such details as will indicate the financial effect of each portion of the proposals.

Thus if the scheme is for the increase of pay of a number of establishments it will suffice to set out—

(i) The present cost of all establishments concerned.

(ii) The various increases of pay or the various percentages of increases proposed and the reasons justifying the proposals.

(iii) In respect of each separate rate of increase proposed as set out in (ii)—

(a) A list of the establishments or classes of Government employees to which it is to be applied and the reasons for such differentiation.

(b) As accurate an estimate as possible of the probable cost, with a statement that this has been worked out in consultation with the Accountant-General and that it is accepted by him as correct.
7.6. (a) Whenever any large scale or complicated proposals are made for the revision of the existing or the creation of new establishments including those which require the sanctions of Government, the letter explaining the proposals should be accompanied by a proposition statement in duplicate in P.F.R. Form 9.

Note.—The simpler P.F.R. Form 10, may be used in cases when the full details of P.F.R. Form 9 are not necessary.

(b) The details to be shown in proposition statement will be determined by the following principles:—

(i) The proposition statement should relate strictly to the section or part of the office affected by the proposals. As regards the other parts or sections of the office, neither details nor figures of total cost need be included.

(ii) Where a section consists of both Class IV and superior employees, details need be given only of the class affected, if a saving of labour will result from the adoption of this procedure.

(iii) The rules as to details set out in Rule 7.5 above should be observed.

Note 1.—The fixed allowances referred to in Note to Rule 7.5 above should be entered in proposition clause under the fixed allowances column but the variable allowances should be included therein.

Note 2.—Sweepers, Bhatties and other Class IV employees whose pay is drawn on contingent bills need not be included in the proposition statement.

Note 3.—Proposition statements are required for all temporary changes in establishment except (1) in those cases where pay is passed against a budget grant, (2) in the case of temporary establishment for work which is quite outside the ordinary routine of administration, e.g., census, plague, and special duty of any kind.

Note 4.—When it is proposed to change all or part of a temporary establishment into a permanent establishment the "present scale" column in the proposition statement, must show both the temporary and the permanent establishment; thus the increase in the permanent scale will be balanced by the temporary scale decreased.

7.7. Where the pay of any post existing or proposed rises from a minimum to a maximum by periodical increments, the average monthly cost and not the actual or the corresponding cost, must be given. The average monthly cost in such cases should be calculated in accordance with the following formulae:

Explanation.—(1) Formula (1) is to be used in the case of gazetted posts, while formula (2) in the case of non-gazetted posts. In cases where one grade is the channel of promotion to another grade, that is to say, where everybody in the first grade is ultimately promoted to the second grade, formula (1) may be adopted to find the average cost of posts in the first grade. This use of formula (4) should be restricted to cases involving an entire grade, consisting of two or more sections with efficiency bars at one or more stages.

(1) To find the average cost of a post in the junior scale of an All-India Service formula (3) should be used.
FORMULAE FOR CALCULATING AVERAGE COST OF TIME-SCALE OF PAY

FORMULA (1)

\[
\text{Average pay} = \frac{A + \frac{B - A}{2}}{2} + \frac{(B - A)}{2} \left[ 1 - \frac{R}{1 + I} \left( \frac{.014 + \frac{1 - 0.01R}{F - E}}{1 - 0.01R} \right) \right]
\]

FORMULA (2)

\[
\text{Average pay} = \frac{A + \frac{B - A}{2}}{2} + \frac{(B - A)}{2} \left[ 1 - \frac{R}{1 + I} \left( \frac{.021 + \frac{1 - 0.015R}{F - E}}{1 - 0.015R} \right) \right]
\]

In the formula (1) and (2) —

A = minimum pay,
B = maximum pay,
R = period of rise,
E = average age at entry in the grade, and
F = average age at retirement on superannuation pension.

This may be taken to be 55 in almost every case unless there are special reasons to take it either at the lower or a higher figure.

FORMULA (3)

\[
\text{Average pay} = \frac{A - C}{2} + \frac{(C - A)}{2} \left[ 1 - \frac{(S + 1)}{1 - (S + 1)} \left( \frac{.006 + \frac{1 - 0.004S}{G - E}}{1 - 0.004S} \right) \right]
\]

In formula (3) —

A = minimum pay,
C = pay just before promotion to the second grade,
S = period of rise from A to C,
G = average age at entry in the first grade, and
C = average age at the time of promotion to the second grade.

FORMULA (4)

\[
\text{Average pay} = \frac{1}{2} (A + W_1B_1 + W_2B_2 + X_1C_1 + X_2C_2)
\]

Where A = the initial pay of the scale.
B, B = the maximum pay of the different sections of the scale, such as the ordinary scale, the scale for passed clerks.
W, W = the proportion of the establishment which would normally reach the maximum of B, B respectively.
C, C = the pay at the different efficiency bars, and
X, X = the proportion of the establishment which would normally be detained at C, C respectively.

Note: — Where the pay is not incremental, it is sufficient, so enter it in the column headed “Maximum”.
7.8. The proposition statement or the proposal for revision should be forward in its direct to Government to avoid any delay. If the Administrative Department feel that the proposition statement forwarded by the Head of Department, in any particular case, requires verification of the cost involved, that Department may refer the statement to the Accountant-General, Haryana, for verification. Where, however, the Administrative Department are correct, the verification of the figures may be dispensed with.

7.9. The statement prescribed in paragraph 16.12 of the Punjab Budget Manual (Fourth Edition) should also be submitted when necessary.

7.10. In cases where a revised proposition statement is sent before Government has accorded sanction to a proposition statement still under its consideration, the existing scale should be entered in the revised proposition statement with a note that an application for its revision involving an annual expenditure of Rs.------is already before Government.

III—MONTHLY PAY BILL

(i) PREPARATION OF BILLS

7.11. Instructions regarding the preparation and payment of establishment and travelling allowance bills are contained in Section 1 of Chapter IV of the Subsidiary Treasury Rules which should be carefully observed by all the drawing officers.

Drawing officers are responsible for seeing that pay bills are checked and initialed by a responsible Government employee and that the check must always include verification of the total amount entered in the bills. Failure to observe these precautions as well as those regarding disbursement of moneys drawn (mentioned in the succeeding rules) will render them liable for making good any loss that may occur thereby.

Note 1.—The pay bills of Assistant Surgeons, Class II (non-gazetted), employed under Zila Parishad and Municipal Committees should be presented to, and paid by, the Zila Parishad or Municipal Committees concerned. Such bills should not be presented at the treasury.

Note 2.—When Government employee signs an absentee statement accompanying an establishment bill, he should see that a diagonal line is drawn across the blank space, if any, below across it with the word “blank” in brackets in the middle of the line.

Note 3.—See also rule 7.15 infra.

Note 4.—Recoveries made from non-gazetted Government employees on account of attachment order issued by courts of law (vide Rule 5.9) should not be made from the bills but should be made in cash and then remitted to the Court concerned. The receipts of the Court should be obtained and filed with the attachment register. For recoveries on account of security deposits see Subsidiary Treasury Rules 3.5 et seq.

(ii) DISBURSEMENT OF MONIES DRAWN ON MONTHLY BILLS

7.12. (i) The head of an office is personally responsible for every pay drawn on a bill signed by him or on his behalf until he has paid it to the
person entitled to receive it and obtained his receipt duly stamped where necessary, on the office copy of the pay bill. If in any case, owing to the large size of an establishment or because certain of its men are working in out-stations, it is not found feasible or convenient to obtain the receipts of payees on the office copy of the bill, the head of the office concerned may, at his discretion, maintain separate acquaintance rolls in P.F.R. Form—

If for each set of payments made at one place or at one time. If the payee does not present himself before the end of the month, the amount drawn for him should ordinarily be refunded by short drawal in the next bill, it being drawn anew when he presents himself to receive it. In cases however, where this restriction will operate inconveniently, the amount of undischarged pay may, at the option of the disbursing officer be retained for period not exceeding three months, provided proper arrangements can be made for the safe custody of the sums retained. Pay must not, under any circumstances, be placed in deposit. So long as the drawing officer finds himself in a position to keep a proper watch over undischarged amounts, by a periodical examination of acquaintance rolls and office copies of bills, it is not necessary for him to keep a detailed account showing the amounts drawn from the treasury from time to time and their subsequent disposal. There is no objection, however, to such an account being maintained in a subsidiary register if found convenient.

(ii) Acquittance rolls and received office copies of bills are not required to be submitted to the Accountant-General but as they are important records they should be stamped, paid and preserved carefully for the periods specified in Appendix 6.

In respect of payments made through Acquittance Rolls on the pay day, the disbursement certificate at the foot thereof should invariably be signed by the disbursing officer in token of the total amount actually paid. The 'paid' stamp duly attested by the drawing officer need be affixed only against the total disbursed amount of the Acquittance Roll. In respect of undischarged amounts paid subsequently the items should be stamped “paid” individually and attested by the drawing officer while signing the Cash Book.

(iii) Cash drawn on pay and travelling allowance bills of establishments should not be mixed with regular cash balance of the department, if any. An account of undischarged pay and allowances should be kept in a Register in P.F.R. Form 11-A. Entries of the total and particular amounts of undischarged pay and allowances may be made against each bill serially, and subsequent payments thereof entered in the appropriate columns of the Register and the Cash Book, each such entry being attested by the Gazetted Officer. From this Register, an abstract of amounts remaining undischarged for three months should be prepared to ensure their refund, either in cash or by short drawal from the next bill.

Note 1.—This rule applies also to cash received by a subordinate Government employee for payment of pay and allowances of Government employee serving under him.

Note 2 [Omitted]

1. Omitted vide No.:—1/2/PFR/7-9/85-SAO(F.D.) dt. 14.10.85
7.13. (i) When a drawing officer checks an acquaintance roll, where one is prepared, he should either himself total up the items of it, check the total against the total of the corresponding establishment bill and the money received from the treasury and see that any difference between the total is properly accounted for; or cause all this to be done by a gazetted Government employee or where no gazetted Government employee is available, by the Superintendent or the Head Clerk of the office.

(ii) Wherever practicable, it should be arranged that disbursement on account of establishment bills are not made by the clerk who prepared them, and the maintenance of separate acquaintance rolls is dispensed with as far as possible.

7.14. Heads of offices are responsible for seeing that signatures on office copies of the pay bills or acquaintance rolls, as the case may be, are taken by the official making the payment at the time of payment and not by the Bill Clerk previous to payment; and that in the case of offices in which Government employees are present on the spot, payments are ordinarily made to them in person and not to a third person on the authority of the payee.

7.15. The head of an office is not at liberty to re-adjust the pay of Government employees by giving one Government employee more and another less than the sanctioned pay of his post; nor may he in any way redistribute the pay of an absentee otherwise than as provided in the rules governing the service to which the Government employee belongs. But in the case of non-gazetted establishments divided into separate units or cadres carrying different scales of pay, there is no objection to excess appointments being made in a lower unit or cadre against an equal or grade number of vacancies left unfilled in the higher grade. This liberty must, however, not be used for the purpose of increasing the numerical strength of an office. For each vacancy in a higher unit or cadre only one extra post in a lower unit or cadre is admissible.

Note.—This rule is applicable to Gazetted Officers also—see rule 6.2.

7.16. [The Drawing and Disbursing Officers shall be responsible for timely disbursement of the leave salary of non-gazetted Government employees on leave in India.

Charges for remittances of pay and allowances of establishment by postal money order when so permitted by the competent authority under rule 8.3 may, however, be paid from the State Revenues and debited to the departmental contingencies.

Note:—This rule applies also to remittances of contingent charges towards etc., payable to non-gazetted Government employees.]

1 Subsdt. Vide No. 5437-2PR-71/76/03, dt. 8.9.71.
IV.—RECORD OF SERVICE

(i) SERVICE BOOKS

7.17. Special attention is drawn to the rules regarding the maintenance of service books which are given in Chapter 12 of the Punjab Civil Services Rules, Volume 1, Part 1. The service book is a contemporary record in minute detail of a person's official career. Non-pensionable service should be distinctly shown as such in column 2 of the service book, and every entry should be attested at the time by the head of the office.

Note.—It is the duty of all heads of offices to see that the service books of the establishments employed under them are punctually and regularly written up, that the entries made on the opening pages are re-attested, at least every five years, and that no member of the office has access to the books.

7.18. (1) At a fixed time early in the year, the service books should be taken up for verification by the head of the office who, after satisfying himself that the services of the Government employee concerned are correctly recorded in each service book, should record in it a certificate in the following form over his signature:

“Service verified up to ———— (date) from ———— (the record from which the verification is made )”.

Note.—The verification of service referred to above should be in respect of all service qualifying for pension whether permanent, provisional, temporary or officiating.

(2) (a) The head of the office in recording the annual certificate of verification should, in the case of any portion of service that cannot be verified from office records, distinctly state that for the exempted periods (naming them) a statement in a writing by the Government employee, as well as a record of the evidence of his contemporaries, is attached to the book.

When, however, a non-gazetted Government employee is transferred from one office to another, the head of the office under whom he was originally employed, should record in the service book under his signature the result of the verification of service, with reference to pay bills and acquittance rolls, in respect of the whole period during which the Government employee was employed under him, before forwarding the service book to the office where the services are transferred.

(b) In cases where such transfer also involves permanent transfer of the Government employee from the Audit Control of one audit officer to that of another, the qualifying service for the purpose of pension rendered up to the date of the transfer should be got verified and a certificate to that effect recorded in the Service Book by the audit officer concerned before the service book is forwarded to the office where the services of the Govt. employee are transferred.
7.18—7.19] PUNJAB FINANCIAL RULES

(ii) SERVICE ROLLS

7.19: Rules 7.18 regarding the verification of service and recording of certificates by the head of the office applies also to the service rolls kept under the rule 12.11 of Punjab Civil Services Rules, Volume I, Part I.

(1) Omitted Vide No.—1/2/PFR/7-9/85-S.AO (F.D.) Dt. 14-10-85.

(2) Annexure A and Form deleted vide No. 9830-1FR-68/32228, Dt. 3-12-68.
ANNEXURE—A

(Referred to in Rule 7.3 and note 3 thereunder)

1. In regard to the date of birth a declaration of age made at the time of, or for the purpose of entry into Government service, shall be conclusive unless he applied for correction of his age as recorded within two years from the date of his entry into Government service. Government, however, reserves the right to make a correction in the recorded age of Government employee at any time against the interests of that Government employee when it is satisfied that the age recorded in his service book or in the History of services of a Gazetted Government employee is incorrect and has been incorrectly recorded with the object that the Government employee may derive some unfair advantage therefrom.

2. The orders in this annexure have effect from the 4th July 1928. With regard to persons in Government service on that date one year from that date was allowed within which they could apply for correction of their recorded date of birth.

3. When a Government employee, within the period allowed, makes an application for the correction of his date of birth as recorded a special inquiry should be held to ascertain his correct age and reference should be made to all available sources of information such as certified copies of entries in the municipal birth register, university or school age certificate, Janam patries or horoscopes. It should, however, be remembered that it is entirely discretionary on the part of the sanctioning authority to refuse or grant such applications and no alteration should be allowed unless it has satisfactorily been proved that the date of birth as originally given by the applicant was a bona fide mistake and that he has derived no unfair advantage therefrom.

4. The result of every such enquiry should, in the case of non-gazetted employees, be briefly stated in their service books and if a correction is sanctioned the fact should be reported to the Accountant-General.

1. Renumbered Vide No. 9830-1FR-68/32228, dt. 3-12-68.
CHAPTER VIII—Contingencies

I—INTRODUCTORY

8.1. The rules of procedure prescribed in this Chapter shall apply primarily to "Contingencies" but miscellaneous expenditure as defined in Note I under rule 4.44 of the Subsidiary Treasury Rules which is not classed as contingencies is also subject to these rules, except in so far as it may be governed by any special rules of procedure in other Chapters of this book or by departmental regulations.

Note.—Contingent charges are to be recorded and treated in the accounts as charges of the month in which they are actually disbursed from treasury.

II—CLASSIFICATION OF CHARGES

8.2. Contingent charges incurred on the public service are divided into the following three main classes: the classification adopted in each department or office being determined by orders of competent authority:—

(i) Contract Contingencies—those for which a lump sum is placed annually at the disposal of a disbursing officer for expenditure as and when required, with proper sanction, if necessary. They generally consist of charges the annual incidence of which can be guesstimated with reasonable accuracy.

(ii) Countersigned Contingencies—to include such contingent charges as may require the approval of Controlling authority before they can be admitted as legitimate expenditure against the Government such approval usually taking the form of countersignature after payment on a detailed bill submitted to the Accountant-General,—vide rule 8.9 below.

In some cases, the control over these contingencies is exercised before payment. In such cases monthly detailed bills are not required to be submitted to the Accountant-General, but the bills exhibit full details of the charges. See also sub-rule 1 under [Subsidiary Treasury] vide Rule 4.53.

(iii) Audited Contingencies, i.e., those which are, under the direct audit of the Accountant-General, for which the bills paid at the treasury are ordinarily complete with sub-vouchers for items in excess of [Rs. 1000] and which do not require countersignature.

III—GENERAL RULES

8.3. Subject to the sanction of the competent authority to the incurring of expenditure and to the provisions of the rules in this Chapter a drawing officer may draw money from the treasury for contingent expenses, within the amount allotted to him in the budget estimate or otherwise, unless there is something novel, doubtful or irregular in the character of the expenditure. As ex-
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plained in Note 1 under Subsidiary Treasury Rule 4.44 the term contingent expenses as used in this rule includes also other expenditure such as scholarships, stipends, rewards, fees, bonus, grants for uniforms, equipments, grants-in-aid, contributions, donations, etc.

As regards drawing money for grants-in-aid, see rule 4.4 of the Subsidiary Treasury Rules.

Note 1.—In cases where any scales in regard to contingent charges (e.g., rewards for destruction of wild animals) have been prescribed by Government, those scales should be strictly adhered to.

Note 2.—In the case of non-recurring charges, the competent sanctioning authority may, where this course is more convenient, accord sanction by countersigning the bill on which the money is drawn, prior to its drawal, instead of by a separate sanction.

Note 3.—Special rules relating to the following matters are contained in the appendices quoted against them:

(1) General rules for the supply of articles for the public service
(2) Miscellaneous rules regarding contingent expenditure
(3) Supply of livery and clothing
(4) Supply of articles from jails, co-operative societies and industrial institutions

Note 4.—Instructions relating to the Purchase of Stationery and Printing Stores are contained in the Punjab Printing and Stationery Manual.

8.4. No pay of any kind and no additions to pay may be charged as contingent expenditure. See, however, ruk. 7.16.

Exceptions.—The following are examples of charges which may be treated as contingent expenditure:

(a) Hot weather establishment.
(b) Mazdoors engaged on the manual labour and paid at daily or monthly wages.
(c) Sweepers (whether whole-time servants or not).
(d) Extra pot/edars engaged under Subsidiary Treasury Rule 5.42 to accompany remittances, etc.
(e) Temporary Field Establishments on (Survey and Settlement).
(f) Different classes of Class IV employees given below (whole-time servants or not), declared as ineligible for pension as well as those who may in future be declared to be non-pensionable.

Skilled employees.—Cycl. mechanics, lampmen, gasmen, sikilgars, workshop coolies, camel sowers, chaudaries, mistrys (other than those employed in the Public Works Department), pot/edars except those employed in the Haryana Civil and Irrigation Secretaries, granthis, uldalis, boatmen, boatmen-bearers, cooks, dhobies, kifidmatars, table servants, tailors, cho-guardians, syces, cattle attendants, mates and
regulation beldars at the headworks of canals and branches and escapes in the Irrigation Branch, mail clerks, oilmen and motor attendants in the Irrigation Branch, oilmen, trolley men employed for carriage of dak and cleaners employed in the Police Department, barbers employed in the Haryana Armed Police and literate labourers and firemen at the Government Cattle Farm, Hisar.

Note. — In the case of kandals, boatmen, mail, mail-choukidars, mates, clock regulator beldars or motor attendants in the PWO, their wages are debited to the Works on which they are employed and not to contingencies.

Unskilled employees. — Tent-pitchers, messengers, dak-runners, coolies, bulawa, nazkars watermen, cleaners in hospitals, patrolls, telegraph peons, bullock-men, wood-cutters, cow-herds, shepherds, muleteers, callmen, weighmen and porters, also bellow boys, ploughmen and watermen and donkeys at the Government Cattle Farm, Hisar.

Note 1. — No Class IV employees of the Boarding Houses attached to Government High Schools and Colleges except choukidars and sweepers should be paid from State Revenues.

Note 2. — The pay of gauge readers, daffadaars and barkandazes in the Irrigation Department is drawn on establishment bills and not on contingent bills.

Note 3. — (A) Pay of the employees (mentioned below) is drawn on contingent bills with effect from 1st October, 1911:

1. Water carriers as opposed to bhisties.
2. Gardeners or masts.
3. Coolies on fixed pay.
5. Herdsman.
6. Beaters (including farashis).
7. Lamp and boot boys.
8. Servants other than peons.
10. Cattle attendants.
12. Cyces.
13. Laksas (on canals).

(B) It is not intended to abrogate the pensionary rights of Government employees who were holding pensionable appointments on the date of the change in the method of drawing their pay but mental employees belonging to the classes enumerated above who were appointed subsequent to the date of the change will have no claim to pension.

Note 4. — Contingent charges incurred on account of the wages of coolies engaged on annual labour and paid at daily or monthly rates should be supported by a certificate signed by the disbursing officer to the effect that the coolies were actually entertained and paid. The audit will call for some of the paid muster-rolls in each quarter and check them to see that they are properly maintained.
In the case of all other class IV employees certificates in the following form should be furnished by the disbursing officer:

(i) Certified that skilled employees at the rate of———unskilled employees at the rate of———whose pay is being drawn in the bill have been sanctioned by———with effect from——— or with effect from——— for an indefinite period in exercise of the powers under——— and that they were actually employed during the period for which their pay has been drawn in this bill.

(ii) Certified that the rates of pay of employees drawn in this bill are in no case higher than those fixed by the Deputy Commissioner of this district for the corresponding period except where exempted by the competent authority——— dated———.

(iii) [Also certified that the unskilled employees whose pay has been charged in this bill were employed at the rates not higher than those sanctioned by the Deputy Commissioner.]

(iv) [Also certified that no charges on account of pay of employees which have been left undrawn for more than twelve months are included in the bill.]

Note 5.—Where day runners are employed solely for a particular work of a temporary nature not exceeding six months, they may be treated as work charged establishment. No details as to the rates of pay and period for which the pay of employees is drawn need be entered in the bill. The provisions of this rule will not apply in cases in which a personal claim on account of pay of contingent employees has been left undrawn for more than six months in which case the period for which the pay of employee is drawn shall be specified in the contingent bill.

Note 6.—Contingent bills preferring claims for rents, electricity, and other connected charges incurred on account of the hire of private buildings by the Government for accommodation of State Government Officers should be accompanied by the following certificates signed by the Disbursing Officer:

"Certified that the amount drawn on account of rent, rates and taxes in contingent bill No.———, dated the———, was actually paid to the parties concerned and that (1) no portion of the building for which the expenditure was incurred was utilised for residential or other purposes during the period the charges were paid.

(2) The expenditure in respect of the portion of the building used for residential or other purposes during the period for which the charges were paid, has been recovered from the aforesaid Government employees from whom it was due."

Provided that in the case of drawing and disbursing officers who do not find it possible to furnish the first portion of the certificate prescribed above due to the fact that the listed amounts held by each of them are much less than the monthly rate of contingent expenditure on rent, rates and taxes, etc., required to be paid by each of them to different parties, the following certificates should be furnished in Lieu of the first portion of the certificate prescribed above.

"Certified that:

(a) the amounts drawn on account of rent, rates and taxes, etc., in previous contingent bill No.———, dated the———, have been paid to the parties concerned, and that,

8.5 Actual payees receipts duly stamped, where necessary, showing full particulars of the charge should invariably be obtained when making payments of claims against Government.

In order to avoid their being used again all such receipts, except those required to be submitted to the Controlling Officer and the Audit Officer, should be stamped "cancelled", by the drawing officer at the time of intialling the entries relating to them in the contingent registers. The sub-vouchers submitted to the Controlling officer which he is not required to forward to the Audit Office will be cancelled by him after chek and the cancellation attested at the time of countersigning the bill.

Note 1.—A payee, who has signed a postal money order receipt, need not be required to give a separate receipt, but as it is essential to know on what account the payment was made, the sender of the money order should secure this information by noting in the postal money order receipt the necessary particulars of the payment after the printed words "Received Payment of the sum specified above on account of———" the payee's signature on this endorsement will then be all that will be necessary and the postal money order receipt may be treated as a sufficient voucher for the expenditure.

Similarly Value Payable Parcel covers showing the amount paid to the post Office may be treated as payee's receipts provided they are certified to by the paying officer and are furnished in addition to the regular invoice or bill of the firm showing details of the items paid for.

Note 2.—[Payment shall be allowed without the Production of actual payees receipt at the rate of 15 paise per 40 kilogram/package subject to a maximum of 50 paise at one place as loading/un-loading charges at bus stand/railway station.]

Note 3.—[Sub vouchers which are required to be sent to the Accountant General, should be cancelled so as to prevent their futher use, either by the Drawing Officer or by the controlling officer, as the case may be, before sending them to the Accountant General.]

8.5A. In the case of diet and road money of witnesses a certificate in the following form should be given on the contingent bills:

"Certified that diet and road money of witnesses have been paid at the rates fixed by the High Court".

IV—SPECIAL RULES RELATING TO PARTICULAR KINDS OF CONTINGENCIES AND OTHER EXPENDITURE

(i) CONTRACT CONTINGENCIES

8.6. In the case of contract contingencies all sub-vouchers should be retained in the office of the disbursing officer.

8.7. As under the contract system disbursing officers are entirely responsible for the regularity of the expenditure charged against contract grants,
it is unnecessary to show the details of expenditure under the head "Miscellaneous" in contract contingent bills. At the same time it should be understood that the Accountant General is not debarred from calling for details if, for any reason, he considers this course advisable in particular cases:

(ii) COUNTERSIGNED CONTINGENCIES

8.8: (a) From the monthly totals of the Contingent Register (vide rule 8.15) the monthly details bill will, in the case of contingent charges countersigned after payment, be prepared in P.F.R. Form 12, headed "Not payable at the Treasury", and showing the monthly total of each column, with a description of each charge requiring explanation. The numbers assigned to the sub-vouchers will be entered in detail against each item. At the foot of the bill will be a memorandum of the number and date of every contingent bill cashed at the treasury, and the sub-vouchers included in each. The amount shown in the bill must be agreed with the total of the abstract bills cashed at the treasury during the month. The difference, if any, between the total of a detailed bill and the register must be adequately explained. The detailed bill will be signed by the head of the office and submitted to the Controlling Officer with all sub-vouchers above [Rs 1000] and his signature to the certificate endorsed on the bill taking the place of the smaller ones.

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

Note 1.—District Officers may not necessarily give the certificate required from a disbursing officer, with the sanction of the Commissioner, to one of his selected subordinates.

Note 2.—When, in paying rewards to informers, it is not considered desirable to disclose the names of the payees, a certificate in the handwriting of the collector to the effect that the reward has been duly paid, should be submitted to the Accountant General in support of the payment in lieu of the payee's receipt ordinarily required.

Note 3.—The limit of [Rs. 1000] laid down in this rule is subject to alteration by the Comptroller and Auditor General.

Note 4.—There are occasions when it is not possible to meet the charge from the permanent advance, or even where this is possible, there is delay in obtaining the payee's receipt, e.g., when the payee happens to reside at a distance and the amount has to be remitted to him. In such cases the particulars of sub-vouchers to follow should invariably be stated in the appropriate space, immediately below the disbursement certificate on the contingent bill form.

Note 5.—The following instructions should be carefully observed in preparing detailed contingent bills:

(a) One detailed contingent bill should be prepared for the amount drawn on all abstract contingent bills in any one month, and should be headed as appertaining to the month in which payment was actually made from the treasury.

(b) Charges on account of one major head only should be included in one detailed contingent bill.

1. Subsdt. vide No. 2/1/57-78-P.F.R. II dt. 31-8-79.
(c) All sub-vouchers for items exceeding [Rs. 1000] each should be noted with their amounts in column 1 of the detailed bill provided for the purpose.

(d) Details of miscellaneous charges or other items should be fully given in the detailed bill.

Note 5.—The sanction of the competent authority should, where necessary, be quoted in the detailed bill.

8.9. On receipt of the monthly detailed bill in the office of the countersigning officer, its figures will be transcribed in a register of the same form as the disbursing officer's register, with similar description of items requiring explanation and the bill will then be reviewed by the counter-signing officer with the sub-vouchers. Any disallowances, with the number of the sub-voucher concerned and explanation of the objections will be noted on the bill and in the "Remarks" column of the contingent register, and the amounts shown in the register in the columns affected will be corrected in red ink; the countersigning officer will then enter in the register, the date of admission under his initials, sign the bill, and despatch it to the Audit Office direct with the vouchers for items in excess of [Rs. 1000] his signature to the certificate endorsed on the bill taking the place of the smaller ones.

Note 1.—The term "items" refers to the items of expenditure and not items of charges, e.g., a charge for Rs. 250 for stationery would not be required to be supported by a sub-voucher if the amount is made up of sums paid to several individuals, none of which exceeds [Rs. 1000].

The limit of Rs. 250 is, however, subject to alteration by the Comptroller and Auditor-General.

Note 2.—In the absence of the countersigning officer, the examination and countersignature of the bill may be performed by some responsible gazetted Government employee authorised by the countersigning officer.

8.10. The statement referred to in Subsidiary Treasury Rule 4.49 are, on receipt in the office of the Accountant-General, forwarded by him to the countersigning officers concerned. The latter should see that they are returned to the Accountant-General with suitable entries made in columns 5 and 6 and note of any error in column 4, within a week of their receipt by them.

8.11. In the register maintained in the office of the countersigning officer the columns to the right will be written up as follows:

That concerning detailed bill will show the date of its receipt. The column for date of admission will show the date of despatch of the countersigned bill. In the register maintained by the disbursing officer the entry in this column will record the date of recovery of any disallowance or that of the countersigning officer's letter further passing a disallowed item not yet actually recovered, any disallowance will be recorded by each in the column of remarks on the same line with the figure affected.

8.12. After despatch of the detailed bill to the Audit Office, the countersigning officer shall communicate any disallowance to the drawing officer and

1. Subst. vide No. 2/15/78-FR(R), dt. 31-8-79.
Chap. VIII | CONTINGENCIES [ 8.12—8.14

its amount shall without fail be refunded by short drawing in the next contingent bill presented at the treasury for the same department or office. The gross amount of each sub-voucher shall be entered in such bills and below the totals shall be entered "Deduct disallowed from bill of——— Rs.———", and the receipt given being for the net amount only. If, after correspondence the countersigning officer withdraws his objection, the amount may be redrawn in the next bill presented at the treasury by entering after the total of the sub-vouchers "Add amount of disallowance from bill of———, refunded by deduction from contingent bill No.———, dated———", and allowed as per———, the receipt would be for the gross amount, and the items would be re-included in the next monthly contingent bill.

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

Note 2.—[Omitted]

(iii) AUDITED CONTINGENCIES

8.13. In the case of audited contingencies sub-vouchers for items not exceeding [Rs. 1000] should be retained in the office of the drawing officer and those above that limit should be attached to the contingent bills in support of the charges they represent.

Note 1.—See also Subsidiary Treasury Rule 4.51 and the notes thereunder.

Note 2.—See also notes 2, 3, 4 and 6 below rule 8.8 and note 1 below Rule 8.9.

(iv) GRANT-IN-AID

[8.14] Grants-in-aid or contributions to educational and other institutions, local bodies and Co-operative Societies are sanctioned either by the Government or the authorities subordinate to it (Heads of Departments, etc.) and are regulated by the orders contained in rule 19.9 of this volume, and the detailed rules made by the Heads of Departments under the powers vested in them. After the budget allotments have been communicated by the Finance Department, the payment is authorised at the treasury[4] vide Subsidiary Treasury Rule 4.4. The following further instructions are issued for the guidance of sanctioning authorities in the matter of according sanctions for grants-in-aid.

1. Omitted vide No.-2/1/15-5FRII/78, dt. 31-8-79.
2. Subsid. vide No.-2/1/15-5FRII/78, dt. 31-8-79.
3. Remitted vide No. 2575-5-5FRII/76/40108, dt. 15/28-12-76.
4. Subsid. vide No. 2575-5FRII/76/40108, dt. 15/28-12-76.
(a) (1) Unless in any case Government directs otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any, attached to the grant. In the case of non-recurring grants for specified objects, the order should also specify the time-limit within which the grant or each instalment of it is to be spent.

(2) Only so much of the grant should be paid during any financial year as is likely to be expended during that year. In the case of grants for specific works or services such as building, water-supply schemes and the like, the sanctioning authority should use its discretion in authorising payments according to the needs of the work. The authority signing or countersigning a bill for grants-in-aid under Subsidiary Treasury Rules 4.4 and 4.71 should see that money is not drawn in advance of requirements. There should be no occasion for a rush for payment of these grants in the month of March.

(3) Before a grant is paid to any public body or institution, the sanctioning authority should as far as possible insist on obtaining an audited statement of the account of the body, or institution concerned in order to see that the grant-in-aid is justified by the financial position of the guarantee and to ensure that any previous grant was spent for the purpose for which it was intended. It is not essential for this purpose, however, that the accounts should be audited in every case by the Audit Department and it will be sufficient, therefore, if the accounts are certified as correct by a Registered Accountant or other recognised body of auditors. In the case of small institutions, which cannot afford to obtain the services of a Registered Accountant or other registered body of auditors, the sanctioning authority may exercise its discretion of exempting any such institution from the submission of accounts audited in this fashion.

The authority sanctioning a grant, while communicating the sanction to the Accountant-General should state whether the audited statement of accounts has been received when required or, whether the grantee has been exempted from submitting the statement.

Note.—This order applies both to non-official institutions and to semi-official ones, such as Public Clubs, etc.

(b) In cases in which conditions are attached to the utilisation of grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise the departmental officer on whose signature or countersignature the grant-in-aid bill was drawn should be primarily responsible for certifying to the Accountant-General, where necessary, the fulfilment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. The certificate should be furnished in such form and at such interval as may be agreed between the Accountant-General and the Head of the Department concerned. Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such reports, statements, etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure, from the grant are inspected or audited locally, the
inspection or audit report, as the case may be, will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.

(c) Unless it is otherwise ordered by Government every grant made, for a specific object is subject to the implied conditions:

(i) that the grant will be spent upon the object with a reasonable time, if no time-limit has been fixed by the sanctioning authority; and

(ii) that any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

8.14-A. In order to ensure that the grants-in-aid are not disbursed to the local bodies before they are required by them, the instructions given below should be observed:

(a) Grants-in-aid, other than those relating to works to be executed, through the agency of the Public Works Departments:

(1) The sanctioning authority will issue the necessary letter of authority to the Accountant-General, or the Treasury Officer, as the case may be, for the payment of the amount required for immediate disbursement.

(2) The letter of authority will contain instructions that no drawal shall be allowed except on a regular bill signed by the President, or the Chairman of the Local Body concerned and countersigned by a Government employee named in the letter of authority.

(3) The Government employee so named shall be responsible for satisfying himself that the money is not drawn by the local body in advance of requirements. He shall not, therefore, countersign the bill unless it is supported by the actual bill of contractors or suppliers.

(b) For the grants-in-aid to local bodies for works to be executed through the agency of the Public Works Departments:

(1) The orders sanctioning the grant-in-aid to the local body and requiring the Public Works Department to execute the work on behalf of the local body as a contribution work shall be issued simultaneously and the local body shall be informed accordingly.

(2) The sanctioning authority will issue the letter of authority to the Accountant-General or to the Treasury Officer, as the case may be, for the payment of the amount required for immediate disbursement.
(3) The letter of authority will contain instructions that no drawal shall be allowed except on a bill presented by the local body and made payable by transfer credit to "Public Works Deposits."

Note.—Grants-in-aid to local bodies, private associations, etc., unconnected with Government are made for various purposes. Some of these grants are recurring and are paid year after year and other are merely lump sum grants to be paid for a definite number of years and then stopped. In the case of such grants-in-aid the Head of the Department, when the total grant for the entire head is communicated to him at the commencement of the year, should issue definite orders authorising the Accountant General to disburse each such grant-in-aid included in his estimates. This would give him an opportunity of reviewing the grants and of deciding whether they are to be continued or not and thereby avoid the real danger of grants on being paid automatically year after year even after their justification has ceased.

V.—RECORD OF CONTINGENT EXPENDITURE—
CONTINGENT REGISTER

8.15. A register of contingent expenditure shall be kept in each office, and the initials of the head of the office or of a gazetted Government employee to whom this duty has been delegated by him (see rule 8.25 below) shall be entered against the date of payment of each item.

This register will be in P.F.R. Form 13. The actual details such as the number of columns to be opened, the sub-heads and detailed heads and such further detailed classification as may be required for purpose of control, will be settled by the Accountant-General and the controlling authority to send the conditions of each department and office. As a general rule the most common sub-heads and detailed heads may have separate columns with appropriation noted at the top. The less important and trivial items may be lumped together in one column when each of the separate item need not be accounted for or watched separately. Any charge falling under any of the separate columns, but requiring explanation may be described in the column headed "Description" though the amount of it is entered only in its special column, and the same "Description" column will serve also for note of the month or period to which any recurring charges (e.g., rent or pay any of Punjab Pullers) entered in the other columns belong.

Note 1.—If more convenient, a separate register may be maintained for each class of contingent charges (see rule 8.2).

Note 2.—If during the absence of the head of the office and of the Government employee to whom this duty has been delegated, the entries have been initialed by a non-gazetted Government employee the register must be reviewed and the entries re-initialed by the head of the office or such gazetted Government employee on return to headquarters.

Note 3.—When any sub-vouchers which should accompany a contingent bill are to follow a note to this effect should invariably be made in the "Remarks" column of the Contingent Register in order that the necessity for furnishing these vouchers as early as possible may not be overlooked.

Note 4.—The contingent register maintained under this rule gives full information in respect of contingent charges. It is, therefore, not necessary to prepare and preserve office copies of contingent bills.
8.16. As each payment is made, entries must be made in the contingent register of the date of payment, the name of payee and the number of sub-vouchers in the three columns to the left, and the amount in the proper column; and in the case of any charge requiring explanation, the initials of the officer incurring it shall be taken against the description.

*Note.—Regarding the entries to be made in the final columns, see rule 8.11.*

8.17. To enable the disbursing officer to watch the progress of the expenditure under each detailed head, as compared with the budget appropriation for it, a progressive total of all the columns must be made monthly, immediately after the monthly total, so as to include all payments under each head, as also charges adjusted by book transfer (see rule 8.21) from the commencement of the year up to the end of the last expired month.

The charges relating to two or more major heads are not to be shown in one register nor included in one bill. But expenses which are shared in some fixed proportion between two branches of the same office may, unless they are reviewed by different authorities, appear in one bill.

In such a case, the joint grant (vide Subsidiary Treasury Rule 4.45) may be entered in one register only for the purposes of control, the account adjustment being left to the Accountant-General.

*Note.—See also Subsidiary Treasury Rule 4.46.*

VI—PURCHASE OF SERVICE POSTAGE STAMPS

8.18. [Omitted]¹

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¹ Omitted vide No. 2/1/2-82-2FR-II, dated 2-7-1982.
8.19—8.20] PUNJAB FINANCIAL RULES

VII—PAYMENTS FOR ARTICLES ORDERED DIRECT FROM THE UNITED KINGDOM

8.19. Payments for articles obtained by a direct order from private firms and individuals in the United Kingdom can be made only through the High Commissioner for India [vide paragraph 8(C) of Appendix 14]. The Government employee desiring such a payment should, as soon as all the formalities necessary in connection with the receipt, inspection and verification of articles have been completed, forward the firm's bill in original to the Accountant-General for audit and payment. Particular care should be taken to ensure that no double payment is authorised in respect of the same claim.

The Accountant-General when making remittances to the High Commissioner will endorse to the Government employee concerned a copy of his letter of authority (in form S.Y. 289-D) addressed to supplying firms.

Bills for stores ordered by Government employees in India direct from firms abroad on F.O.B. basis subject to inspection by the Director-General, India Stores Department, London, may, however, be paid by the High Commissioner. In such cases the purchasing Government employees, may, if they consider it desirable authorise the suppliers to submit their bills to the Director-General, India Stores Department, London, who will certify that the stores referred to therein have been inspected by him and despatched under his arrangement. After verification the Director-General will pass them on to the High Commissioner for payment. Such payments are passed on to the Accountant-General through the Remittance Account supported by the supplier's bills duly certified by the Director-General, India Stores Department, London.

Note 1.—Special care should be exercised by the purchasing Government employee in differentiating the articles purchased through the agency of the Director-General of Stores, India Stores Department, London from those merely delivered to or shipped through his agency. In the former case payment cannot be made from India, whereas in the latter case procedure prescribed above should be observed.

Note 2.—The procedure laid down in this rule should be followed mutatis mutandis in the case of other payments, e.g., those chargeable to the estimates for a work to be made direct to a party in the United Kingdom.

VIII—INSPECTING OFFICER'S BILLS

8.20. An inspecting officer who is not authorised to take advances on account of office contingent charges should provide himself with a portion of his permanent advance and recoup himself from time to time by presenting at the different treasuries or offices of disbursement contingent bills, in the ordinary form.

In the case of countersigned contingent charges, one detailed bill may adjust money drawn at more than one treasury, details of places of payment of the several encashed bills, as well as their dates and amounts being noted at foot of the bill. The amounts drawn must be taken as final payments, and not as advances.
8.21. In the case of work done by a Government factory (such as jail, mint, workshop) as also in other cases in which inter-departmental adjustments are permissible (see Appendix 3) the Government employee in charge shall if the adjustment is to be made by book transfer, prepare an invoice of the quantity and price of the work done, and forward it in triplicate to the Government employee served, who on approving the invoice, will countersign all, and return one copy to the supplying Government employee. Another copy he will file in his own office and the third he will attach to his contingent bill for the current month, noting the amount in the statement of account at foot, in order to work out the available balance of his grant, but not including it as a disbursement among the charges of his bill. Before despatching his monthly bill, he must post the amount of the work bill in his contingent register, and include it in the forward total, in order that he may agree to forward total with that shown in the statement of account on his contingent bills. In the register of the countersigning officer the amount of such a bill must in like manner be separately entered. Such invoices shall never be retained by the countersigning officer.

Note 1.—The Government employee served cannot charge the amount in his contingent bill, as no credit payment is made but only a book adjustment is made in the Account Office, but the amount available for contingent expenditure is reduced, and so to work out the available balance note is made, in the register of contingent expenditure and in the statement of account at foot of the bill.

Note 2.—One of the invoices returned to the Supplying Government employee by the Government employee supplied should have a note in red ink entered therein, showing in what month’s Departmental Return credit has been taken for the value of the supply, and it should then be forwarded by the former to the Accountant-General, who will adjust the amount in his books.

Note 3.—When an abstract or detailed bill includes any charge on account of work bills and such bills are not attached to it, a note should be made on it stating the particular bill to which the work bills have been attached.

Note 4.—In case Superintendents of Jails delay in sending their work bills for March (or any other month of which the cost has not been adjusted later than the 19th of April following) Government employees supplied should remind them, so that the charges may be adjusted in that year’s accounts and the submission of detailed bills may not be delayed beyond 15th April.

Disbursing Officers should attach to their detailed bills for March a certificate to the effect that they have accounted for, in that or in previous month’s detailed bills, the cost of all jail supplies made to them up to 31st March.

Controlling Officer should not countersign and forward to the Accountant-General any detailed bill for March unless it is accompanied by the certificate prescribed above. At the same time they should despatch the bill so as to reach the Account Office not later than the 25th of April.

Note 5.—All waste paper should be carefully stored and sent periodically to the nearest paper making jail, provided the price paid by the Jail or the paper is sufficient to cover the cost of carriage.

The amount of the Waste Paper Bill, when adjusted by transfer, should be entered in the Departmental Return for the same month in which the bill has been sent to the Account Office after obtaining the countersignature of the Superintendent of Jail irrespective of the month in which the supply has actually been made.
8.21—8.22] PUNJAB FINANCIAL RULES [Chap. VIII

Note 6.—In the case of Forest Department the cost of the supplies has to be adjusted in the compiled accounts submitted to the Audit office. A Government employee of this department receiving stores will adjust the amount of the invoice in his accounts by crediting it to the supplying Government employee and debiting it to the service head concerned and will send the third copy of the invoice to the Audit Office in support of the entry in his accounts. Similarly, if he happens to be the supplying Government employee, he will charge the amount expended in his accounts as a debit to the Government employee supplied and send the countersigned invoice to the Audit Office as a voucher for the expenditure.

Note 7.—Bills for telephone charges are forwarded in duplicate and not in triplicate to the Government employee served who, on approving the bill, will countersign both and return one copy to the supplying Government employee. The other copy he will submit with the contingent bill to the Audit Office after making the necessary notes on his contingent register.

Note 8.—The following instructions should be printed on all forms of Invoices for the supply of stores, etc., and the Government employee served should be required to comply with them before accepting a bill:

"It is essential for accounting purposes that the entries below be filled in. Failure to do so will result in unnecessary delay and return of this invoice for compliance.

(1) Head of charge (Major and Sub-head, Primary and Secondary unit) ......

(2) Month and year to which charge relates ..............

(3) Designation of the Accounts Officer to whom the charge is debitable....

(4) Name of the State to which debitable ................"

Note 9.—Bills are submitted in quadruplicate by suppliers to Inspecting Officer of the Indian Stores Department. The latter, after completion of certificate No. 1 on the bill, retains the quadruplicate copy for record in his office and passes on three copies to the consignee. The consignee completes certificate No. 2 on the bill and keeps the triplicate copy for his office record, sends two copies (the original and duplicate) to the Audit Officer, Indian Stores Department, for payment. On receipt of the two copies, the Audit Officer records necessary payment order on the original copy, issues cheques to the suppliers in payment and then raises necessary debit against the Accounts Officer of the consignee, the duplicate copy being sent to the Accounts Officer in support of the debit. The original copy is essentially necessary in the office of the Audit Officer, Indian Stores Department, as payment order cannot be recorded on any other copy.

In the case of such bills, the particulars and amount thereof should be noted in the memorandum of expenditure in the contingent bill, which need not be supported by a copy of the bill as is required in the case of other work bills.

8.22. Government commercial concerns in the Punjab have been permitted to settle their accounts with other departments by the method of making actual payments, instead of by book transfer as laid down in paragraph 15 of Appendix 2. This system will apply both in the case of payments to be made to the concerns, and in the case of payments to be made by the concerns by other departments for services rendered or supplies made. In both cases the payments will be made by cheques, Reserve Bank Government draft or demand drafts. Payment in cash is prohibited altogether. As the issue of a Reserve Bank Government draft for less than Rs. 25 is not permissible the Payment is permitted by means of postal money order of petty sums not exceeding
Rs. 25 either to or by concerns. Cheques or demand drafts should be crossed and marked "not negotiable Accounts Payee only" so as to ensure credit of the sale-proceeds of the cheques, etc., to a Government head of account at the treasury.

X—EXPENDITURE FOR OTHER GOVERNMENT EMPLOYEES

8.23. When a Government employee makes purchases or incurs expenditure through a Government employee in another district and the amount to be paid on account of contingent expenditure incurred in this way is not less than Rs. 50, payment may be made by Reserve Bank Government drafts but otherwise every Government employee who incurs expenditure in this way must treat it as expenditure of his own office, and not demand recoupment from the Government employee at whose request he, as an agent, incurs the expenditure. The charge must, however, be taken as expenditure of the department to which the Government employee requiring the expenditure is attached and therefore a Government employee should address his applications for any service to the principal officer of his department in the district indented on, e.g., a police officer should ask the District Superintendent, not the Magistrate, to purchase blankets for him. The Magistrate in such a case would pass on the indent of the voucher if he has supplied any articles, to the police officer, who would deal with the charge not less than Rs. 500 as a final one of his own office, applying to the proper authority for an extra appropriation, if his own should fall short before the end of the year. The responsibility for obtaining proper sanction should always rest with the originating Government employee.

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

XI—RESPONSIBILITY OF DRAWING OFFICERS

8.24. The responsibility of drawing officers is determined by the provisions of rule 2.31. The drawing officer is further responsible for seeing that the rules regarding the preparation of bills are carefully observed and that in the case of contract contingencies, the expenditure does not cause any excess over the amount fixed therefor. He is also to see that all steps have been taken with a view to obtaining an additional appropriation if the original appropriation has either been exceeded or is likely to be exceeded.

8.25. Where there is more than one gazetted Government employee attached to an office the head of the office may delegate to a gazetted Government employee subordinate to him the immediate responsibility for the supervision of the contingent bills and registers and checking and cancelling the vouchers. The delegation of power will not, however, relieve the head of the office of the responsibility of seeing that the grants placed at his disposal are disbursed in a proper manner and under due authority. With the extension of the system of contract grant the control of expenditure rests chiefly on him and it is important that he should make use of the authority delegated with due caution.

Note 1.—The disbursing officers are responsible for checking expenditure in cases where an annual limit is imposed on their spending powers. The audit will be satisfied if the disbursing officer merely furnishes a certificate either on the bills itself or separately whenever a charge is sanctioned or incurred, to the effect that the total charges so far incurred during the year do not exceed the prescribed annual limit.
8.25—8.26

Note 2.—Nurse officers referred to in para 10.17 of the District Office Manual, Punjab, excepting routine items such as taxi money of witnesses, electricity bills and medical pay should not pass any item of new expenditure (exceeding two hundred rupees) only without the sanction of the Disbursing Officers.

XII—RESPONSIBILITY OF CONTROLLING OFFICERS

8.26. It is the responsibility of the countersigning officer to see that items of expenditure included in a contingent bill are of obvious necessity, and are at fair and reasonable rates; that previous sanction for any item requiring it is attached, that the requisite vouchers are all received and in order; that the calculations are correct and specially that the grants have not been exceeded nor are they likely to be exceeded, and that the Accountant-General has been informed either by a note on the bill or otherwise; of the reason for any excess over the monthly proportion of the appropriation. If expenditure be progressing too rapidly he should communicate with the drawing officer and insist on its being checked.

1. Subsd. vide Notification dated 20-1-77 and again vide No. 2/1(1)-83-FR-II, dated 16-4-86.
CHAPTER IX—Miscellaneous charges

I—REFUNDS

9.1 (a) Subject to the provision of the relevant Acts and rules made thereunder a competent authority may accord sanction to a refund of revenue which may either be given on the vouchers itself or quoted in it, a certified copy being attached when such orders are not separately communicated to the Accountant-General.

(b) Refunds of revenue are broadly classified as:

(i) refunds to which the claimants are legally entitled; and

(ii) refunds which are made ex gratia Government being under no legal obligation to make them.

Note 1.—Refunds of revenue are not registered as expenditure for purposes of grants or appropriation.

Note 2.—Remissions of revenue allowed before collection are treated as reductions of demands and cash payments of revenue after collection as refunds.

(c) No check can be exercised over refunds of revenue in the Account Office except in cases where full details of the collections of such revenue are received in that office, either through the treasury accounts or other documents, e.g., Fine statements. It is, therefore, essential that every refund should be noted against the original credit in the departmental accounts or other documents in which the money received are entered in detail and a certificate of such a note having been made must be given in all vouchers for refunds.

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

9.2. A (a) Refunds of passport fees should be allowed in cases where the application for a passport is withdrawn before it reaches the State Government.

(b) Refunds are allowed on Court Fee Stamps affixed to passport applications which are rejected by Government. There is no time-limit for allowing such refunds on this account.

9.3 Before a remission or refund of any kind, otherwise in order, is allowed, the original demand or realization, as the case may be, must be traced and a reference to the remission or repayment should be so recorded against the original entry in the cash book or other document as to make the entertaining of a double or erroneous claim impossible. Any acknowledgement previously granted should, if possible, be taken back, and destroyed and a note of the repayment recorded on the counterfoil of the receipt.
9.3—9.5] PUNJAB FINANCIAL RULES [Chap. IX

Note 1.—As a precaution against double refunds of land revenue or other receipts the details of which are not furnished to the Accountant-General, the amount and the date of each such refund should be noted by the Treasury Officer against the original item of credit in the Treasury Receipt Register or in the cash book if the item has not been credited in a separate receipt register.

Note 2.—Payments on account of refunds should be recorded by the Treasury Officer in a register in P. F. R. Form 14. In the column "Miscellaneous Refunds" only those items will be entered which cannot be recorded under any other column in the form.

Note 3.—A collector or other Government employee concerned should on passing an order of refund at once issue to the payee a refund order combined with a notice inviting the persons to whom the refund is to be made to receive payment at the treasury. See also Subsidiary Treasury Rules 4.55-A(3) and B(1).

Note 4.—There is no objection to the payment of the refund vouchers of revenue deposits through a recognised bank in whose favour they are endorsed by the payee.

II—COMPENSATION FOR LAND

9.4 The procedure to be observed for the payment of compensation for land taken up for public purposes is regulated by the rules in Part I of Appendix 18.

Note.—See also notes below paragraph 8 of Appendix 3.

9.5 In cases where landed property is acquired by Government by voluntary agreements the department concerned should be careful to see that in order to avoid any possible claims for interest, payment is made before or immediately after taking possession. If for any reason, this course is impracticable, the circumstances of the case should be reported through the Commissioner and Financial Commissioner for the information of Government. All preliminaries to acquisition, such as examination of title deeds, etc., should be completed before possession is taken.
CHAPTER X—Loans and Advances

I—GENERAL

(i) SANCTIONS

10.1. A competent authority may sanction loans and advances to private individuals, local bodies and Government employees for the purposes and subject to the conditions specified in the following rules.

(ii) ESTIMATES

10.2. Provision should be made in the Budget for all loans and advances which can be foreseen; a timely estimate both of the advances and of the recoveries of the coming year should, therefore, be made in accordance with the provisions of the Punjab Budget Manual.

II—LOANS TO LOCAL BODIES, REVENUE ADVANCES, ETC.

(i) ISSUE OF LOAN MONEY

10.3. Unless in any case Government directs otherwise the issue of loan money shall be governed by the following rules:

(i) Every loan granted to a Municipality or other Corporation will be recorded in the books of the Accountant-General and no part of it can be issued except under his authority (see Subsidy Treasury Rule 4.110).

(ii) No department or Government employee may incur any expenditure or any liabilities against a sanctioned loan, unless a statement in writing is first obtained from the Accountant General that the amount is available out of such loan and has been placed by him in a separate account so as to be available for the proposed expenditure.

(iii) The Accountant-General before furnishing the statement mentioned in the preceding clause, will ascertain that the Municipality or other party responsible for the loan has assented to the arrangement or that it is distinctly stated by the Government among the terms of the loan.

(iv) Funds spent under clause (ii) shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they are included by the spending department or Government employee.
(ii) CONDITIONS OF REPAYMENT

10.4. Loans and advances are usually made to local bodies under the following rules:

(a) A specific term should be fixed which should be as short as possible, within which each loan or advance should be fully repaid with interest due. The term may in very special cases extend to 30 years.

(b) The term is to be calculated from the date on which the loan is completely taken up or declared by the competent authority to be closed.

(c) The repayment of loans should be effected by instalments which should ordinarily be fixed on a half-yearly or yearly basis, due dates for payment being specially provided.

(d) Instalments paid before the due date will be taken entirely to principal unless, of course, any interest for a preceding period is overdue.

Note 1.—When a loan of public money is taken out in instalments the first half-yearly repayment should not be demanded until six months after the last instalment is taken, meanwhile simple interest only should be realised. But, should it appear that there is undue delay on the part of the debtor in taking out the last instalment of a loan, the Government may, at any time, declare the loan closed and order repayment of capital to begin. The Accountant-General will bring to notice any delay that appears to him to require this remedy and he will take this step whether there are any dates fixed for the taking of instalments or not.

Note 2.—If, in any case, dates have been fixed for the payment of interest, or the repayment of instalments of debt, then such repayment should not begin, until the second of the half-yearly dates so fixed, after the loan has been completely taken up. Simple interest only recovered on the first half-yearly date after the completion of the loan. For example, supposing a loan the interest on which is recoverable half-yearly to be completely taken up on 31st March and the interest to be payable on 30th June and 31st December, the first half-yearly instalment in repayment of principal will not be due until 31st December following. Simple interest only will be due on the intermediate 30th June.

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

Note 4.—It must be remembered that the calculation fixing the amount of equal periodical instalments, by which an advance is repaid with interest, presupposes punctual payment of the instalments and that, if any instalment is not punctually repaid, the fixed instalment will not in the end discharge the loan.

(iii) INTEREST

10.5. Interest should be charged at the rate provided by Government for any particular loan or for the class of loans concerned.

(ii) A loan bears interest for the day of advance, but not for the day of repayment. Interest for any shorter period than a complete half-year should
be calculated as "Number of days × yearly rate of interest."—unless any other method of calculation is prescribed in any particular case or class of cases. The amount of interest received should be credited to the head "XVI—Interest on Loans and Advances by the State Government."

(b) DEFAULTS IN PAYMENT

10.6. Borrowers should be required to adhere strictly to the terms settled for the loans, made to them. Modifications of those terms in their favour can be made subsequently only for very special reasons.

10.7. (a) Any default in the payment of interest upon a loan or advance or in the payment of the principal, will be promptly reported by the Accountant-General to Government. On receipt of such a report the Government should immediately take steps to get the default remedied.

Note.—The responsibility of the Accountant-General under this rule refers only to the loans the detailed accounts for which are kept up by him.

(b) The authority which sanctions a loan may, in so far as the law allows, enforce a penal rate of compound interest upon all overdue instalments of interest, or principal and interest. If a penal rate is enforced, it should not be less than 8 per cent per annum.

(v) PLUS AND MINUS MEMORANDUM MAINTAINED AT TREASURIES IN CONNECTION WITH REVENUE ADVANCES

10.8. If a Government employee authorised to make revenue advances desires to question the accuracy of the plus and minus memorandum of loans and advances maintained at the treasury in which transactions of each loan are separately recorded (vide Articles 90 of Account Code, Volume II), he must address the Accountant-General and satisfy him as to its correctness and ask him to correct it. Every Government employee should, therefore, see that the debits and credits made to his account accurately correspond with those which enter his own registers and returns. If he is not the District Officer, he should obtain from the treasury a copy of the plus and minus memorandum with which he is concerned. Special care should be taken in paying recoveries into the treasury to show the amount of interest and of principal separately so that they may be separately credited in the treasury accounts, as the former must not, and the latter must be, credited in the treasury plus and minus memorandum of loans and advances.

Note.—In the case of takings advances recoveries effected in one district on account of advances made in another district, should not be included in the plus and minus memorandum of the treasury in which the recovery is effected but shown separately as distinct items in the miscellaneous portion of the cash account, the intimation of the recovery being at the same time sent to the Treasury Officer who has made the advance so that he may include it in his plus and minus memorandum. Recoveries so account of Public Works takings advances should be shown distinctly in the schedule of unclassified items appended to the cash account.

(d) REVENUE DEPARTMENT RETURNS

10.9. (a) With every return of revenue advances made to the Revenue Authorities a memorandum should be submitted setting forth the figures of the treasury plus and minus account, and agreeing them with the figures of the return.
10.9—10.12A. ]

PUNJAB FINANCIAL RULES [ Chap. X

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

(vii) IRRECOVERABLE LOANS AND ADVANCES

10.10. A competent authority may remit or write off any advances which may be found irrecoverable or otherwise. Such loans or advances should be debited to the State Revenues by per contra credit to the loan or advance account concerned.

See note 2 below Rule 18.4

10.11. In respect of Revenue or other advances for the detailed control, accounting and supervision of which departmental offices are responsible, it is the duty of the departmental authorities concerned as soon as any such advance is ascertained to be irrecoverable, to take necessary steps to get it written off the accounts under the sanction of competent authority and to advise the Accountant-General, in order that he may make the necessary adjustment in the accounts. Irrecoverable advances written off should, never the less, be registered by the Departmental Authorities in a separate account or record, in order that any possible eventual recovery may be made; such recoveries will not affect the treasury plus and minus memorandum, and will be taken as revenue. See also note below Article 90 of Account Code, Volume II.

Note 1—In the case of Revenue and other advances mentioned in para 12.8 of Punjab Budget Manual (Fourth Edition), the responsibility for supervision, accounting and control devolves upon the departmental authorities and detailed rules and instructions governing them are contained in the departmental regulations (Punjab Government U.O. No. 6568-PR-52, dated 11th September 1955).

Note 2—In the case of loans to private individuals or private parties under any scheme, the detailed accounts of such loans shall be maintained by the departmental authorities concerned, instead of the Accountant-General, Haryana. The departmental authorities will also be responsible to watch their recoveries and to see that conditions attached to each loan or advance are fulfilled. The Accountant-General will however continue to maintain detailed accounts and watch the recovery and the fulfilment of the conditions in the case of loans to the institutions and organisations etc.

(viii) ANNUAL REVIEW

10.12. An Annual report upon outstanding loans and advances will be submitted by the Accountant-General for review by the Government.

(ix) SUBMISSION OF UTILIZATION CERTIFICATES

10.12 A. In order to ensure the proper utilization of loans given by the State Government to third parties, the following procedure should be observed, namely :—

(a) the authorities sanctioning the loans will furnish to the Audit Office the utilization certificates in individual cases in respect of loans, the detailed accounts of which are required to be maintained by Audit Office, viz., loans to Local Bodies, Improvement Trusts etc. etc.

(b) In the case of loans to Local Bodies and to Cooperative Societies, the accounts of which are audited by the departmental auditors viz,
the Examiners, Local Fund Accounts and the Registrar, Co-operative Societies, the utilization certificates will be furnished by the sanctioning authorities to the Audit Office for the total amount of loans disbursed to these bodies/institutions for various purposes during each year on the basis of the audit report of the Examiners, Local Fund Accounts, or other departmental Auditors certifying the proper utilization of the loans.

(c) In case of loans, the detailed accounts of which are maintained by the departmental offices, the consolidated utilization certificates (except in the case of loans to individuals) may be furnished to the Audit by the Head of Departments or the Chief Controlling Officers administering the loan for the total amount of loans disbursed each year. The certificates should indicate the year-wise break-up of the loans for which utilization certificates are furnished.

(d) In the case of loans sanctioned in favour of individuals, the detailed accounts of which are maintained in the Audit Office, the consolidated certificates need not be furnished to the Audit Office.

(e) The utilization certificates should be supplied to the Audit Office within twelve months after the close of the financial year in respect of the loans granted during the previous financial year on the basis of the terms and conditions of the loans.

III—LOANS AND ADVANCES TO GOVERNMENT EMPLOYEES.

Note.—It is not permissible to sanction loan or advance to a Government employee which involves a breach of any of the canons of financial propriety (see rule 2.10). In any case in which a cash grant would be, within the powers of sanction of a particular authority, the grant of an advance not exceeding the cash grant will not require the sanction of a higher authority.

(i) GENERAL

10.13. Rules in this section do not ordinarily apply to Government employees who are not in permanent Government employment. As the pay of such Government employees does not constitute adequate security for a loan advance, such advances should not ordinarily be granted to them. In special cases, however, if the circumstances admit of the provision of adequate security, advances may be granted in accordance with the terms of these rules, to officiating or temporary Government employees, without any substantive appointment under the general or special sanction of the Finance Department.

Note 1.—Advances for—
(i) the construction of a house;
(ii) the purchase of a house;
(iii) the repayment of a private loan taken for the purchase of a house;
(iv) repairs to a house; and
(v) the purchase of a bicycle;

will also be admissible to temporary or officiating Government employees without any substantive appointment provided—

(i) they furnish adequate security of permanent Government employees in addition to mortgaging their house, hypothecating their bicycle to Government; and

1. Rule 10.12-A Added vide No. 2895-VM(3)-72/1931F, dt. 19-6-72 and Substituted vide No. 1926-VM(3) 76/55668, dt. 4-11-77.
(f) the Department in which they are working also certify that the concerned Government employee will continue in service for a sufficiently long period to enable full recovery of the advance together with interest accrued being effected before termination of his services.

Note 2.—In cases where the conditions of note 1 are fulfilled, the advances may be sanctioned to temporary or officiating Government employees without any substantive appointment by the Heads of Departments concerned.

10.14. The last pay certificate granted to a Government employee under transfer must specify the original amount of such advances, the amount repaid and the balance together with interest, if any, accrued in accordance with rule 10.15 remaining due.

10.15. Simple interest at the rate fixed, by the competent authority, for the purpose should be charged on advances granted to Government employees for house building (including advances for the purchase and repair of houses) and for the purchase of motor cars, motor boats, motor cycles, and other conveyances and typewriters and in certain circumstances for the payment of special passage advances made in India by the High Commissioner for India (wide exception 2 under rule 10.25 (b)) and of passages overseas the grant of which is regulated by the orders contained in rule 10.25 (g). The interest should be calculated on balances outstanding on the last day of each month.

In cases, where, under rule 5.1, pay bills for a month are disbursed before the end of the month, an instalment in repayment of an advance received through the pay bill will be taken as having been refunded on the Ist of the following month, the normal date for disbursement of pay.

If, in any particular case, an advance is drawn in more than one instalment, the rate of interest recoverable should be determined with reference to the date on which the first instalment is drawn.

Note 1.—In the case of the gazetted officers who are their own drawing officers and in whose case the personal audit is conducted by Audit Office, the audit officer shall calculate the interest due on the advance just after the recovery of last but two instalments of the principal, and raise the demand against the officer concerned with the proviso that in case the last two instalments are not paid in time, the amount of interest will increase.

In the case of non-gazetted Government employees where the "Head of Office" draws and disburses the pay and allowances and makes the recovery, the responsibility for calculation of interest rests with the Head of Office. The Audit Office shall, however, check the correctness of the interest recovered from the non-gazetted Government employees in past audit. The Audit Office shall also furnish such particular as the Head of Office may require for calculation interest as well as such assistance he may need.

Note 2.—In cases where on account of premature death or retirement of a Government employee, it becomes necessary to recover a part of the outstanding balance of interest bearing advance sanctioned to him and interest on the amount of such advance by adjustment either against his death-cum-retirement gratuity or leave salary actually drawn after the date of his premature death or retirement, as the case may be, no interest shall be charged on the amount of advance thus adjusted against death-cum-retirement gratuity and leave salary if any, beyond the date of death or retirement of the Government employee.

(ii) HOUSE BUILDING ADVANCES

(a) Advances for construction of a house

10.16 Advances to Government employees for the construction of...
houses are regulated by the following rules:—

(i) Advance may be made under proper sanction (vide Rule 10.1) to Government employees who desire to build houses for occupation by themselves in or outside Haryana where they intend to settle down. No Advance is ordinarily permissible to a Government employee who is likely to retire before complete recovery can be effected.

(ii) All such Advances must be bona fide required for the purpose of building suitable houses for the personal residence of the Government employees concerned and if the amount of advance is more than what shall be actually expended for the purpose, the surplus shall be refunded to Government.

(iii) The advance should be drawn by instalments, the amount of each instalment being such as is likely to be required for expenditure in the next three months. Satisfactory evidence should be produced to show that the amount of the instalment has been actually utilised for the purpose for which it was drawn before the next instalment is paid. The repayment shall commence from the fourth issue of pay after the first instalment is taken and be completed in four years.

Note 1.—If an advance is paid to lump sum the recovery shall commence from the fourth issue of pay after the payment of advance.

Note 2.—A certificate furnished by the Government employee concerned certifying that the amount drawn has been utilized by him will be a sufficient proof of the amount having been actually utilized.

(iv) No advance shall exceed eighteen months' pay of the Government employee to whom it is made, not more than one advance shall be made for the same house; and no Government employee may receive a second advance while any portion of previous advance with interest accrued thereon is outstanding against him.

A second house-building advance should not be granted for building a second house at the same station. Such applications for second house building advances in the same station should be submitted for the orders of the competent authority.

Note 1.—In order to guard against speculation on the part of Government employees it has been decided that the house built with the first advance should invariably be disposed of by the Government employee before the second advance is granted and the amount of such advance together with the sale proceeds of the first house should not exceed eighteen months' pay of the Government employee.

Note 2.—"Dearness Pay", "Personal Pay", and "Official Pay" shall be treated as a part of pay for the purpose of grant of advances for building, etc., of houses but not "Special Pay".

(v) Recovery will be made by deducting monthly instalments, equal to one ninety-sixth parts of the advance, from the pay bill of the Government employee concerned. The authority sanctioning an advance may, however, permit recovery to be made in a smaller number of instalments, if the Government employee receiving the advance so desires. The amount of interest will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal was recovered. The amount of interest calculated under
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rule [10.15] will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalment being not which the principal was recovered. The recovery of the interest will commence from the month following that in which the repayment of the principal had been completed.

Note.—The amount of the advance to be recovered monthly should be fixed in whole rupees, except in the case of the last instalment, when the remaining balance including any fraction of a rupee should be recovered.

(vi) In order to secure Government from loss consequent on a Government employee dying or quitting the service before complete repayment of the advance, with interest accrued thereon, the house so built, together with the land it stands upon, must be mortgaged to Government by whom the mortgage will be released on liquidation of the full amount due.

Note.—The mortgage bond will be prepared in P.F.R. Form 15 and the reconveyance in P.F.R. Form 16.

The mortgage bond is exempt from duty chargeable under section 40, clause (6), of Schedule I of the Stamp Act. It should, however, be duly registered.

(vii) The Government employee must satisfy the sanctioning authority, regarding his title to the land upon which the house is or is proposed to be built.

Note 1.—This rule does not preclude the grant of an advance to person who does not possess full proprietary right in the land upon which he intends to build, provided the sanctioning authority is satisfied that the applicant has a lease of which the unexpired portion is of a term and value sufficient to justify the grant of the advance and that there is no danger of the lease lapsing or of Government being unable to dispose of it, should it become necessary to foreclose the mortgage. In examining the mortgagor’s title care should be taken to see that the lease does not prevent any subletting by the leasee (the mortgagor). The mortgage bond in such cases will be prepared in P.F.R. Form 17.

In cases in which ground rent, municipal taxes and similar dues are payable to local authorities on account of land taken on lease, the sanctioning authority may, at its discretion, ask the Government employee taking the advance to produce for inspection receipts for these payments within fifteen days of their falling due. If the sanctioning authority finds that such dues have not been paid by the borrower steps may be taken to recover the said dues including interest thereon, if any, from the pay of the Government employee concerned for payment to the parties concerned.

Note 2.—The applicant’s title to the property should be examined by the sanctioning authority before the advance is actually paid, and in cases where there is any doubt as to the validity of that title, the Revenue and Registration authorities, or if technical legal advice is necessary, the Legal Remembrancer should be consulted. It should be seen that in the case of a house building advance, he has undisputed title to the land on which it is proposed to build and that in the case of an advance for the purchase of a house, he will obtain such title as soon as the purchase price is paid; that there will be no legal obstacle in either case to the property being mortgaged to Government and that Government will have the right of foreclosing on the conditions mentioned in the mortgaged bond.

Note 3.—This rule does not also preclude the grant of advance for the purposes of building houses on plots of land taken on lease from Government in New Delhi, even through in such cases the Government employee concerned becomes entitled to a perpetual lease only on the production of a certificate from the Chief Commissioner that the building on the plot leased has been completed in accordance with agreed conditions. The grant of an advance in such cases is, however, subject to the condition that the applicant executes

an Agreement in P.F.R. Form 18 undertaking to repay the advance and to execute a mortgage of the land and buildings immediately he obtains a lease. Advances sanctioned under this note will be made in instalments, the first instalment not exceeding the amount of the premium paid for the site and subsequent instalments being based on the progress of work.

Note 4.—The Head of the Office in the case of a non-gazetted Government employee and the Controlling Officer in the case of a Gazetted Government employee should, when asking for the authority for payment (vide,—Subsidiary Treasury Rule 4.113) send to the Accountant-General a certificate either in the bill in which the advance is drawn or separately, to the effect that the mortgaged bond in P.F.R. Form 15 has been executed by the Government employee taking the advance and that it has been duly registered.

(viii). A Government employee quitting, or removed from the station where he has built a house, before the whole amount due has been liquidated will continue to be liable to the deduction of his monthly instalment until the advance with interest accrued thereon has been repaid, but with the special sanction of Government he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due or to transfer it to any Government employee of his own or higher rank, the future deductions being made from the pay of such Government employee.

(ix) Applications for advances must be made through the applicant’s departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the house is completed, they will be at once refunded to Government. See also rule 10.20 infra.

Note.—Advance may also be given, where considered necessary for the purchase of land on which to construct a house, if the other conditions laid down in this rule are satisfied and the total amount of the advance for the purchase of the land and the construction of the house does not exceed eighteen months' pay of the Government employee concerned.

The Government employee should sign an agreement in P.F.R. Form 19 at the time of taking an advance for the purchase of land and the amount should not exceed before any further advance is drawn for the purpose of constructing the house. The mortgage deed must be registered within four months of its execution.

The mortgage bond should be kept in the safe custody of the authority sanctioning the advance and should not be released without a report from the Accountant-General that the advance has been fully repaid.

In order to save Government from loss, the applicant's title to the property should be carefully examined by the sanctioning authority and the instructions laid down in Appendix 19 should be followed.

The intention of the terms of agreement in P.F.R. Form 19 will be met if the head of the office satisfies himself that the house is actually begun within five months of the advance being drawn. The departmental superior of the grantee of the advance should also satisfy themselves that the building operations are completed without any avoidable delay.

(b) Advance for purchase of a house

10.17. An advance may be made to a Government employee in exceptional circumstances for the purchase of a house, the general principles of Rule 10.16
being applicable, and the Government employee being required, to addition to a mortgage-deed, to deposit with Government satisfactory evidence of a clear title to the house. See also rule 10.20 infra.

Note 1.—An advance drawn under this rule may include provision not only for the cost of the house purchased but also for the cost of any repairs or improvements which the purchaser of the house may desire to make.

Note 2.—The advance may be drawn in full at once, but satisfactory evidence should be produced before the Accountant-General to show that the amount advanced for the purchase has been spent within 3 months of its drawal and the amount advanced for repairs or improvements (see Note 1 above) within a further period of 2 months. A certificate to this effect from the head of the office will ordinarily suffice. The repayment in this case shall commence with the first instalment of pay after the advance is taken and be completed in four years. Interest will be calculated in accordance with rule 10.15 and the recovery thereof will be made as laid down in clause V under rule 10.16.

Note 3.—When asking the authority for payment of the advance (vide—Subsidiary Treasury Rule 4.113) the Controlling Officer should record on the bill a certificate to the effect that he has secured and retained with him an agreement in P.P.R. Form 15, signed by the applicant pending execution of the final mortgage bond in P.P.R. Form 15, after the house is actually purchased. The fact of execution and registration of the latter bond should also be intimated to the Accountant-General as soon as possible.

Note 4.—"Dearness Pay", "Personal Pay" and "Official Pay" shall be treated as part of pay for grant of advances for this purpose but not "Special Pay".

(c) Advance for repayment of a private loan taken for purchase of a house

10.18. An advance may also be given for the purpose of repaying a private loan taken by a Government employee expressly (i) for the purchase of land for building a house or (ii) for the purchase of a house, provided:

1. that the usual conditions specified in the Note under clause (ix) of rule 10.16 and in Rule 10.17 and the notes thereunder are satisfied;
2. that the applicant has through his private loan acquired an unencumbered title to the land or the house purchased; and
3. that the original loan for the purchase of the land or the house, as the case may be, was taken not more than eighteen months before the date of receipt of the application for an advance to discharge the private debt.

Note.—See also Rule 10.20 infra.

(d) Advance for repairs to a house

10.19. An advance may be made under the following conditions to a Government employee to enable him to effect repairs to his house:

i. An advance may be made only if (1) the repair are required to make the house habitable; (2) they are not in the nature of ordinary repairs; and (3) they involve an outlay large in comparison with the value of the house.

ii. Not more than one advance is admissible in respect of the same house
(iii) No advance shall exceed six months' pay of the Government employee to whom it is made, and it will be drawn as laid down in clause (iii) under rule 10.16.

(iv) An advance may be made to a Government employee to repair a house which he has built or purchased with a previous advance under Rule 10.16. or 10.17 but unless the competent authority permits otherwise, at least five years must elapse since the previous advance was drawn.

(v) Subject to the above the general principles of Rule 10.16 and 10.17 as the case may be, shall apply, the maximum period for repayment of such advances being two years. Interest will be calculated and recovered in accordance with Rule 10.15 and clause (v) under Rule 10.16.

Note 1. See also rule 10.20

Note 2. "Dearness Pay", "Personal Pay" and "Officiating Pay" shall be treated as part of pay for grant of advances for this purpose but not "Special Pay".

[(d) Advances in the event of joint ownership of land/house by a Government employee with his/her wife/husband.

(10.19A) (1) Where the land is to be purchased jointly by a Government employee and his wife or her husband, as the case may be, and to construct a house thereon or to enlarge living accommodation in the existing house on the said land jointly owned a Government employee and his wife or her husband, as the case may be or where the house is or is proposed to be built upon the land owned by a Government employee jointly with his wife or her husband, as the case may be, or where a ready built house is to be purchased jointly a Government employee with his wife or her husband, as the case may be, the Government employee must satisfy the sanctioning authority regarding his and his wife's title or her and her husband's title, as the case may be, to such land or house:

Provided that both the husband and wife are willing to mortgage the land and the house to be constructed thereon in favour of the Governor of Haryana as security for repayment of the house building advance.

(2) The application by a Government employee for the grant of a house building advance shall be accompanied by a letter from his wife or her husband, as the case may be, and if the loan applied for is sanctioned, the wife or the husband shall mortgage her or his share of the land and property, jointly with the Government as security for the repayment of the house building advance.

(3) Where the property is free hold and is held in the joint names of husband and wife the mortgage deed shall be in PFR Form 17A and where the property is lease hold and is held in joint names of husband and wife the mortgage deed shall be in PFR Form 17-B.

Note 1. The provisions of rules 10.16 to 10.20 mutatis mutandis shall also be applicable to cases covered under this rule.

Note 2. If husband and wife both are Government employees and are eligible for the grant of a house building advance under the rules, it shall be admissible to only one of them].

10.19—10.20] PUNJAB FINANCIAL RULES

In the instructions for dealing with application for advances for the construction, purchase or repair of houses, etc.,

10.20 General instructions laying down the procedure to be followed in dealing with applications for advances for the construction, purchase or repair of houses are contained in Appendix 19. The following instructions shall also be carefully observed in dealing with such applications:

(1) As the "gross" amount of advances granted under these rules is not to exceed the amount provided in the sanctioned Budget Estimates an authority empowered to deal with an application shall not issue an order of sanction, until the Accountant-General has certified that funds are available in the year in which payment of the advance will be made.

The Finance Department may, in fit cases, sanction advances in anticipation of availability of funds which will be provided by it through reappraisal before the close of the financial year.

If the advance (or the first installment of a house building advance) in respect of which a certificate of availability of funds has been issued by the Accountant-General is not drawn within three months from the date of issue, it will be treated as cancelled and a fresh certificate of availability of funds (for the entire advance in the case of a house building advance) will be insisted upon by the Accountant-General.

To avoid inconvenience and lapse of funds it is important that sanctioning authorities should not send applications to the Accountant General for report as to funds being available unless are satisfied that the amount applied for, if made available, will be drawn before the end of the financial year. Similarly when a sanctioning authority comes to know that any advance in regard to which the Accountant-General has reported that funds are available will not be sanctioned or will not be drawn from the treasury within the financial year, the Accountant-General should always be informed so that the funds earmarked for the purpose may be devoted to other applications.

(2) In all cases the authority empowered to sanction must definitely record whether:

(a) the applicant resides permanently in the station while in active service; or

(b) it is liable to transfer in the ordinary course of things before complete recovery can be effected.

Cases in category (a) will be granted precedence in all circumstances. Cases in category (b) will not be considered unless there is reasonable certainty that transfer will not be made for at least 48 months. In doubtful cases the Accountant-General will refer to Government unofficially the question whether the application is to be treated as coming within category (a) or not. In doing so he will report the extent of funds available and any other circumstances affecting the case.
The decision of Government will be communicated by him to the sanctioning authority.

(3) For the purpose of instruction (1) above application will be dealt within the order of receipt in the Office of the authority receiving the application subject to the priority specified in instruction (2).

(4) In case of those Government employees, who are nearing retirement the amount of the instalment payable monthly may be so fixed as to ensure the recovery of the entire amount before the date of retirement.

(iii) ADVANCES FOR PURCHASE OF CONVEYANCES

(a) Advances for the purchase of a Motor Car or Motor boat.

10.21. Advances may be sanctioned to a Government employee for the purchase of a motor car or a motor boat provided the following conditions are fulfilled:

(1) An advance will be given only when the Government considers that it is in the interest of the public service that the Government employees should use a car or a boat in the discharge of his duties. Advances can only be granted to such Government employees as are compelled in the course of their official duties to do much touring or to make frequent journeys at short notice or where the saving of time is of real importance.

(2) The total amount to be advanced to a Government employee should not exceed Rs. 7,500 or four months' pay or the anticipated price of the car or boat, whichever is less. If the actual price paid is less than the advance taken, the balance must be forthwith refunded to Government.

Note 1.—For the purpose of an advance drawn in England in respect of a motor car "actual price" may also include, in cases in which the advance drawn includes estimates of these charges the amount of freight actually paid on the car up to an Indian port, the cost of insurance during the voyage and the customs duty paid in India.

In the case of a Government employee who chooses to take delivery of the car in England, the actual price shall not include any claim on account of freight to India, the cost of insurance for the voyage and the customs duty.

Note 2.—"Dependancy Pay", shall not be treated as part of pay for the purpose of grant of advances for purchase of motor cars or motor boats, but "Special Pay", "Personal Pay" and "Official Pay" shall be so treated.

(3) Advances should be applied for before the purchase is made, and the application for an advance should certify that the Government employee is unable to make the purchase without one.

Possession of a conveyance should not be taken by the Government employee concerned until after he has received an intimation that an advance has been sanctioned. Where a Government employee has purchased or taken possession of a conveyance before he has received such intimation, the sanction of the advance will cease to
be operative, and any money drawn must be forthwith refunded to Government, or fresh sanction accorded with the consent of the Finance Department, which will agree to such fresh sanction only when the circumstances are unusual.

Applications for the grant of advance in respect of conveyance which has already been purchased or taken possession by a Government employee irrespective of whether the price has been paid or not, should not ordinarily be sanctioned. Where, however, special circumstances exist for making a departure from the rules, the case should be referred to the Finance Department.

(4) A Government employee, who is on leave or is about to proceed on leave and for whom an advance has been approved, will be entitled to draw such advance at any time before or on leave in India if he receives intimation regarding the availability of the conveyance. The recovery of the advance drawn in such cases will commence with the first issue of pay or leave salary after the advance is drawn.

(5) Recovery of advance will commence with the first issue of pay after the advance is drawn. It will be effected in the manner laid down in clause (v) of Rule 10.16 and the note thereunder with the modification that the number of monthly installments in this case will be 36 in place of 48.

(6) Except when a Government employee proceeds on leave, not being leave on average pay not exceeding four months or earned leave not exceeding 120 days or retires from the service, or is transferred to an appointment the duties of which do not render the possession of a motor car or a motor boat necessary, previous sanction of the Government is necessary to the sale by him of a car or boat, purchased with the aid of an advance which, with interest accrued, has not been fully repaid. If a Government employee wishes to transfer such a car or boat to another Government employee who performs the duties of a kind that renders the possession of the conveyance necessary, he may be permitted to transfer the liability attaching to the car or boat to the latter Government employee, provided that he records a declaration that he is aware that the conveyance transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.

(7) In all cases in which a car or boat is sold before the advance received for its purchase from Government with interest has been fully repaid the sale proceeds must be applied, so far as may be necessary, towards the repayment of such outstanding balance; provided that when the car or boat is sold only in order that another car or boat may be purchased the sanctioning authority may permit a Government employee to apply the sale-proceeds towards such purchase subject to the following conditions:

(a) the amount outstanding shall not be permitted to exceed the cost of the new car or boat;
(b) the amount outstanding shall continue to be repaid at the rate previously fixed;

c) the new car or boat must be insured and mortgaged to Government as required by these rules.

Note 1.—[A Government employee may be allowed advances to purchase a car and a scooter at a time if it can be shown that such action is clearly desirable in public interest and provided that the total amount outstanding at any one time by way of such advances against a particular Government employee does not exceed the maximum limit within which an advance is permissible for the purchase of a car. The second loan may not be allowed for the same type of vehicle.1]

Note 2.—When an advance has been granted a second advance will not usually be granted after a period of less than three years from the grant of the first advance.

Note 3.—A Government employee who draws an advance in India for the purchase of a motor car or a motor boat is expected to complete his negotiations for the purchase of, and pay finally for the car or boat, within one month of the date on which he draws the advance; failing such completion and payment, the full amount of the advance drawn, with interest thereon for one month, must be refunded to Government. This condition should always be mentioned in letters sanctioning such advances.

Furnishing of security at the time of registration, as a prospective purchase required under the Motor Cars (Distribution and Sales) Control Order of 1959, will be the responsibility of the officer concerned. No advance will be given to him from Government funds in this respect.

The advance may be applied for well in time and also sanctioned by the competent authority but it should be drawn only after the officer concerned has received a written assurance from the dealer that the supply is likely to be available within a month and a certificate to this effect should be recorded on the bill for the advance.

In the event of any delay in supply despite the written assurance referred to in sub-para 3 above, the officer concerned should apply for extension of the time limit within the permissible period of one month and seek permission for retaining the advance for a further period which should be specified. Each such request should be supported by a letter from the dealer concerned indicating the likely period of supply and this will be considered on its own merits.

1. Subst. vide No. 6266-JWM-76/26402, dated 3-8-76.
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(4) A Government employee shall, before he draws the advance for the purchase of a motor car, boat, motor cycle, scooter or any other motor conveyance execute an agreement in form P.F.R. 21. No advance will be granted until this agreement has been signed. This condition should be clearly stated in all orders sanctioning such advances. On completing the purchase of the motor car or boat the Government employee will further be required to execute a mortgage bond in form P.F.R. 22, hypothecating the car or boat to the Government as security for the advance (such a bond is exempt from the duty chargeable under section 40, clause (b) of Schedule I of the Stamp Act). The cost price of the conveyance should be entered in the schedule of specifications attached to the mortgage bond. In the case of advances drawn in England, a similar agreement and personal security bond in the prescribed form will be executed at the time of drawing the advance and at the time of purchase, respectively.

(b) A certificate signed by the sanctioning authority to the effect that the agreement in form P.F.R. 21 and 22, as the case may be, has been signed by the Government employee drawing the advance and that it has been examined and found to be in order, should be attached to the bill in which the advance is drawn. The sanctioning authority should ensure that the conveyance is purchased and hypothecated to the Governor as security for the amount lent to the borrower together with the interest thereon, in the prescribed form, within one month from the date of drawing of the advance.

(c) After the purchase of the conveyance, the sanctioning authority should obtain from the Government employee drawing the advance a letter in Form P.F.R. 23 to the address of the insurance Company with which the conveyance is insured, notifying it that the Government is interested in the insurance policy secured and should forward such letter to the Insurance Company and obtain its acknowledgement. The sanctioning authority should furnish to the Audit Office a certificate that the borrower has comprehensively insured the vehicle for an amount not less than the outstanding amount of advance plus interest thereon, if any, and that the Insurance Company has been notified about the interest of the Government in the Policy. In case of insurance effected on annual basis, this procedure should be repeated every year until the advance has been fully repaid to Government.

(d) The sanctioning authority should furnish to the Audit Office the cash receipt and the bill for the purchase of the conveyance for scrutiny that the advance has been utilized for the purchase of conveyance within the prescribed period and that the actual price as defined in the "Explanation" below is not less than the amount of the advance. The Cash receipt and the bill should be returned to the borrower through the sanctioning authority.

Explanation:
The expression "actual price" includes sales tax and the cost of such items, e.g., space, wheel, a tire and a tube or a pillion seat in a scooter, on the purchase of which the purchaser has no choice. It does not, however, cover the cost of certain accessories, e.g.,
radio in a car, plastic covers, which are not essential and are purchased by the customers of his own volition. Insurance and registration charges of the vehicle are also not in the 'actual price'. It shall, however, cover, in the case of first purchase, the following items:

(a) The cost of transportation of the conveyance, up to the place of the duty of the Government employee concerned at the time of purchase irrespective of whether the transport is arranged by the distributors or by the Government employee himself; and

(b) The actual cost of fees actually paid.

The mortgage bonds should be kept in the safe custody of the administrative department concerned in case in which the advance is sanctioned by the Government. When the advance has been fully repaid, the bond should be returned to the Government employee concerned, duly cancelled, after obtaining from the Accountant-General's office a certificate as to the complete repayment of the advance.

Administrative departments should satisfy themselves by careful scrutiny of all such bonds that they are in proper legal form and have been regularly executed.

Note 5.—The form of Mortgage Bond executed by a Government employee drawing an advance in India provides for insurance against full loss by fire, theft or accident insurance on owner-driven or other similar qualified terms is not sufficient for the purpose of this rule. Insurance policies at a reduced rate of premium may, however, be accepted as adequate in the case of motor car when—

(a) the owner of the car undertakes to meet the first Rs. 50 or so of a claim preferred against an insurance company in the event of an accident, or

(b) the car is not insured against accident for any reason of the year during which it is not in use but is stored in a garage, e.g., during the summer when the Government is in Simla.

Such insurance should be effected from the date of the conveyance. A Government employee drawing a similar advance in England should be required to effect insurance within one month of his arrival in India, unless an insurance policy is already in existence.

Contravention of these orders will render the Government employee liable to refund the whole of the amount advanced with interest accrued unless good reason is shown to the contrary. The amount for which the car or boat is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount advanced is completely repaid. If, at any time, and for any reason, the amount insured under the current policy is less than the outstanding balance of the advance, including interest already accrued, the Government employee should refund the difference to Government. The amount to be refund must be recovered not more than three monthly instalments.

Note 6.—Advances for the purchase of a motor car or a motor boat to Government employees in foreign employ should be granted from the funds of the foreign employer and when the latter desires to make such an advance he should apply to the Government for the necessary sanction. If the sanction is accorded, it will be subject to the proviso that
the advance by the foreign employer shall be regulated by the same conditions as would apply if the Government employee were serving directly under Government. In special cases, however, where a Government employee's services have been lent to a municipality whose financial position will not permit of the advance, the competent authority may at its discretion, sanction the advance from the Government funds provided the Government employee's duties are such as to render the possession of a motor car or a motor boat practically a necessity.

Note 7.—Government employees who are in possession of motor cars purchased with advances obtained from Government while employed in Aden and who bring such cars to India on transfer to appointments the duties of which necessitate the use of cars in the public interests, will be eligible for the grant of additional advances to cover expenses on account of customs duty levied on the imported cars. Such additional advances will be subject to the usual conditions as regards interest, etc., and will be recovered within the period still outstanding for the original loan, or a period of 20 months, whichever is longer.

Note 8.—The grant of an advance under this rule to a Government employee who proceeds on deputation out of India and desires a motor car for use during his deputation, is not admissible.

Note 9.—The instructions regarding provision of funds given in clause (1) of rule 10.20 apply mutatis mutandis in the case of advances for the purchase of conveyances.

Note 10.—When sanctioning an advance the sanctioning authority shall carefully observe the instructions given in this rule and shall always draw the attention of the Government employee concerned to those instructions.

(b) Advances for the purchase of Motor Cycles

10.22. An advance may be sanctioned to a Government employee for the purchase of motor cycle subject mutatis mutandis to the conditions laid down in rule 10.21 and the notes thereunder excepting clauses (2) and (4) thereof, and further to the conditions given below :—

(1) That the substantive pay of the Government employee does not exceed Rs. 1,200 a month.

(2) That the amount of the advance does not exceed Rs. 2,000 or the anticipated price of the cycle whichever is less, if the actual price paid is less than the advance taken, the balance should be forthwith refunded to Government.

Note 1.—An advance for the purchase of scooter may also be allowed to a Government employee on the same conditions.

Note 2.—In view of the long distances in Chandigarh which Government employees are required to cover in coming to and going from their offices, the provisions of rules 10.21 and 10.22 stand relaxed in the case of Government employees permanently stationed at Chandigarh, who want to purchase scooters, provided their pay is not less than Rs. 200 per month. "Dearness Pay" shall not be treated as part of pay for the purpose of grant of this advance but "Special Pay", "Personal Pay" and "Officiating Pay" shall be so treated.

(c) Advances for other conveyances

10.23. An advance may be granted to a Government employee not holding a post which would ordinarily be held by a member of an All-India Service or Provincial Service Class-I, for the purchase of means of
conveyance other than a motor car, a motor boat or a motor cycle, subject to the following conditions:—

1. An advance will be allowed only when the appointment held entails duties involving touring. In the case of the purchase of bicycles, an advance may, however, be granted even though the post held does not entail touring, if in the opinion of the sanctioning authority the possession of a bicycle will add to the efficiency of the Government employee concerned.

2. The total amount to be advanced to a Government employee should not exceed two months' pay or Rs. 250, whichever is greater and should be limited to the anticipated price of the conveyance purchased. If the actual price paid is less than the advance taken, the balance should forthwith be refunded to Government.

Note 1.—In the case of purchase of bicycles the amount of advance should be restricted to such special unit as may be imposed by general or special order of the Finance Department.

Note 2.—In the case of Class IV Government Employees the amount of advance for the purchase of bicycles shall not exceed Rs. 150 which will be recovered in accordance with the provisions of Clause (3) below except that the number of monthly instalments will be fifteen.

3. Recovery will be made, unless the competent authority otherwise specially directs, by deducting monthly instalments equal to one-twelfth part of the advance from the pay bill of the Government employee concerned. It will commence with the first issue of pay after the advance is drawn. The amount of interest will be recovered as laid down in clause (v) under Rule 10.1.6 and the note thereunder.

4. The conveyance purchased with the advance will be considered to be the property of the Government until the advance, with interest accrued thereon is repaid.

5. A Government employee who takes an advance under this rule should within one month after drawing the advance, furnish the head of the office with a certificate giving full particulars of the conveyance purchased with the advance and the cash receipt obtained for the amount actually paid for it.

Note 3.—See clause (1) of rule 10.2.6 which applies mutatis mutandis in the case of these advances.

Note 4.—Advances for the purchase of conveyance other than bicycles may be granted to quasi-permanent and temporary Government employees, who have not put in less than three years service, subject to the conditions laid down above, and on their furnishing an acceptable surety of a permanent Government employee.

Note 5.—“Dearness Pay” shall not be treated as part of for the purpose of grant of advances for purchase of “other conveyances” but “Special Pay”, “Personal Pay” and “Owing Pay” shall be so treated.
Note 6.—Government employees may be allowed a second advance for the purchase of bicycles on the condition that the sanctioning authority is satisfied that the second advance applied for is really required and will be utilised for the purpose for which it is made. The second advance should not, however, be granted before a period of at least three years from the date of first advance has elapsed. Before allowing the second advance, the sanctioning authority should make sure that the bicycle purchased with the aid of the first advance has neither been lost or has become unseizable.

Note 7.—The number of Cycle advances to be allowed to a Government employee during the whole of his service career should be restricted to two.

(Note 8.—Mortgage deed in respect of cycle purchased with the advance obtained from the Government will not be necessary.)

(iv) ADVANCES FOR PURCHASE OF TYPEWRITERS.

10.24. An advance may be granted under proper sanction (vide rule 10.1) to a permanent Government employee for the purchase of a typewriter subject to the following conditions:

(1) An advance will be given only when the sanctioning authority considers that it is in the interest of the public service that the official should use a typewriter in the discharge of his duties.

(2) The total amount to be advanced to a Government employee shall not exceed Rs. 400, or the anticipated price of the typewriter whichever is less. If the actual price paid is less than the advance taken, the balance shall beforthwith refunded to Government. A Government employee obtaining an advance shall produce satisfactory evidence, for the information of both the Accountant-General as well as the sanctioning authority, that the machine has been actually purchased, and that the amount spent is not less than the amount advanced.

(3) Recovery shall be made by deducting monthly installments, equal to 1/20th of the advance, from the pay bill of the Government employee. The amount of interest calculated in accordance with Rule 10.15 will be recovered as laid down in Rule 10.16, clause (v) and the note thereunder.

(4) The typewriter purchased with the advance will be considered to be the property of Government until the advance with interest accrued thereon, is repaid.

The provisions of clause (7) of Rule 10.21 and conditions (a), (b) and (c) laid down there in apply mutatis mutandis to the sale of a typewriter purchased with an advance taken from Government.

Note.—See clause (1) of 10.20 which applies mutatis mutandis to these advances also.

1. Note 8—added vide No. 6553-WM (i)-72/36372, dt. 15-11-72.
(v) **Advance to Government Employees on the Eve of Important Festivals and Trips to Hill Stations, etc., for Recreation Purposes**

10.24-A. An advance may be granted on the eve of important festivals and trips to hill stations, etc., for recreation purpose on the following terms and conditions:

(i) The amount of the advance will be Rs. 200 or one month's basic pay as defined in rule 2.44(a) (i) of C.S.R. Volume I, Part-I, whichever is less.

(ii) The advance will be recovered in four equal monthly instalments, the first instalment commencing with the next month's pay bill i.e., the pay bill of the month following that in which the advance is drawn. The amount of each instalment shall be rounded off to the nearest rupee, any balance being recovered in the last instalment.

(iii) The advance may be granted both to gazetted and non-gazetted Government employees in receipt of basic pay not exceeding Rs. 850 per month. This concession will not be admissible to workcharged staff, who are not entitled to pension, not to the staff paid from contingencies.

(iv) The advance should not be granted to temporary staff not likely to continue in service, for a period of at least six months beyond the month in which it is drawn.

(v) The advance is admissible only to those on duty or on leave on average pay or earned leave on full pay at the time the advance is drawn.

(vi) A Government employee may be allowed to draw either the festival advance or the advance for a trip to a hill station, etc., for recreation purposes only once in a calendar year.

(vii) A second advance should not be sanctioned till the earlier advance has been recovered in full.

(viii) The advance shall be drawn and disbursed before the festival or before the proposed trip to a hill station etc., in connection with which it is sanctioned.

(ix) Before the advance is sanctioned to temporary staff, sureties from permanent Government employees or any other form of security considered adequate by the sanctioning authority shall be obtained. The authorities competent to sanction these advances may, at their discretion, dispense with this requirement in the case of temporary staff who have completed 3 years of continuous service and are likely to continue in service till the adjustment of the advance.
(x) The advance will be interest free.

Note 1.—The Heads of Offices will be competent to sanction the advance in the case of Class III and Class IV Government employees and Heads of Departments in the case of Gazetted Officers. These advances may be drawn by gazetted officers without authority from the Accountant-General, Haryana.

Note 2.—The Government employee obtaining the advance should furnish a certificate within two months of the drawal of the advance to the effect that the whole of the advance had been utilised for the purpose for which it was obtained.

Note 3.—The festival advance will be admissible only on one occasion in the calendar year. The competent authority for the purpose of fixing the festival occasions will be the Head of the Department concerned. He will fix the festival occasions on which such advances will be allowed, after taking into consideration the importance attached locally to such festivals and in consultation with recognised associations of staff where such associations exist.

The sub-office of an office located at different stations may be treated as separate establishment for this purpose, but no member of any establishment shall be granted more than one such advance in one calendar year.

(ii) Other Advances

10.25. Advances may also be made for the purposes specified below:—

Advances on transfer

(a) Advances may be made to a Government employee under orders of transfer, up to an amount not exceeding one month’s substantive pay plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer. (See also Rule 10.13) such advances may be sanctioned by the head of office or by any other subordinate authority. See also notes 7 and 8 below.

The advances should be recorded on the Government employee’s last pay certificate. The advance of pay should be recovered from the pay of the Government employee in no more than three monthly instalments, the recovery commencing from the month in which the Government employee concerned draws a full month’s pay on joining his new appointment. The advance of travelling allowance should be recovered in full submission of the Government employee’s travelling allowance bill.

Note 1.—Authorities competent to sanction advances under this clause may sanction such advances for themselves also.

Note 2.—An advance under this clause is also admissible to a Government employee who receives orders of transfer during leave.

Note 3.—This clause does not preclude the grant of a second advance to a Government employee to cover the travelling expenses of any member of his family, who, follows him within six months from the date of his transfer and in respect of whom an advance of travelling allowance has not already been drawn.
Note 4.—When a single lump sum advance is drawn to cover the travelling expenses both of the Government employee himself and of his family, it may be adjusted by the submission of more than one bill if it so happens that, the members of the Government employee’s family do not actually make or complete the journey with him. In such a case, the Government employee should carefully certify on each adjustment bill submitted by him, that a further bill in respect of travelling allowance of the members of his family (to be specified) who have not yet completed the journey will be submitted in due course and is expected to include an amount not less than the balance of the advance left unadjusted in this bill.

Note 5.—The advance of pay under this clause may be allowed to be drawn at the new station soon after the arrival of the Government employee there on production of the last pay certificate showing that no advance was drawn at the old station.

Note 6.—The amount of advance to be recovered monthly should be fixed in whole rupees, the balance being recovered in the last installment.

Note 7.—Headmasters of Government Industrial Schools and Institutions can grant advances of pay and travelling allowances under this clause.

Note 8.—A Superintending Engineer or Divisional Officer of the Public Works Department may grant advances to any Government employee under his jurisdiction including himself.

Note 9.—In the Public Works Department if the encashment of a bill for an advance on transfer is likely to delay a transfer which is urgently necessary in the public interest the advance may be made from the permanent advance (if any) works imprest or other available cash in the hands of the disbursing Officer concerned, pending recoupment when the bill is subsequently encashed.

Note 10.—The sanction of the competent authority to personal advances may, if referred, be obtained in the form of countersignature on the bill itself before it is presented in the treasury.

Note 11.—An advance of travelling allowance taken on the occasions of transfer should be adjusted by submitting travelling allowance bills promptly within one month of the date of completion of the journey.

Note 12.—An advance of travelling allowance under this rule may be made by the competent authority to a temporary Government employee without insisting on a surety from a permanent Government employee; provided it is restricted only to cover conveyance charges on account of the Government employee concerned, his family and his baggage to the new station. The competent authority to do so will be the sanctioning authority in respect of a gazetted Government employee and the Head of the Department concerned in respect of a non-gazetted or class IV Government employee provided in the latter case the Government employee concerned has completed one year’s service and is not likely in the opinion of the Head of the Department to be discharged within three months of the receipt of the Head of the Department to be discharged within three months of the receipt of the advance. This does not preclude sanctioning of the advance of the pay and travelling allowance to a temporary Government employee on the same basis as for a permanent Government employee provided the surety from a permanent Haryana Government employee is obtained.

Note 13.—Advances to Government employees in transfer to foreign service may be sanctioned by the authorities that are competent to sanction the transfer. The reimbursement of the advance to Government by the foreign employer should be made in lump sum by sending a cheque or demand draft in favour of the Accounts Officers on whose books the advance is originally booked.

Note 14.—Advances of pay/TA to Government employees, at the time of their reversion from the foreign service, may be sanctioned by the Foreign Employer. Advance of pay should be granted by the Foreign Employer only after consultation with the authority competent to sanction the transfer of Government employees of foreign service, on the analogy of the provisions to note 6 below rule 10.21(7) of the Punjab Financial Rules Volume I.

Procedure, indicated below, should be followed for re-payment of such
advances to the Foreign Employer:

**Advance of Pay**

Immediately on receipt of a demand from the Foreign Employer, duly supported by a copy of cash receipt certified by the Foreign Employer concerned, obtained from the Officer concerned at the time of the payment of the advance, the competent authority should refund the total amount to the Foreign Employer by means of a Bank Draft. The amount of the Bank Draft may be debited in the Accounts under the head “Departmental Advances-Civil Advances, Objection Book Advances” in Section I Deposits and Advances-Part III, advances not bearing interest. The recovery of the advance should be watched in the same manner as in the case of the advance of pay sanctioned to a Government employee under rule 10.25 (a) of the Punjab Financial Rules, Volume I.

**Advance of T. A.**

Since the T. A., for the return journey on the Government employee’s reversion to Government service is to be borne by the Foreign Employer, the advance of T. A. granted by the Foreign Employer, in this regard may be adjusted only on the Government employee furnishing the T. A. bill, which should be sent straight to the foreign employer.

10.25(aa) (i) Advances, debitable to the Head “Advances Repayable” may be made to a Government employee under orders of transfer to Lahaul, Spiti, District up to an amount not exceeding:

(a) six months’ pay and allowances (in case of posting to Lahaul Sub-Division), or

(b) nine months’ pay and allowances (in case of posting to Spiti Sub-Division),

at the rate he is drawing on the date of his relief from office outside Lahaul Spiti District.

The advances shall be recorded on the Government employee last pay certificate. They should be recovered from the pay of the Government employee in not more than six monthly installments in cases under clause (a) above or nine monthly installments in cases under clause (b) above, the recovery commencing from the month in which the Government employee concerned draws a full month’s pay or and leave salary on joining his new appointment.

(ii) Advances may be granted to Government employees working in Lahaul Spiti twice a year in the case of Lahaul, equal to six months’ pay and allowances on each occasion and in the case of Spiti’s equal to nine months’ pay and allowances on the one occasion and three months on the other, at the rate applicable to them in Lahaul Spiti on the date of withdrawal of the advance.

These advances shall be in the first instance, be debited to the relevant head “pay of officer” and “pay of Establishment” etc., as the case may be. But the outstanding amount in respect of Government employees, whom advances have been paid and who are transferred out of Lahaul-Spiti should be transferred to the “Advances Repayable” by corresponding credit to the head of account to which the

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amount had been previously debited, and such adjustment would have to be
got made by the Department concerned, before the close of the financial year
by sending necessary intimation to audit office. The outstanding amount shall
be recoverable in the same number of installments, in which it would have
been recovered, had the officer/official continued to serve in Lahaul Spiti.
The total number of installments will be three, six or nine according to
whether the advance taken was of three, six or nine months' pay and allowances
respectively:

Provided that the Government employee applying for the grant of ad-
vances under clause (i) and (ii) above duly executed stamped bond in the form
prescribed by the Government from time to time and presents it to the sanction-
ing authority, who may accept it before the advances are actually
disbursed.

Note 1.—Disbursing Officers are competent to sanction advances under this sub-rule
and may be sanctioned such advances for themselves also.

Note 2.—An advance under clause (i) is also admissible to a Government employee
who receives orders of transfer during leave.

Note 3.—The amount of advance to be recovered monthly should be fixed in whole
rupees, the balance being recovered in the last installment.

Note 4.—The sanction of the competent authority to personal advances may be ob-
tained in the form of counter signature on the bill itself before it is presented in the trea-
sury.1

[Advances to Gazetted Officers on their initial appointment or transfer to a new
station or district pending procedural formalities involved in getting sanction
from the appropriate authorities to the drawal of their regular
salaries and allowances.]2

(b) [Heads of offices may grant advances of pay equal to a month's
pay, which should be payable for a total period of two months to
gazetted officers under the following conditions :-

(i) that the recovery of the advances will be made in one lumpsum from
the first pay slip issued by the Audit Officer,

(ii) that, in the case of persons promoted from the non-gazetted post,
such advances will be equal to pay of the promotee in the non-
gazetted post,

(iii) that the amount of advance shall be equal to :-

(a) Pay last drawn in the case of officers who are already in gazetted
service and are transferred from one district to another;

(b) Pay admissible to the lower post where an officer is reverted from
the one gazetted post to another gazetted post.

(iv) that the advance shall not be admissible if an officer is transferred
outside the states, and

1. Added vide No. 548-FGI-65/11512, dt. 8-6-1965.
(v) that the total amount of advance admissible under the existing clause (a) and clause (b) shall be subject to maximum of two months' pay of the officer. ¹

Advances on arrival in India on first appointment or on return from leave or Deputation out of India and while proceeding on deputation outside India.

(c) Advances may be granted to Government employees not subject to Military rules:

(i) on arrival in India on first appointment of an amount not exceeding two months' substantive pay less the amount of any advance made in England.

Note.—When a Government employee on arrival in India asks for an advance and produces no last pay certificate an advance may be granted by the Accountant-General on the Government employee furnishing a declaration that he has not received any advance in England.

(ii) on return from leave or deputation elsewhere than in India, Ceylon, Nepal, Burma, and Aden of an amount not exceeding two months' substantive pay or Rs. 1,000, whichever is less, in addition to any advance made in England, provided that the leave was not leave on average pay not exceeding four months or any other leave equivalent thereto and that no advance has been drawn under clause: (a) above.

Note.—The advances may be drawn on the authority of the Accountant-General from any treasury in India to be specified by him. Such advances, as well as similar advances made in England, are recoverable by monthly instalments of one-third of pay fixed in whole rupees.

Exception 1.—The recovery of an advance made under the Military Leave Rules to a Military Officer in Civil employ subject to the Military Leave Rules is regulated by those rules.

Exception 2.—Special passage advances made in England by the High Commissioner for India at his discretion to enable Government employees to return to duty shall be recovered in 36 monthly instalments and bear interest at the usual rate for such advances,—vide rule 10. ¹5

(iii) Government employees who proceed on deputation outside India may be granted advances subject to the following conditions :

(1) the period of deputation is not less than one month;

(2) the amount of advance is limited to a month's pay of the officer and is recovered in not more than three monthly instalments; and


2. Subst. vide No. ---do---
(3) In the case of temporary Government employees, surety from a permanent Government employee is obtained before the advance is sanctioned.

**Advances for journey on tour**

[(d)]⁴ Advances may be made under the rule specified below:

(i) To a Government employee, other than an inspecting officer, for himself or an Assistant or Deputy, proceeding on tour up to an amount sufficient to cover for a month his contingent charges, such as those for the hire of conveyances or animals for the carriage of records, tents or other Government property, subject to adjustment upon the Government employee's return to headquarters or 31st March, whichever is earlier.

Note.—Advances under this sub-clause may be granted by heads of offices but they should not be applied to the expenditure of any gazetted Government employee, except that of a Government employee of the Forest Department which is meant to be covered by his travelling allowances.

(ii) To a Government employee, proceeding on tour, of an amount sufficient to cover his personal travelling expenses for a month, subject to adjustment on completion of the tour or 31st March, whichever is earlier.

(iii) To a Government employee proceeding on a prolonged tour in the interior to places which are difficult of access, of an amount sufficient to cover contingent charges in terms of sub-clause (i) above and personal travelling expenses in terms of sub-clause (ii) above for six weeks, subject to adjustment on completion of the tour or on 31st March, whichever is earlier.

Note 1.—Advances under sub-clauses (i), (ii) and (iii) which are drawn in the month of March may be adjusted on completion of the journey or by the 30th April, whichever is earlier.

The expression “personal travelling expenses” in sub-clauses (ii) and (iii) should be taken to include not only the daily allowance, but also the road mileage and the fares and incidentals for the journeys both ways. The daily allowance may be calculated for the likely period of halt at an outpost, not exceeding 30 days or six weeks in any case, as the case may be.

Note 2.—(a) Advances under sub-clause (ii) may be granted by Heads of Offices to officers subordinate to them.

(b) Advances under sub-clause (ii) may be sanctioned to themselves by all officers declared to be their own Controlling Officers.

(c) Advances under sub-clause (ii) to Heads of Offices who are not their own controlling officers may be sanctioned by the respective controlling officers.

(d) Advances under sub-clause (iii) may be granted by Heads of Departments.

(c) To students of the Haryana Agricultural College, for expenditure in connection with their tours.

Note 1.—A second advance cannot be made to a Government employee under this clause until account has been given of the first.

Note 2.—A Government employee who has taken an advance under this clause for any particular journey may not take payment on travelling allowance or other bills drawn in respect of the same journey while the advance or any portion of it still remains unadjusted.

Subject to the restrictions specified above, advances under this clause may be granted in all cases of journeys in respect of which travelling allowance is admissible, as for a journey on tour.

Note 3.—See N.B. under clause (e) below.

Note 4.—An advance of travelling allowance under this rule may be sanctioned to a temporary Government employee without insisting on a surety from a permanent Government employee by the sanctioning authority in respect of gazetted Government employees and by the Head of Department concerned in respect of non-gazetted or Class IV Government employees. The advance should be restricted to a month’s pay of the officer concerned and in regard to non-gazetted and Class IV Government employees the condition laid down in Note 12 under rule 10.25 (a) will also apply. This does not also preclude sanctioning of an advance on the same basis as for a permanent Government employee provided surety from a Government employee is obtained.

Note.—See N.B. under clause (e) below.

Advances for expenses connected with Remittance of Treasure

[(e)]¹ By the collector to a Treasury Officer or District Superintendent of Police, for expenses connected with a remittance of treasure, to be adjusted when the duty is completed.

Note.—See N.B. under clause (e) below.

Advances for Law Suits

[(f)]¹ By the head of an office for law-suits to which Government is a party.

N.B.—The advances mentioned in clauses (e), (d) and (c) are treated as final charges, not as advances recoverable, and to be drawn and accounted for as contingent charges or travelling expenses of establishments advances.

Advances for Passages overseas

(g) Special rules for the grant of advances of pay for passages overseas of certain Government employees of non-Asiatic domicile and their families laid down in Appendix 21.

Note.—The provisions of clause (f) of Rule 10.20 apply to advances under this clause also.

Advances for purchase of tents

(h) Superintending Engineers may sanction advances to Engineering Subordinates for the purchase of a tent on the first occasion of their requiring one, such an advance should be limited to a reasonable amount and recovered in twelve equal monthly deductions from pay commencing three months and the date of the advance.

Advances for purchase of agricultural machinery

(i) On account of agricultural machinery purchased by the Agricultural Engineer, the expenditure should be charged against "special advances" and the amount realized from sale of machinery, etc., taken to the credit of this account. The surcharge on sales should be credited monthly direct to the revenue head concerned and deposits of intending purchasers credited to Revenue deposits and adjusted on completion of the purchase.

Indigent advances and free indigent grants in the welfare of Scheduled Castes and Backward Classes Department.

(j) For relief of distress, purchase of seed, cattle and agricultural implements, maintenance, clothing or any other necessary and reasonable purpose connected with the reformation and uplift of the members of criminal tribes residing in settlements, reformatory schools, colonies and villages under direct control.

Advances to prisoners released under the Good Conduct Prisoners Probational Release Act, 1926, and to paroles released under the Punjab Borstal Act and Prisoners released under Section 401, Criminal Procedure Code.

(k) For purpose specified in (j) above.

Advances for the purchase of books

(i) An advance may be granted to a Lecturer/Professor of a Government Arts, Training or professional college for the purchase of books to build up their libraries subject to the following conditions:—

(ii) The total amount of advance shall not exceed Rs. 100 in each case. The Government employee obtaining an advance shall produce evidence to the satisfaction of both the Accountant General as well as the sanctioning authority that the books have been actually purchased and the amount spent is not less than the amount advanced.

(iii) The advance shall be free of interest and shall be recovered in four equal monthly instalments from the pay bills of the Government employees. Recovery of advance will commence with the issue of the pay after the advance is drawn.

(iv) The books purchased with the advance shall be considered to be the property of the Government until the advance is repaid.

(v) The provisions of clause (7) of rule 10.21 shall apply mutatis mutandis to the sale of books.

(vi) In the case of temporary Lecturers/Professors the advance shall be granted on the surety of a permanent Government employee.

(vi) Not more than one advance in a calendar year or two such advances throughout his career shall be allowed to a Lecturer/Professor.
10.25(92)—10.26

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(vii) The advance shall be classified under head "Loans to Government employees—Other Advances—Advances for the purchase of books".

Note.—The provision of clause (c) of rule 10.20 shall apply mutatis mutandis to this advance also.¹

[Leave Salary Advance to Government employees
Proceeding on Leave]

(m) Leave salary advance up to one month may be granted to Government employees proceeding on leave subject to the following conditions:

(l) no advance may be granted when the leave is less than a month/30 days,

(ii) the amount of advance shall be restricted to the net amount of leave salary for the first month of leave, that is clearly admissible to the Government employee after deduction of amount of Income Tax, Provident Fund, House Rent, Repayment of advances, etc. so that there is no financial risk involved.

(iii) the advance should be adjusted in full in the leave salary bill in respect of the leave availed of. In case where the advance cannot be so adjusted in full the balance will be recovered from the next pay or leave salary.

(iv) the advance may be sanctioned by the head of office or by any other Subordinate officer to whom the powers may be specially delegated both in the case of Gazetted and Non-Gazetted Officers,

(v) Officers who are Head of Offices may sanction the advance to themselves.

(vf) the amount of advance will be debited to the Head of Account to which the pay etc. of the Government employee is debited and the adjustment of the advance will be watched through objection book by the accounts officers concerned, and

(vii) advance under these orders shall be sanctioned in whole rupees.]²

10.26. All advances are subject to adjustment by the Government employees receiving them in accordance with the rules applicable to each case. When an advance is adjustable by recovery, the amount to be recovered monthly should not be affected by the fact of the borrowing Government

¹ Added vide No. 1890 FIN-Loans-64/28/2 dt. 9-3-1964.
² Added vide No. 4521-2FR-72/39917, dt. 15-9-72.
employee going on leave of any kind with leave salary or is drawing subsistence grant. A competent authority may, in exceptional cases, order a reduction in the amount of the monthly instalment, provided that in the case of interest-bearing advances to Government employees the whole amount due should be completely recovered within the period originally fixed.

**(viii) Irrecoverable Advances**

10.27. A competent authority may remit or write off recovery of any loans or advances which are found to be irrecoverable.

*Note.*—See also note 2 below Rule 18.4.
CHAPTER XI—Remittances through Telegraphic Transfers, Bank Drafts and Governments Drafts

I—INTRODUCTORY

(i) General

11.1. The Reserve Bank of India, with the concurrence of the Union Government and the various State Governments, has agreed to provide remittance facilities throughout India to the public in general, scheduled and non-scheduled banks, indigenous banks and Co-operative Banks and Societies and other approved banks and also to Government employees on Government Account.

The detailed scheme is embodied in the Memorandum issued by the Reserve Bank of India regarding the New Scheme of Remittance Facilities in India which inter alia lays down different types of drawings, the rates of exchange to be charged on various kinds of remittances and the limits of drawings. Extracts from this memorandum in so far as they affect the treasuries and the public servants have been given in the Annexure A to this Chapter.

11.2. The person or office that draws (i.e., issue grants) a draft is called the Drawer; the person or office on which it is drawn (and by which it is payable) is called the Drawee, the person or party to whom a draft is granted is called the Remitter; the person or party to whom it is payable is the Payee.

Remittances between places where the Reserve Bank has its own offices or is represented by its agencies or both.

11.3. (1) Drawings by offices of the Reserve Bank and offices and branches of the State Bank of India on offices and branches of these banks are regulated entirely by the instructions contained in the memorandum referred to in rule 11.1 which also provides for the accounts procedure to be followed by these offices and branches.

(2) The instructions governing the issue of Government drafts by the offices of the Reserve Bank of India and the offices and branches of the State Bank of India on their own offices and branches have been abstracted in the Annexure A to this Chapter.

Note.—A list of the offices of the Reserve Bank of India and of the local State offices and branches of the State Bank of India, is given in the schedule to this chapter.

11.4. At a place where the branch of the State Bank has not full currency chest facilities, or is not conducting Government business, telegraphic transfers, Reserve Bank drafts and Reserve Bank Government drafts drawn on or at an office or agency of the Reserve Bank will be drawn by or on the treasury agency at such place and the State Bank Government drafts vide Annexure A to this chapter will not be issued.

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11.5. Transfers of money on behalf of the Reserve Bank from or to a place where there is no office of the Reserve Bank of an office or branch of the State Bank at one or both ends, are affected through telegraphic transfers, bank drafts and Government drafts drawn by and on Government Treasuries, as the case may be, in accordance with the instructions contained in the memorandum referred to in rule 11.1 and the rules in this Chapter.

Note 1.—The rules in the succeeding sections of this Chapter do not apply to remittances granted to the Union Government (including the Defence Department) which are governed by the rules issued by the Union Government as have been incorporated in the Treasury Rules of that Government.

Note 2.—All treasuries and sub-treasuries in India and Burma with currency chest facilities, at places where the Reserve Bank of India is not represented will be regarded as "Treasury Agencies" of the Reserve Bank for the issue and payment of telegraphic transfers and drafts.

Note 3.—A list of the treasuries and sub-treasuries which issue cheques and cash telegraphic transfers and drafts will be found in the separate publication "List of Treasuries and Sub-Treasuries in India" issued by the Union Government. From that list it will be observed that certain treasuries and sub-treasuries at which there are no currency chests have been given restricted powers to issue and encash drafts. Such treasuries and sub-treasuries should be treated as treasury agencies to the extent noted therein.

11.6. Bank drafts and Government drafts are prepared on forms specially prescribed for the purpose by the Reserve Bank of India. Similarly forms of schedules and advices, application forms for telegraphic transfers and drafts, etc., are prescribed by the Reserve Bank.

11.7. The Government and not the Reserve Bank will be responsible for any loss in connection with remittance transactions caused by the dishonesty or negligence of the officials at treasury agencies. Treasury officers should, therefore, see that the greatest care is taken in dealing with telegraphic transfers and drafts.

II—SPECIAL RULES RELATING TO TELEGRAPHIC TRANSFERS AND BANK DRAFTS

11.8. The following conditions are applicable to telegraphic transfers and bank drafts:

1. A person applying for a telegraphic transfer or a draft must pay the amount of such transfer together with the prescribed charges, including the cost of telegram or draft, with a formal application in the prescribed form, which may be obtained from the treasury before the
telegraphic transfer or draft is issued. The application form duly filled in will serve as a challan for the money tendered. The Treasury Officer will retain the application for transmission to the Accountant-General along with the daily Schedule of Reserve Bank of India Remittances Drawn (Rule 11.35). If a receipt for the amount is demanded by the purchaser of a draft or transfer a memorandum showing the amount of the draft or transfer and the exchange charged thereon should be issued to him in the form prescribed by the Bank.

(2) All transfers and drafts will be payable in legal tender currency, i.e., notes or rupees at the convenience of the officer making the payment. In other words the payee will have no right to demand payment in any particular form or currency, though in practice his requirements will be met as far as possible.

11.8. Remittances on Government Account are ordinarily made by means of Government drafts but in cases of extreme urgency the Reserve Bank have permitted remittances by Telegraphic Transfer at par within the State of payment of the cost of telegrams. At places where Reserve Bank does not conduct Government Business, the State Bank or Treasury Agencies will arrange for sending these remittances by Telegraphic Transfer.

Extra State remittances by Telegraphic Transfer will be charged for at the following rates:—

Up to Rs. 5,000 — 1/16 per cent (minimum Rs. 1)-
Over Rs. 5,000 — 1/32 per cent (minimum Rs. 3-2-0).

11.9. Cancelled.

III—SPECIAL RULES RELATING TO GOVERNMENT DRAFTS

(i) Money limit

11.10. No Government drafts should be granted for less than Rs. 25 save when it is required for a policeman’s remittances and the remittance of the surplus of the estates of deceased persons and for payments in connection with securities deposited with the Reserve Bank of India for and on behalf of Government. The limit of the Government drafts obtainable for private purposes is, in all cases but that of a policeman proceeding on leave, the amount of a month’s pay and allowances of the remitter.

(ii) Conditions under which issued

11.11. (i) “Reserve Bank of India Government Drafts” will be drawn for transfer to and from places where the Reserve Bank is represented by treasury agencies and will be issued at par or at a premium according as the remittance is intra-State or extra-State (See Annexure A to this Chapter). Further drafts at par will be issued only under the conditions and in the cases specified in rules 11.12 and 11.13 and in such other cases as the competent authority may decide from time to time.
BILLS AND REMITTANCES

[11.11—11.13]

Note.—The consent of the Finance Department should not be considered as given to the granting of remittance facilities at par in cases other than those specified in the rules mentioned above. Copies of orders of the Finance Department sanctioning new remittance facilities at par will invariably be endorsed to the Reserve Bank.

(2) "Government Drafts" are also drawn by the offices of the Reserve Bank of India and offices and branches of the State Bank of India on their own offices and branches as given in the Annexure to this Chapter. The drafts will be issued at par or at a premium in the cases and on the conditions specified in clause 1 above.

(3) Government Drafts are issued in two forms:

(i) "Reserve Bank of India Government Drafts" to be drawn:

(a) by and or treasuries where the Reserve Bank is represented by treasury agencies, and

(b) by the Reserve Bank on its own offices and on branches of the State Bank of India.

(ii) "State Bank of India Government Drafts" to be drawn by the State Bank of India on its own offices and branches.

Note 1.—Reserve Bank and State Bank "Government Drafts" will be superscribed "On Government Account only".

Note 2.—Drafts will be marked in the right hand top corner "Intra-State" or "extra-State" as the case may be.

Note 3.—See also Rule 11.8-A.

11.12. A Government draft may be issued to a Government employee at par for an intra-State remittance to be made by him in his official capacity in payment of any service rendered to Government or in pursuance of his official duties. Government employees requiring Government Drafts on public service will submit with the cash a formal application certifying that the draft is wanted exclusively for bona fide public purposes and describing the object of the remittance. See also rule 11.8 (1). If the Treasury Officer doubts whether the object is really public he should state his doubt to the applicant or take the orders of the Deputy Commissioner. Questionable grants should be reported to the currency officer with a view to the issue of instructions for future guidance.

11.13. Intra-State Government drafts can also be issued at par in the following cases:

(i) Public Works Department... To Executive Engineers and to Sub-Divisional Officers whether they have drawing accounts or not, for payments to be made outside their divisions but only on public service and not for private purposes or the convenience of contractors. When purchases are effected, or work is done, by one division on account of another, the adjustment will be made by book transfer.
(ii) Subscriptions for a public or quasi-public purpose

The Government when desiring to facilitate the collection of subscription for any public or quasi-public purpose in which it is interested may allow the issue of a Government draft a month, from any district treasury to the local secretary of treasurer of the fund or institution for the purpose of remitting subscriptions to the central body.

(iii) Workmen's compensation

To a Commissioner for Workmen's Compensation in favour of another Commissioner for the remittance of money remaining in his hands or invested by him for the benefit of any party to any proceedings pending before him but transferred to another Commissioner in accordance with section 21(2) of the Workmen's Compensation Act (VIII of 1923).

(iv) Pay and allowances

The remittance of pay and allowances is not ordinarily a bona fide public purpose, but a Government draft may be granted for the remittances of the pay and allowances of a Government employee deputed beyond the limits of the district in which his pay has to be drawn.

Government employees of the public Works Department may, when presenting bills for the pay and travelling allowance of their establishments, obtain Government drafts on other district treasuries for amounts which may have to be disbursed outside the civil district but within their own jurisdiction. Such drafts may, if the Government has so authorised, be made payable even at sub-treasuries under note to Subsidiary Treasury Rule 4170.

(v) For family remittances in the case of Police Department

To Indian Officers and men of the police battalions and police constabulary for remitting money to their families in the form and on the terms provided for sepoy's remittances, the heading of the descriptive roll being altered to suit the case.

(vi) Refunds of electoral deposits

For the remittance of electoral deposits refunded to candidates for the legislative bodies (both Union and State) who are residing in district which are different from those where the deposits were originally lodged.

(vii) Local Funds

(i) To local funds mentioned below and to such additional funds as may be determined from time to time by the competent authority after consultation with the Reserve Bank subject to the condition that the remittances are for bona fide public purposes—

(1) District Funds including district and local boards funds.
(2) Police funds.

(3) Chowkidari Uniform Fund.

(ii) To local boards for investment of their surplus funds in an office of the Reserve Bank of India or a branch of the State Bank of India or in any Co-operative Bank authorised, by the Government for this purpose.

(iii) To Co-operative Banks in which the surplus funds of the local boards have been invested for remittances of interest or investments realized for payment to the local boards or municipalities.

(iv) To municipalities and school boards for remittance of their surplus funds for investment in any Co-operative Bank.

(viii) Payments of passages of civil officers.

(ix) Payments of passages booked by Shipping Co., and agents.

The Accountants-General, for the payment of passage booked by Shipping Co., and agents.

At Treasury Agencies for remittance to the office of the Reserve Bank at Calcutta, Bombay or Madras, and marked "for investment in Government securities".

Note 1.—In order to ensure that "Government" drafts are used for the purpose for which they are taken, they should be issued payable to the office of the Reserve Bank at Calcutta, Bombay or Madras, and marked "for investment in Government securities".

Note 2.—Intra-State remittances at par will be made by Government drafts; all remittances at a premium e.g., remittance in respect of land revenue cases, Excise, etc., will be made by bank drafts and will be accounted for in the manner given in the annexeure of this Chapter.

11.14. Government drafts can also be issued for extra-State remittances on behalf of the Government and for the purposes specified in rules 11.12 and 11.13 and for such other quasi-public purposes as may be determined by the competent authority from time to time. These drafts will be subject to the exchange prescribed by the Reserve Bank.

IV—ISSUE OF DUPLICATES OF DRAFTS

11.15. When satisfactory evidence has been given that a draft has been either lost or destroyed, and an application is made within a reasonable period (say, six months) after issue but before it has lapsed (rule 11.21), a duplicate may, without reference to the currency officer, be granted to the party who obtained the original, or to the payee, or to the legal representative of either, but to no other person. If the draft should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawer, but the issue of his certificate will be no bar to the payment of the lost draft, if presented before the duplicate is paid. The duplicate draft should not be issued unless the issuing officer has satisfied himself by reference to the office drawn upon that the original has not been paid. A duplicate issued in lieu
of the lost one should be revalidated by the drawing officer if the period of currency of the local draft has expired. The duplicate must be drawn in exactly the same lines as the original instrument with the same date, the same number, the same amount and the name of the same payee. In the case of Reserve Bank Government drafts the duplicate may be issued to the party who obtained the original or to the payee or the legal representative of either, but to no other person on their providing satisfactory evidence that the original bill has been either lost or mislaid. If a lost Government draft has been endorsed to the payees bankers, the endorsee must apply for a duplicate through the original payee as required by rule 11.17 infra.

A duplicate of Reserve “Bank” draft will not be issued to any one other than the person who applied for the original draft. A letter of indemnity in the form given in Annexure B to the Chapter should be taken from purchaser of the original draft irrespective of whether the draft reported lost is current or has lapsed. The letter of indemnity should be signed by the purchasers and ordinarily by two sureties each for the amount of the draft. If the applicant is of undoubted standing and the amount of the draft is small, the production of sureties may be waived, but where the amount incurred is large, sureties may be taken. If the issuing officer has any doubt as to the advisability of dispensing with the sureties or as to the acceptability of the names of the purchaser and/or the sureties on the agreement for indemnity he should refer to the currency office, at the same time forwarding his confidential report on the means and standing of the parties. The letter of indemnity should be stamped as an agreement in accordance with the Punjab Stamp Act and should not be altered. The completed letter of indemnity will be retained for record at the issuing office of which the officer-in-charge will be personally responsible for their custody.

In all cases enumerated above it is not necessary for the Treasury Agencies to obtain fresh applications in the prescribed forms from the purchaser. A letter intimating the loss of the original draft and requiring the issue of a duplicate one in lieu thereof will be sufficient for the purpose.

11.16. In the event of the loss of both original and duplicate a triplicate may be issued on the same terms as the duplicate, the non-payment of the others being certified. Neither duplicate nor triplicate can be issued without reference to the currency officer if the draft has lapsed. Issues of duplicate or triplicate must be promptly advised to the drawer in order that proper note may be made on the advice originally received.

11.17. The duplicates or triplicates should be drawn in exactly the same terms as the original instrument with the same date, the same number, the same amount, and the name of the same payee; so that, if a lost draft has been endorsed, the endorsee must apply for the duplicate through the original payee. It will be issued under the signature of the officer-in-charge of the treasury at the time, although he be not the person who signed the original draft.
Note 1.—No special form is prescribed for duplicate drafts. When it is necessary to issue duplicates the word "Duplicate" should be prominently written in red ink on the face of ordinary drafts forms and the relative advice forms. The duplicate should be issued only after the issuing office has satisfied himself that the original has not been paid.

Note 2.—For the cheques to be applied to the payment of duplicate and triplicate drafts. See note 2 below Subsidiary Treasury Rule 4.118

V.—CANCELLATION OF DRAFTS

11.18. No draft can be cancelled without surrender of the whole set. Thus, if a duplicate or a triplicate has been issued, the draft can be cancelled only if the original together with the duplicate (and the triplicate if issued) be surrendered. Consequently no refund can be made on a lost draft, a duplicate must be obtained and payment taken at the treasury or office drawn on. Although no difficulty should be made about cancellation of Government draft it must be clearly understood that other classes of drafts can be cancelled only as an indulgence, and for sufficient cause shown. For the cancellation of Policemen's drafts see rule 11.22.

Note 1.—For the procedure regarding the refund on cancellation of the drafts. See Subsidiary Treasury Rule 4.126.

Note 2.—If alteration of the name only of the payee is required by the remitter, it will suffice for the drawer to alter the name in the draft under his full signature and to advice the drawee.

VI.—EXCHANGE OF DRAFTS

11.19. (a) A Treasury Officer may issue a draft in exchange for one drawn on him:

(i) if on Government account, only if the payee be a Government employee and requires the draft to be exchanged for reasons to be stated in his application;

(ii) in other cases, only if the holder has been removed to the neighbourhood of another treasury or of an office or agency of the Bank.

Note.—A draft is said to be exchanged when the holder being unable to appear and take payment in cash, applies for a new one, endorsing the original "Received payment by Government draft on _____________."

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

VII.—UNPAID DRAFTS

11.20. Drafts which are outstanding for more than six months can be paid only after obtaining necessary confirmation from the drawing officer.

VIII.—LAPSE OF DRAFTS

11.21. Drafts which are not paid before the end of the third account year after that in which they are issued shall be treated as lapsed and shall be so worked in the advice. Their payment at the treasury is regulated
by note 2 below Subsidiary Treasury Rule 4.118. Should any one apply for payment of lapsed draft, he should be directed to address the currency officer for orders.

IX.—GOVERNMENT DRAFTS TO POLICEMEN

11.22. In the case of Policemen’s remittances, the District Superintendent of Police or the Commanding Officers of the Border Police will forward the draft to the payee direct. Descriptive rolls of the payees duly filled in and signed, will at the same time be sent to the Treasury Officers concerned.

Note 1.—There is no objection if such a course is preferred or is required by departmental rules, to the draft being sent to the Superintendent of Police of the district in which the payee resides, who will deliver it to the payee after satisfying himself as to his identity.

Note 2.—See Subsidiary Treasury Rule 4.123 regarding payment of these drafts.

11.23. These drafts, if not presented for payment before the expiration of six months from the date of issue, shall be considered as cancelled, and if they are presented after that period, payment shall be refused. A draft which has thus become uncalled may be returned by the payee to the drawer for the issue of a fresh draft or for the refund of the amount as may be required.

Should such a draft, whether original or duplicate, be lost in transit, report should be made to the currency officer who will decide the case specially on its merits, sanctioning refund to the person indicated if it appears right. When the draft is six months old and, therefore, void, there need be no hesitation in permitting refund on production of a non-payment certificate from the treasury or office on which it was drawn.

Note.—These drafts may also be cancelled as provided for in Rule 11.18.

X.—PROCEDURE AT TREASURIES

(i) Introductory

11.24. The receipts and payment on account of telegraphic transfers and drafts drawn by or encashed at the offices of the Reserve Bank or offices and branches of the State Bank do not pass through Government accounts and the rules in this Section are not therefore applicable to those transfers and drafts. The procedure to be observed by Treasury Officers in respect of the issue and payment of telegraphic transfers and drafts on the Reserve Bank account will be governed by the following rules but the Treasury Officers shall comply with any general or special instructions that may be issued to them in this behalf by the Currency Officer.

11.25. All transactions connected with the drawings and encashments of telegraphic transfers and drafts (including those issued in or by treasuries in Burma) should be classified in the treasury accounts in accordance with the directions contained in Account Code, Volume II. Exchange charged and collected by treasury agencies at the prescribed rates will be credited to the Reserve Bank through the accounts submitted to the Accountant-General.
The provisions of rule 3.14 supra apply mutatis mutandis to the rules in this section also:

(ii) Issue of telegraphic transfers and drafts

11.26. In issuing telegraphic transfers, the following points should be kept in view by a treasury office—

1. The telegram to the officer making payment of the transfer should be sent in the Reserve Bank's cypher code authenticated by the Reserve Bank of India treasury agencies private check signal.

2. A post copy of the telegram should be despatched to the paying officer at the same time as the telegram is issued.

11.27. Drafts shall be prepared and signed from time to time as they are applied for, immediately on the receipt of cash or its equivalent, the business of signing them must not be postponed till the close of office and on no account may the office be closed till all drafts applied for have been issued. Each draft must be signed legibly with the full signature of the Treasury Officer who should take pains to maintain a uniform signature (see rule 11.52).

11.28. If alterations be made in a draft prior to issue, the correction shall be noted in the advice (Rule 11.30) and each alteration, both in the draft and advice, shall be authenticated by the drawer's full signature in order to prevent hesitation on the part of the drawer. If the drawer should enter the amounts so carelessly as to enable a stranger, to alter it, and fraudulently to obtain payment of a larger amount, the drawer, and not the drawer, must bear the loss. But the Treasury Officer drawn upon must remember and apply the numerous defensive checks provided for him. See also Subsidiary Treasury Rules 4.118 and 4.119.

11.29. At the time of signature of a draft, the Register of Reserve Bank of India Remittances drawn, together with the application for the draft, the advice and the book of forms, shall be laid together before the Treasury Officer. The Treasury Officer will initial each entry in the advice and the corresponding entry in the register at the same time as he signs the draft, after he has satisfied himself that—

(a) the several documents agree;
(b) the authority for issue is sufficient;
(c) the date and office of issue and the name of the payee are legibly and distinctly entered in the body of the draft;
(d) in addition to the amount being entered in figures the amount of whole rupee is entered a second time in words and the fraction of rupees in words or figures; that the words are written continuously without lifting the pen and that when the amount consists of rupees only and does not contain fraction of a rupee, the words and with the words "only";
(e) a sum a little in excess of that for which the draft is granted, is entered in words across the draft at right angles to the type.
Note 1.—"Under thirty rupees" will mean that the draft is for a sum not less than Rs 20 but less than Rs 30 and similarly "under eight hundred rupees" will mean that it is for less than Rs 800, but not less than Rs 700.

Note 2.—The cross entry is not necessary if the amount in words is typed perforated by a special cheque writing machine.

(iii) Advice of Remittances drawn

11.30. An advice of telegraphic transfers and drafts drawn on a particular treasury or the Bank on any particular date shall be prepared in the form prescribed by the Reserve Bank. The advice must be completed signed and despatched by the Treasury Officer to the treasury or Bank drawn on without fail before the treasury closes on the day of issue in accordance with the directions given in the Account Code, Volume II. Advices of drafts drawn on the Bank shall be sent direct to the Manager or Agent, as the case may be, of the Bank.

Note.—In the case of two or more sheets being required to advise issue of telegraphic transfers and drafts, Treasury Officers should sign each sheet of the advice and not only the first sheet.

11.31. Issue of duplicates or triplicates should be promptly advised to the drawee in order that a proper note may be made on the advice originally sent to him.

11.32. Variation in the signature of the drawer often entails much trouble on the paying office and the drawer will be held responsible for any inconvenience or delay which may be caused to individuals in consequence of change in, or illegibility of, his signature or other serious irregularity on the face of the draft, as the drawee would be justified in suspending payment in cases of doubt arising from such causes.

11.33. When any change of Treasury Officer occurs, a specimen of the signature of the relieving officer shall be forwarded by the outgoing Government employee to all treasuries and the offices or agencies of the Bank usually drawn on. The following form will be convenient:

"The undersigned begs to notify that he is on this day been relieved of the executive charge of the treasury by , a specimen of whose signature is annexed ."

Relieved Officer.

Date— Relieving officer.

Note 1.—If it should be necessary for a Treasury Officer to draw on a treasury or an office not usually drawn upon, to which a specimen of his signature has not been sent under the provisions of this rule, he should at the time of issue of a draft, also forward a specimen of his signature under a special forwarding letter duly stamped with the seal of the treasury which should be posted in a separate cover and not in the cover containing the advice.

Note 2.—When a Government employee who was formerly in charge of a treasury resumes charge of it after a lapse of time, his signature need not again be circulated among the treasury and other offices.
11.34. The instructions in rule 11.33 are intended to apply to all cases in which a Government employee performs the functions of a Treasury Officer and signs drafts drawn on other treasuries, etc., whether there is a formal transfer of charge of the treasury or not. In cases of temporary transfer of charge, the specimen signature of the locum tenens should be furnished by the Deputy Commissioner or other officer-in-charge of the District, to those treasuries, etc., only on which drafts are actually drawn by the temporary holder during his incumbency of the Treasury Office.

(v) Register and Schedules of Drawings

11.35. Transfers and drafts drawn each day should be recorded in the "Register of Reserve Bank of India Remittances-Drawn" and listed in the schedule prescribed by the Reserve Bank. The Register should be written up and the schedules prepared, checked and submitted to the Accountant-General the same day in accordance with the directions contained in Account Code, Volume II. Among other checks it should be seen that the number of forms issued agrees with the number of items in the Schedule.

(vi) Register and Schedules of Encashments

11.36. Transfers and drafts encashed (vide Rule 4.125 of the Subsidiary Treasury Rules) should be recorded in the "Register of Reserve Bank of India Remittance-Encashed" and listed in the schedule prescribed by the Reserve Bank or submission to the Accountant-General. The register and the schedule should be written up and prepared in accordance with the directions contained in Account Code, Volume II.

11.37. The following are the cross checks which the Treasury Officer shall each evening apply to the several documents connected with the remittances drawn and encashed. The Registers of Remittances drawn and encashed and the connected schedules check one another directly; the total of each schedule must agree with total receipts or total payments for the day as booked under the head "Reserve Bank of India Remittances" in the Cash Book, after allowing for receipts and payments, if any, at sub-treasuries which will be entered under a separate sub-head. The total of the several Advices for the day must also agree with the total in the column "Amount" in the schedule of drawings, and this agreement shall be at times checked by the Treasury Officer himself.

(vii) Drafts cancelled

11.38. When a draft is cancelled, as provided in rule 11.18, the fact of cancellation must be conspicuously noted across the face of the draft at the same time an intimation shall be sent to the office drawn on, in order that the fact may be recorded in the advice originally received and necessary precautions taken against payment of the cancelled draft. The cancelled draft shall be duly receipted by the remitter or the payee, as the case may be.

Note.—The amount refunded will be entered in the "Register of Reserve Bank of India Remittances-Encashed" and also in the proper column of the schedule of each encashment for the day on which the cancellation takes place in accordance with the directions contained in this behalf in the Account Code, Volume II.
Drafts exchanged and lapsed

11.39. When a draft is exchanged for another, the original 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.

Lapsed drafts (Rule 11.21), should be marked as lapsed in the column “date of payment” of the advice.

(a) Supply of Forms

11.40. Forms of drafts and all other forms prescribed by the Reserve Bank for use in connection with the remittances will be supplied free of charge to the treasuries by the Currency Officer under whose jurisdiction these are situated. Indents for such supplies will be in P.F.R. form 24 or in such other forms as the Reserve Bank may prescribe and will ordinarily be for 12 months supply. They should be submitted on or before 15th November each year for supplies required during the ensuing financial year.

The indents should be carefully prepared and should be so framed as to prevent the need for supplementary indents which will not usually be complied with without an explanation being furnished.

11.41. Immediately on receipt of a parcel of forms of drafts, they must be carefully examined and counted by the Treasury Officer and a proper acknowledgement sent to the Currency Officer. They are made up in books of specific number, and bear a printed number in a general series. The series of numbers in each book should be checked, and the books themselves compared with the particulars given in the invoice. The acknowledgement must certify that the forms have been counted and found correct.

11.42. The forms of drafts and of advices shall be placed in store under the key of the Treasury Officer, who should each morning issue the book or books containing drafts forms and the advice forms for the day’s use. He must be careful not to issue a book of a later series number before an earlier, and therefore should see that the store is so arranged as to prevent mistakes. Every evening the unused forms will be returned to him and he should see that this series is unbroken; that no form is kept back unissued unless it be spoiled; and that the number of drafts forms expended in the day agrees with the total number listed in the Schedule of Reserve Bank of India Remittances Drawn for the day.

11.43. Spoilt forms shall be destroyed by the Treasury Officer after noting in the remarks column of the “Register of Reserve Bank of India Remittances Drawn” under his full signature the printed numbers of the forms destroyed and certifying that the forms have been cancelled and destroyed.

(c) Periodical Returns

11.44. In order to enable the Reserve Bank of India to review the rates of exchange, treasury officers shall furnish the currency officer with statistics regarding the various forms of remittances at the District Treasuries and sub-treasuries under them. These statistics will be supplied every half-year, along with the cash reports for the months of March and September in the form prescribed by the Bank.
ANNEXURE—A

EXTRACTS FROM THE MEMORANDUM ISSUED BY THE RESERVE BANK OF INDIA, REGARDING THE NEW SCHEME OF REMITTANCE FACILITIES IN INDIA AND BURMA

(See rule 11.1)

DIFFERENT TYPES OF DRAWINGS ON AND BY TREASURY AGENCIES

(i) The Reserve Bank of India, Bombay, Calcutta, Delhi, Madras will effect the undenoted drawings on treasury agencies:

1. Telegraphic transfers.
2. Reserve Bank Drafts.
3. Telegraphic transfers and drafts for scheduled banks.
4. Telegraphic transfers and drafts for indigenous bankers non-scheduled banks, co-operative banks and societies.
5. Government drafts for the remittance of interest on securities held on account of Government employees at par.
6. Dividend warrant payment orders for the remittance of the banks dividend to shareholders resident in districts where adequate banking facilities do not exist, at par.
7. Reserve Bank "Government" Drafts.

(ii) The Reserve Bank of India, Kanpur, will effect the undenoted drawings on treasury agencies:

1. Telegraphic transfers.
2. Reserve Bank Drafts.
3. Telegraphic transfers and drafts for scheduled banks.
4. Telegraphic transfers and drafts for indigenous bankers non-scheduled banks, co-operative banks and societies.

(iii) The State Bank of India, at all branches and at the local head offices in Bombay, Calcutta, and Madras, will effect the undenoted drawings on treasury agencies:

1. Telegraphic transfers.
2. Reserve Bank Drafts.
3. Telegraphic transfers and drafts for scheduled banks.
4. Telegraphic transfers and drafts for indigenous bankers non-scheduled banks, co-operative banks and societies.

(iv) The State Bank of India, at all branches except Delhi and except the local head offices at Bombay, Calcutta, Madras, will effect the undenoted drawings on treasury agencies Reserve Bank "Government" drafts.
(v) Officers-in-charge of treasury agencies will effect the under noted drawings on—

(a) The Reserve Bank of India, Bombay, Calcutta, Delhi and Madras :—

(1) Telegraphic transfers.
(2) Reserve Bank Drafts.
(3) Telegraphic transfers and drafts for scheduled banks.
(4) Telegraphic transfers and drafts for indigenous bankers for non-scheduled banks, co-operative banks and societies.

(5) Reserve Bank “Government” Drafts.

(b) The Reserve Bank of India, Kanpore :—

(1) Telegraphic transfers.
(2) Reserve Bank Drafts.
(3) Telegraphic transfers and drafts for scheduled banks.
(4) Telegraphic transfers and drafts for indigenous bankers non-scheduled banks, co-operative banks and societies.

(c) The State Bank of India at all branches except Delhi and except the local head offices at Bombay, Calcutta and Madras :—

(1) Reserve Bank “Government” Drafts.

(d) The State Bank of India at all branches except Kanpore, Delhi and except the local head offices at Bombay, Calcutta and Madras :—

(1) Telegraphic transfers.
(2) Reserve Bank Drafts.
(3) Telegraphic transfers and drafts for indigenous bankers non-scheduled banks, co-operative banks and societies.

(e) Treasury agencies :—

(1) Telegraphic transfers.
(2) Reserve Bank Drafts.
(3) Telegraphic transfers and drafts for scheduled banks.
(4) Telegraphic transfers and drafts for indigenous bankers non-scheduled banks, co-operative banks and societies.

(5) Reserve Bank “Government” Drafts.
ISSUE OF GOVERNMENT DRAFTS BY THE OFFICES OF THE RESERVE BANK OF INDIA AND OFFICES AND BRANCHES OF THE STATE BANK OF INDIA ON THE OFFICES AND BRANCHES OF THESE BANKS

(i) Reserve Bank "Government" Drafts :

These will be drawn by the Reserve Bank of India, Bombay, Calcutta, Delhi, Madras on (a) Reserve Bank of India, Bombay, Calcutta, Delhi, Madras and (b) the State Bank of India at all branches except Delhi and except the local head offices at Bombay, Calcutta and Madras.

(ii) State Bank "Government" Drafts :

These will be drawn by the State Bank of India at all branches except Delhi and except the local head offices at Bombay, Calcutta and Madras on the State Bank of India at all local head offices and branches.

LIMITS TO DRAWINGS

(i) Telegraphic transfers, bank drafts, Mail Transfer and Government drafts drawn by and on offices of the Reserve Bank and offices and branches of the State Bank having Currency Chest facilities may be issued without restriction as to amount. The term "branches of the State Bank" includes "Sub-branches".

(ii) In other cases telegraphic transfers, bank drafts and Government drafts may be issued to the following extent for each form remittance on any one day :

<table>
<thead>
<tr>
<th>Description</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Rs.</td>
<td></td>
</tr>
<tr>
<td>At or on a sub-treasury</td>
<td>10,000</td>
</tr>
<tr>
<td>At or on a treasury (not being a sub-treasury)</td>
<td>50,000</td>
</tr>
<tr>
<td>Except on the Reserve Bank</td>
<td></td>
</tr>
<tr>
<td>At a treasury proposed as double the limits under order on the Reserve Bank</td>
<td>Without limit</td>
</tr>
</tbody>
</table>

(iii) The limits laid down for drawing on treasury agencies may not be exceeded without the express sanction of the Currency Officer of the area in which the drawing office is situated.

(iv) Drawings will not be subject to any minimum except in the case of Government drafts, which will be for a minimum amount of Rs. 25 except in special circumstances,— vide Rule 11.10.
RATES OF EXCHANGE

1. In respect of drawings mentioned below, exchange will be charged at the rates given against them. In the case of drawings mentioned in clause 1, offices and branches of the State Bank will have discretion to sell at lower rates to the public, but treasury agencies will invariably charge full rates:

(1) Rates for telegraphic transfers and bank drafts and Mail transfers

(a) for the general public:

Up to Rs. 5,000 ... 1/8 per cent (Minimum exchange):

Telegraphic transfer ... 1—0
Drafts and Mail Drafts ... 0—4

Over Rs. 5,000 ... 1/16 per cent (Minimum exchange both for telegraphic transfers and bank drafts) ... 6—4

Actual telegram charges to be charged in addition.

(b) For scheduled banks in respect of telegraphic transfers and drafts in favour of third parties:

Up to Rs. 5,000 ... 1/16 per cent (Minimum exchange) ... 1 0
Over Rs. 5,000 ... 1/32 per cent (Minimum exchange) ... 3 2

Actual telegram charges to be charged in addition.

Note.—There is no objection to a Schedule Bank applying for a small draft on the same terms as are available to the general public, namely, 1/2 per cent, minimum annas 4. The minimum of Rs. 1 only applies to the special Schedule Bank rate of 1/16 per cent. For example, on remittances up to Rs. 800 exchange at the rate of 1 per cent. Minimum annas 4 would be charged and remittances over Rs. 800 would be charged at the rate of 1/16 per cent (Minimum Rs 1).

(c) For indigenous bankers, non-scheduled banks, co-operative banks and societies and other approved banks:

Up to Rs. 5,000 ... 1/32 per cent (Minimum exchange) ... 1 0

Over Rs. 5,000 ... 1/64 per cent (Minimum exchange) ... 1 9

Actual telegram charges to be charged in addition.

For co-operative banks and societies the minimum exchange on Drafts but not for telegraphic transfers and Mail Transfers for amounts up to Rs. 5,000 will be annas 4 only.

Note.—Additional facilities for remittance of funds will be made available to the State Co-operative Banks in India on conditions laid down by the Reserve Bank on this behalf. These conditions can be ascertained from the Chief Officer, Reserve Bank of India, Agencies Credit Department, Bombay.
These concessional rates will be granted only to:

(i) indigenous bankers, i.e., banks and firms recommended by Government and included in the approved list of indigenous bankers kept by the Reserve Bank. The list will be circulated by the Reserve Bank to all its offices, and offices and branches of the State Bank and treasury agencies for guidance.

Note.—The conditions prescribed by the Reserve Bank for fulfilment before a banker can be brought on the approved list and the detailed procedure to be followed have been given in Appendix to this Annexeure.

(ii) Non-scheduled banks are admitted to the list on the conditions prescribed by the Reserve Bank. The Bank, with the approval of the Government draw up a list of non-scheduled banks which will be circulated to all offices of the Reserve Bank and treasury agencies for guidance.

Co-operative banks and societies formed and functioning under the Co-operative Societies Act, XI of 1912 or any other Co-operative Societies Act for the time being in force in the State.

Note.—The transactions on account of remittances to Co-operative Societies and Co-operative Banks from (1) a District Treasury to its sub-treasuries and vice versa and (2) between a sub-treasury and another in the same district will also be effected through bank drafts.

(d) For local funds (both intra-State and extra-State remittances) with the exception of intra-State remittances granted at par by Government under rule 11.21:

Up to Rs. 5,000 . . . . 1/16 per cent (Minimum exchange for telegraphic transfers Rs. 1 and for drafts As. 4)

Over Rs. 5,000 . . . . 1/32 per cent (Minimum exchange Rs. 5-2).

II. Rates for Government drafts:

(a) Intra-State transfers . . . . At par.

(b) Extra-State transfers up to Rs. 5,000 . . . . 1/16 per cent (Minimum exchange As. 4.)

Over Rs. 5,000 . . . . 1/32 per cent (Minimum exchange Rs. 3-2.)

Note 1.—In cases where the Government desires extra-State transfers to be made at par, the Government itself will pay to the office of issue exchange at rates given above.

Note 2.—These charges will not apply to remittances granted to the Central Government (including the Military Department) which will be effected at par and will be treated as intra-State remittances.
Note 3.—Remittances on Government Account will ordinarily be made by means of Government drafts but in cases of extreme urgency the Reserve Bank or where the Reserve Bank does not conduct Government business the State Bank or Treasury Agencies will arrange for remittance by Telegraphic Transfer at par within the State on payment of the cost of telegrams.

Extra-State remittances by Telegraphic Transfer will be charged for at the following rates:

Up to Rs. 5,000 .................................. 1/16 per cent (Minimum Rs. 1.)

Over Rs. 5,000 .................................. 1/32 per cent (Minimum Rs. 3-2.)

2. When drafts and telegraphic transfers are required for amounts which are not a complete multiple of Rs. 100 the broken amount less than Rs. 100 should be regarded as Rs. 100 for the purpose of calculating exchange.
ANNEXURE—B

(See Rule 11.15)

(IMPRINTED STAMP)

Letter of indemnity with respect to issue of Duplicate Reserve Bank of India "Bank" Draft.

The Treasury Officer/Sub-Treasury Officer.

In consideration of the Treasury Officer/Sub-Treasury Officer—
on behalf of the Reserve Bank of India, issuing a
duplicate of a Reserve Bank of India "Bank" drafts for—
No._________forwarding__________, for
Rs._________(in words)__________if we the undersigned—
and_________hereby (jointly and severally) guarantee
and agree to hold the said Reserve Bank of India, their successors and assigns,
harmless and indemnified, from and against all consequences that may arise
from their so doing and from payment of the original Reserve Bank of
India "Bank" Draft and from and against all losses, charges and expenses in
connection with the said Bank Draft or duplicate and if we the said—

further undertake to deliver to you the said Bank
Draft, if and when found.

Dated the_________this_________day of_________19


Signatures.

Note.—To be stamped as an agreement in accordance with the Stamp Act of the
State in which the indemnity is executed.

This document will not be attested.
ANNEXURE

Conditions for indigenous Bankers, who wish to avail themselves of the concessional rates of Remittances and the procedure relating thereto

Conditions:

1. Only those persons and firms will be included in the term indigenous bankers who accept deposits and/or discount hundies with joint Stock or other Banks primarily with a view to making loans and who are placed on the approved list of the Reserve Bank, for this purpose. Just as section 277-F of the Indian Companies Act allows Banks to undertake certain necessary ancillary work there would be no objection to a banker having any other business so long as it is clear that banking is his main business. On the other hand, those whose main occupation is something else like agriculture or shopkeeping or trade will not be considered as bankers even though they may accept deposits and lend money as a subsidiary business.

2. An indigenous banker to be qualified for inclusion in the approved list must have a minimum owned capital of Rs. 50,000.

3. An approved indigenous banker must conform to any money lending regulation applicable to him that may be in force in the State.

4. A banker (a) who appears to have ceased to comply with the definition in (1) above or (b) whose owned capital is known to have fallen below Rs. 50,000 or (c) who infringes State legislation regulating his transactions in such a way as to make it undesirable in the opinion of the State Government that he should receive the concession, shall be liable to be removed from the approved list.

Application to the Treasury or sub-treasury office

Indigenous bankers who satisfy the above conditions and who desire to have their names included in the list of bankers to whom the concessional rates will be made available, may make an application to the nearest treasury or sub-treasury officer submitting all the necessary particulars in the appended form. The information will be treated as confidential.

Application direct to the Reserve Bank

In case an indigenous banker expresses reluctance to reveal his affairs to the local treasury or sub-treasury officers, he can send application direct to the Reserve Bank. On receipt of the application, the Reserve Bank will, no doubt, consult the Government in regard to the fitness of the applicant to be included in the list.

Disposal of Applications received at the Treasury or Sub-treasury

(1) Treasury and Sub-Treasury officers on receipt of an application should see that particulars regarding business, capital worth, etc., have been
furnished by the applicant according to the form prescribed and if the application is in order they should forward it confidentially to the Deputy Commissioner.

(2) The Deputy Commissioner should forward the application received, to the Secretary to Government, Haryana, Finance Department by name; in a confidential cover with a report on the credit and standing of the applicant, and as to whether he has infringed any debt legislation, etc., in such a way as to make it undesirable that he should have received the concession.

(3) The Government on receipt of such application will forward them, with their recommendation to the Reserve Bank. The Bank will decide after obtaining the opinion of its agents, if necessary, whether the applicant should be included in the approved list.

(4) An indigenous banker will not be entitled to the concession unless his name has been included in the approved list by the Reserve Bank of India and the list is received by the Agency of the Reserve Bank of India.

FORM OF APPLICATION FOR INDIGENOUS BANKERS FOR CONCESSION RATES FOR REMITTANCES

The Treasury/Sub-Treasury Officer.

Remittance Facilities in India

Dear Sir,

With reference to the Government of notification No. , dated , on the above subject, we beg to apply for inclusion in the list of indigenous bankers to whom the concessional rates for remittance facilities mentioned in paragraph 2 of the said notification will be made available.

2. We agree to abide by all the conditions specified in the above notification and furnish herewith the necessary particulars regarding our business, capital worth, etc., in the form required.

Yours faithfully,

Financial Statement as on ————–.

1. Name :

2. Address :

3. Character of organisation (whether proprietorship, Joint Hindu family, partnership) :
4. Nature of business chiefly dealt in:
5. Assets:

- (i) Cash in hand and with Banks
- (ii) Deposits with other firms
- (iii) Loan to market
- (iv) Landed and houses property (location and approximate value)
- (v) Accounts receivable
- (vi) Shares and securities owned
- (vii) Other assets (please specify)

Total

6. Liabilities:

- (i) Accounts payable
- (ii) Bank Loans
- (iii) Borrowings from the market
- (iv) Deposits received
- (v) Mortgages on properties
- (vi) Other liabilities

Total

Net worth

7. What is the annual turnover?
8. Are there any contingent liabilities such as guarantees?
9. What are partners worth outside banking business? (in case of partnership only)
10. Bank and trade references.
11. Please state if possible, the approximate amounts for which you might require remittance facilities.
12. Please state the names of places between which you will ordinarily require remittance facilities.
CHAPTER XII.—Deposits

Note.—The provisions of rule 3.14 apply mutatis mutandis to the relevant rules in this chapter.

CLASSIFICATION AND LIMITATIONS

12.1. Moneys received at the treasury for deposit in the public account are generally classified according to the department through which they are received. The usual classes being—

1. Revenue Deposits;
2. Criminal Courts Deposits;
3. Civil Courts Deposits; and
4. Personal Deposits.

There are also other classes of deposits, such as, deposits of fees received by Government employees for work done for private bodies, deposits for work to be done for public bodies and individuals, Unclaimed Provident Fund Deposits, Deposits of Police Clothing and Equipment Fund, Public Works Deposits, etc.

Other classes of Deposits may be added under the special orders of the Accountant-General.

12.2. These rules do not apply to departments which are not under the audit control of the Accountant-General, Haryana. Whatever sums are paid into a treasury by Government employees of these Departments, or on their account, must be credited to the credit of the Department concerned in the accounts.

12.3. No moneys shall be received for deposit in the public account unless they are such as by virtue of any statutory provision or of any general or special orders of the Government are required or authorised to be held in the custody of the Government. Subject as aforesaid, it is the duty of the Treasury Officer to see that save as expressly otherwise provided by these rules no money is credited as a deposit except under the formal order of a Court or other competent authority and also, if the amount could be credited to some known head in the Government account to make representations to the Court or authority ordering its acceptance or in whose favour the deposit was received. See also Article 62 of Account Code, Volume II.

Note.—Government Promissory Notes or other security deposits (not being cash) received from revenue farmers or other Contractors are not revenue, and must on no account be credited as deposits.

12.4. The treatment of the following items as deposits is prohibited:

1. No pay, pension, or other allowances should be placed in deposit on the ground of the absence of the payee or for any other reason; as a rule, pay should not be drawn till the claimant appears.
Note 1.—When a pension is granted to several persons jointly, it may not be drawn on the appearance of one claimant only, and payment of his computed share made, the balance being placed in deposit.

(2) No fines should be placed in deposit on the ground that appeal is pending; they should be credited at once to Government and refunded, if necessary, on order of the appellate Court. But compensation fines (including costs in criminal cases) due to an injured party, and not to the Government, may be kept in deposit, both in appealable and non-appealable cases, till they lapse under the ordinary rule.

(3) No refunds whether of stamps or of other receipts can be drawn to be lodged in deposit pending demand by the payee.—vide Subsidiary Treasury Rule 4-26.

(4) The sale proceeds of unclaimed property are not to be placed in deposit at all under Act V of 1861, section 26, the property itself is to be kept for six months, but money realized by sale is at once (section 27) at the disposal of the Government, and should be taken to credit of Administration of Justice. Exception must, however, be made in the case of property left by persons dying intestate and without heirs, which civil courts will secure and hold for certain periods in accordance with the local law.

Note 1.—If unclaimed property be perishable and be sold because it cannot be kept or if it be sold for the benefit of the owner or because its value is less than ten rupees, its proceeds should be held for six months in deposit, but the circumstances should be clearly stated under “Nature of deposit” in the deposit register.

Note 2.—Money belonging to prisoners in jail should not be held for long terms by the Jail Department, but should be paid into the treasury at convenient intervals.

Note 3.—The Police Department should have no deposits except security and earnest money deposits which should be paid into the treasury as Revenue Deposits, unclaimed property found by, or delivered unto a police officer should be made over to the Magistrate; see also items (1) and (6) under this rule.

(5) Money tendered as personal deposits by private individuals or by Government employees acting in other than their official capacity, and funds of quasi-public institutions even though, like certain dispensaries, they are aided by Government, may not be accepted as personal deposit at a treasury without the special permission of the competent authority for the opening of a banking account with the treasury. Nor can any jewels or other property received for custody and restoration in kind be brought on the deposit account though the value be stated in money.

Note.—Money tendered by or on behalf of wards and attached estates and estates under Government management may be accepted at a State Treasury for credit as personal deposits.

(6) Proceeds of sales of old stores or other Government property.

Note.—These should be credited to Government at once.

(7) Licence fees recovered in advance from excise contractors, which should be taken direct to the head “Excise”.
Chap. XII] DEPOSITS [12.4—12.5

(8) Receipts in connection with the Trijunction pillars.

(9) Land Revenue and cesses collected in one Tahsil on account of another Tahsil or District.

(10) Receipts for which full particulars are not shown should not be placed in deposit but should be credited as 'unclassified items' of the Department concerned.

II—REVENUE DEPOSITS

A.—EXPLANATORY

12.5. Revenue Deposits are deposits made in Revenue, Criminal and Civil Courts, other than Small Cause Courts, or in connection with revenue administration; but see rule 12.15. These deposits include:

(1) Civil Court decree money.

(2) Compensation fines (including costs) payable to injured parties in criminal cases, both appealable and non-appealable, till they lapse, under the ordinary rule.

(3) Cost of stamp in partition cases when it is known that the amount will not be disbursed immediately.

(4) Recoveries on account of cost of chaukidar's uniforms.

N.B.—Where there are extensive transactions, a Personal Ledger Account may be opened for them.

(5) Chaukidari collections.

(6) Jagir money.

(7) Pre-emption money.

(8) The net sale-proceeds of unclaimed impounded cattle (for three months only and if no claim be made within this period they are credited to Government).

(9) Undisbursed amount of compensation for land taken up for public purposes.

(10) Redemption money.

(11) Sale-proceeds of confiscated property.

(12) Undisbursed portion of patwari's share of mutation fee (Temporarily).

(13) Tahsildar's cess only when the amount cannot conveniently be paid at the time of collection.
(14) Pachotra payable to Lamberdars In special cases only.

(15) Sarpanchi allowances.

(16) Earnest money deposits made by intending tenderers of Civil Departments (including the Forest Department).

Note 1.—No previous authority of a departmental Government employee to receive this money is necessary, but the depositor must state the designation of the Government employee in whose favour he makes the deposit; and that designation must be stated on the receipt given by the Treasury Officer.

[Note 2.—All intending tenderers in other States should remit the earnest money deposit direct to the Departmental officers concerned by means of Bank Drafts from Scheduled Banks or the State Bank of India. The Departmental officers should credit the proceeds of the drafts so received immediately into the Treasuries/Banks under the head “Revenue Deposits.”]

(17) Advance deposits in cash by temporary cultivation lessees in colony areas.

(18) Other amounts received by Government but payable to private persons.

(19) Security payments made under Rule 6(10) of the Retail Liquor License Instructions and also tender fees under rule 6(6) ibid.

(20) Money realized from villagers on account of the pay of Forest Guards.

(21) [Omitted].

(22) Security Deposits when tendered in cash by the keepers of Printing Presses and Publishers of Newspapers under the Indian Press Act, 1910.

(23) Payment in advance made to the school of Art by private persons and institutions for the execution of orders placed by them with the school.

(24) Publication charges in insolvency cases.

(25) Election money deposits.

(26) Probate in letters of administration and succession certificate fees.

Note.—The amount credited into the treasury on account of cost of court-fee stamps required for succession certificate should be drawn on revenue deposit repayment voucher which should be prepared not in favour of the applicant but in favour of the office in charge of the treasury or sub-treasury who will credit the amount by transfer credit to the head “0090—Stamps and Registration”, and issue the stamps in the name of the applicant.

1. Added vide No. 5376-2FR-70/34285, dt. 4-12-1970.
2. Omitted vide No. 1/2/PFR/12-18/87-SAO (FD), dt. 8-12-1987.
3. Subsid. vide No. —do—
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DEPOSITS

[12.5—12.7

(27) Security money of students of School of Arts.

(28) One-fourth or one-fifth of auction or sale money of attached properties.

(29) Commission fees.

B—TREASURY ACCOUNTS AND PROCEDURE

(a) Receipts

12.6. Deposits received at the treasury should be recorded in treasury accounts in accordance with the directions contained in Articles 64 and 65 of Account Code Volume II.

Note.—At places where the treasury business is conducted by the Bank the registers of deposits are kept in the Collectors' Office; the Bank only receives the amounts tendered in accordance with Subsidiary Treasury Rule 2.20 and credits them under their proper designation.

12.7. Deposits not exceeding five rupees unclaimed for one whole account year, balances not exceeding five rupees of deposits partly repaid during the year then closing, and all balances, unclaimed for more than three complete account years shall, at the close of March in each year, be credited to the Government by means of transfer entries in the Accountant-General's office. See also Article 127 of Account Code, Volume II.

Balances in the Personal Deposit Accounts do not lapse to Government if outstanding for more than three complete Account years. In cases, however, in which the Personal Deposit Accounts are created by debit to the Consolidated Fund, the same should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund, the Personal Deposit Accounts being opened next year again, if necessary, in the usual manner. If a Personal Deposit Account is not operated upon for a considerable period and there is reason to believe that need for the Deposit Account has ceased, the same should be closed in consultation with the Officer in whose favour the Deposit Account has been opened.

Exception.—All items on account of Sheriffs Petty Accounts irrespective of their amounts will remain current for three complete account years and lapse to Government only on the expiry of that period. The presiding officers of the Courts concerned will certify on the statements showing the amounts which should lapse to Government on the expiry of three years that all such amounts have been included in the Statements.

Note 1.—The total of the list referred to in Article 127 of Account Code, Volume II, should be deducted in the plus and minus memorandum from balance shown at credit of the particular class of deposits, the list itself, signed by the District Officer, being forwarded to the Accountant-General. This duty may be delegated by the District Officer to a gazetted Government employee of the district staff, not being the Treasury Officer.
Note 2.—[For the purpose of this rule the age of a repayable item or of a balance of it may be reckoned as dating from the time when the item or the balance, as the case may be, was initially deposited].

(i) General

12.8. The rules regarding repayments and the form of voucher for repayment are contained in Subsidiary Treasury Rule 4.128, 4.129 and 4.140. See also Article 67 of Account Code, Volume II.

Note.—See also note 3 below Rule 9.3 which applies mutatis mutandis to deposit repayments also.

12.9. On the production of a lapsed deposit repayment order (vide Subsidiary Treasury Rule 4.129, note), the authority which originally granted it may, if satisfied that the person producing it is entitled to receive payment, revalidate the order by writing on it:

Renewed.
(Signed)
Date——

The fact and date of renewal should be noted on the original departmental record of the repayment order.

(ii) Lapsed Deposits

12.10. [(1) Deposits, the detailed accounts of which are not kept at the treasury and which are credited to the Government under rule 12.7 of Punjab Financial Rules, Volume I, cannot be repaid without the sanction of the Accountant-General who will authorise payments on ascertaining that the item was really received and was carried to the credit of the Government as lapsed, and that the claimant's identity and title to the money are certified by the officer signing the application for refund.

The amount of a lapsed deposit refunded will, however, be charged in the Cash Book as a refund and not debited to deposits, see Article 65 of Account Code, Volume II. But the repayment of a lapsed deposit shall be recorded in the appropriate district register of receipts so as to guard against a second payment.

(2) Deposits the detailed accounts of which are kept at the treasuries and which are credited to the Government under rule 12.7 of Punjab Financial Rules, Volume I, may be refunded without the sanction of the Accountant General. The Treasury Officer shall, before authorising refund in such cases, ascertain that the item was really received and is traceable in his records was carried to the Credit of the Government as lapsed and was not paid previously and that the claimant's identity and title to the money are certified by the officer signing the application for refund.]

Chap. XII] DEPOSITS [12.11—12.14

(d) Accounts Returns to be Submitted to the Accountant-General

A. Explanatory

12.11. Extract registers of deposits received, registers of repayments of deposits, plus and minus memoranda, quarterly certificates, clearance registers, statements of lapsed deposits, etc., should be prepared and submitted to the Accountant-General in accordance with the directions contained in Articles 105 to 107, 111, 124, 125 and 127 of Account Code, Volume II.

Note 1.—Old items transferred from one Clearance Register to a second one.—vide Article 125 of Account Code, Volume II, should be carefully watched by the District Officer. Such items in the ordinary course lapse at the end of two years for which the latter is current. They cannot be allowed to be carried forward to a third Clearance Register without the special sanction of the Accountant-General.

Note 2.—It is not intended that Clearance Registers should be used in District Offices.

Note 3.—The outstanding balances of the Sheriff's Petty Accounts should be included by the Treasury Officer in the Revenue Deposit State Clearance Register, and the lapse items of Sheriff's Petty Accounts in the lapsed statements of Revenue Deposit "State".

III—CIVIL COURT DEPOSITS AND SHERIFF'S PETTY ACCOUNTS

12.12. The deposits of Civil Courts other than deposits of Small Cause Courts and Sheriffs Petty Account are treated in accounts as Revenue Deposits.

The deposits of Small Cause Courts and Sheriff's Petty Accounts are accounted for under "Civil Courts Deposits" and "Personal Deposits", respectively.

B—MAINTENANCE OF ACCOUNTS

(i) Civil Courts other than Small Cause Courts

12.13. Each item of deposit is separately paid into and drawn from the treasury, upon documents passed by the presiding officer and setting forth the particulars necessary for the entries in the deposit registers kept at the treasury. The registers of receipts and repayments are kept and the monthly and annual returns and lapsed lists are submitted by the Treasury Officer in the manner prescribed for revenue deposits, although the sets of registers and returns at the treasury must all be kept separate from those of the revenue deposits. See also Article 71 of Account Code, Volume II.

Note.—Other detailed instructions for the deposit accounts of these Courts is given in Chapter 10 of Volume II, Part II of the High Court Rules and Orders.

(ii) Small Cause Courts

12.14. All deposits are paid into and held at the court. When, however, the sum in possession of the court exceeds Rs. 1,000 the excess amount is at once remitted to the Government treasury. All repayments are made by the Court itself without the intervention of the Treasury Officer out of the balance held by it. If, however, the balance is not sufficient to meet the claim, the repayment is made by cheque on the Treasury Officer, against the surplus collections remitted to the treasury.
12.14—12.16  

PUNJAB FINANCIAL RULES  

[Chap. XII]

All transactions of receipts and payments are brought to account by the court concerned in the Registers of receipts and repayments maintained by it.

The gross receipts and repayments, as reported by the courts concerned from time to time, vide Appendix 23 (including repayments by cheques at the treasury) are taken by the Treasury Officer to the personal deposit account opened separately for each court. These personal ledgers and the corresponding accounts and returns must be kept by the Treasury Officer in the form prescribed for personal deposits, but quite separate from those of personal deposits proper, being designated as "Civil Courts Deposits".

Each court submits to the Treasury Officer monthly returns, i.e., extract registers of deposit receipts and repayments, with vouchers duly stamped where necessary and plus and minus memorandum, quarterly certificate, clearance register and statement of lapses, etc. These returns are transmitted in original by the Treasury Officer to the Accountant-General.

Note 1.—[Omitted.]

Note 2.—For detailed instructions for the maintenance of Deposit Accounts of these courts see Appendix 23.

(iii) Sheriff’s Petty Accounts

12.15. The Sheriff’s Petty Accounts are made up of the numerous petty sums received by Civil, Revenue and Criminal courts from parties to suits or other judicial proceedings for immediate disbursement in full (as for diet money of witnesses, commission fees, etc.). The receiving courts should record and deal with these petty deposits, with the same care and formality as with others. At the treasury these deposits are treated like Personal Deposits; but the system of accounting followed in the courts is more or less similar to that of deposit transactions of Small Cause Courts. For details see Chapter 9 of High Court Rules and Orders, Volume II, Part II.

Note—No vouchers are required in support of repayments but a certificate to the effect that the accounts are maintained in proper form and are in order, and that payments have been made to the rightful parties and their receipts taken and are with the same, and have been so cancelled that they cannot be used again to support a second claim against Government is required from each Senior Sub-Judge for all petty sums repaid by his court. If the Senior Sub-Judge takes the responsibility on himself to give the certificate for all the courts it will be sufficient.

IV—PERSONAL DEPOSITS

A—Explanatory

12.16. Special banking accounts are sometimes kept for certain classes of deposit transactions of a public or quasi-public nature (such as receipts and payments on account of wards and attached estates and estates under Government management) for which it is not necessary to treat each disbursement as made against a particular receipt. The account kept of them in the treasury is of the nature of banking deposit accounts. These accounts are called Personal Deposit Accounts.

1. Omitted vide No. 1/2/PFR/12-18/87-SAOFD, dt. 8-12-87.
12.17. A list of the existing accounts is given in Appendix 24. Moneys tendered by Government Officers acting in their official or any other capacity and funds of quasi-public institutions even though like certain dispensaries which may be aided by Government, may not be accepted as Personal Deposits at a Treasury without the special permission of the competent authority for the opening of a banking account with that Treasury. Such permission may not be granted except after consultation with the Accountant-General and unless the authority granting the permission be satisfied that the initial accounts of moneys to be held in such Personal Deposit accounts are properly maintained and are subject to audit.

The competent authority shall scrutinise the proposal for the opening of a personal ledger account thoroughly before referring the case to the Accountant-General, with a view to ensuring that the number of such accounts is not unnecessarily multiplied and shall further see that those cases, where the moneys can conveniently be either credited to the final heads of accounts or accounted for under the provisions of Article 43 of Audit Code, are not referred to the Accountant-General.

Note 1.—Under Article 284 of the Constitution of India all moneys received by or deposited with any officer, employed in connection with the affairs of the State, in his official capacity are required to be paid into the Public Account of the State. In view of these provisions, Bank Accounts outside the Public Account of the State, should not be opened.

Note 2.—In connection with the opening of a personal ledger account for departmental purpose at a treasury the following information should invariably be furnished to the Finance Department with the proposal for communication to the Accountant-General, Haryana:

(i) nature of transactions intended to be covered by the personal ledger account;
(ii) the manner in which the funds will be provided for initially in the personal ledger account and in the case of personal ledger account to be opened with Government money, the major, minor and detailed heads of account to which the expenditure will be debited;
(iii) the head of account to which the transactions of the personal ledger account will be booked;
(iv) the financial limit on the individual personal ledger account; and
(v) the arrangements for the local audit of transactions of the Personal Ledger Account.

Information in respect of item (iii) will be supplied by the Finance Department when referring the proposal to the Accountant-General, Haryana.

Note 3.—The personal ledger account already opened at one treasury may not be transferred to another treasury or a sub-treasury under the jurisdiction of the same treasury except with the approval of the Finance Department-cum-Audit Department. This will not apply to the personal Deposits Accounts of the Food and Supplies Department where the District Officers are authorised to transfer a part of the balance in their personal Deposit Account at Sub-Treasuries by issuing a requisition in prescribed form under intimation to the Accountant General, Haryana.

B—MAINTENANCE OF ACCOUNTS

(i) Accounts and Returns

12.18. Rules relating to the recording of personal deposits transactions in the personal deposits account and in the register of personal deposits, and to the submission of monthly and other returns connected therewith are given in Articles 68, 70, 108 and 126 of Account Code, Volume II.

Note 1.—In the case of personal deposit Accounts (Article 68 of Account Code, Volume II), it is not necessary to transfer the accounts to a new volume with a new year, but if there be no page available when it is necessary to open a new account or carry forward an old one, all unclosed accounts should be simultaneously carried forward to a new volume.

Note 2.—If there be a large number of transactions on the same day, a balance in the personal deposit account need not be struck after each transaction, but the Treasury Officer, if there be any possibility of an over-drawal, should by totalling the items of receipts and refunds and striking the balance whenever necessary, satisfy himself that the balance is not overdrawn. The Treasury Officer shall invariably, however, strike a total at the end of each day's transactions.

Note 3.—In the case of Minors' Estates of which the District Judges are ex-officio guardians under section 18 of Act VIII of 1890 and section 21(3) of Act X of 1892, there need not be a separate account of each minor, but a separate account should be opened for each Government employee who acts as guardian of one or several minors' estates. These orders do not apply to estates under the Court of Wards for each of which separate account should be maintained.

(ii) Pass Books

12.19. A Pass Book in P.F.R. form 25 should be kept for each personal deposit account.

It should be the duty of the administrator of the fund to see that the pass book is sent to the Treasury Officer at least once a month and balanced.

The pass book should remain in the personal custody of the administrator and not of the Official concerned either with the paying in or paying out of money or checking the account.

12.20. The Treasury Officer is responsible for seeing that the entries are correctly made and at the end of each month the entries on each side of the pass book are totalled and the balance struck and agreed with the Treasury account. The pass book should then be signed by the Treasury Officer.

C—CASH ORDERS AND TAHSILDARI LETTERS OF CREDIT

(i) Issue of cash orders, etc.

12.21. Tubsildery letters of Credit and cash orders are issued by the Treasury in respect of payments to be made at a sub-treasury, vide rule 2 below. Subsidiary Treasury Rule 4.5. The former are issued invariably in favour of the Tubsildar concerned while the latter are issued in favour of the
person to whom money is due or who is responsible for its disbursement. Payments against a letter of credit can be made in several instalments by the Tahsildar, drawing cheques in favour of the persons to whom the money is due or who are responsible for its disbursement; while a Cash Order is payable in one instalment to the individual named therein who obtains payment at the Sub-Treasury by presenting the Cash Order itself duly receipted. —vide Subsidiary Treasury Rule 4.135.

Note 1.—In the case of Public Works and Forest Departments and Local Funds, if the payment of any cheque is intended to be made through the Tahsildar, it should be drawn by the drawer in his own favour and duly receipted before submission to the Head Treasurer for the issue of a letter of credit. The Zila Parishad should never require cash to be remitted to a Sub-Treasury as all District Fund payments from the treasury are made on cheques.

Note 2.—When both cash and a bill are sent to the Treasury Officer for the issue of letter of credit or cash order, two separate requisitions should be sent and the Treasury Officer should issue two separate letters of credit or cash orders, i.e., one in respect of the cash tendered and the other against the bill.

Note 3.—The amounts of the letters of credit issued in favour of the Tahsildars at the Headquarters will be credited in the Head Treasury Accounts to the Tahsildari Ledger and disbursed direct from the Treasury upon cheque signed by the Tahsildar.

Note 4.—In cases where funds are being supplied to the Tahsildar from the Public Works Department, or from the District Fund, for the construction of public works, or for other purposes, care should be taken to restrict the amount of the Letter of Credit issued, as much as possible, to the sums probably required for disbursement during the currency of the Letter of Credit, in order that the unpaid portion of every Letter of Credit on the date it lapses may be reduced to the smallest possible amount.

12.22. The adjustment of cash orders issued on sub-treasury is watched by opening a personal ledger for cash sub-treasury.—vide Article 69 of Account Code, Volume II. The same procedure applies mutatis mutandis to the adjustment of Tahsildari letters of credit.

Note.—See also Article 123(2) and note below Article 123 of Account Code, Volume II.

12.23. The charges in respect of lapsed cash orders and letters of credit (vide Rule 2 below Subsidiary Treasury Rule 4.5) are adjusted by debiting personal ledger account of the sub-treasury and crediting the head "unclassified items" in the receipt schedule of the department concerned with full particulars as to the number and date of original voucher, designation of drawing officer and nature of original charge. The debit will be supported by a simple receipt signed by the Treasury Officer showing the particulars of the lapsed cash order or letter of credit. A note regarding lapse should invariably be made in the register concerned.

Note.—For funds of the lapsed items in a letter of credit or cash order see Subsidiary Treasury Rule 4.156.

V—DEPOSITS OF FEES

12.24. The fees received by Government employees for work done for
Non-Government bodies or Private persons are accounted for as below:

(i) In cases where a Government employee is permitted to retain the whole of a fee, he should collect it himself and the Government accounts will not be concerned with the transaction.

(ii) In cases where recoveries from the private bodies are divisible between the Government and the Government employee concerned—

(a) If the exact amount of the fees and the distribution of shares between the Government and the Government employee are known before hand, the share due to the Government should be credited as miscellaneous receipt of the department to which the Government employee belongs, and the rest should be collected by the Government employee himself. The Government share should be paid into the treasury as far as possible, by the body or person paying the fee;

(b) If the amount of the fees or the shares are known only approximately before hand, the fees should be credited to the head "Deposits of fees received by Government employee for work done for private bodies" pending final settlement, when the share due to Government should be credited a revenue of the department to which the Government employee belongs and the rest should remain under the deposit head for disbursement to the Government employee as laid down in Subsidiary Treasury Rule 4.137. The Accountant-General will when returning the bill duly authorised for payment (vide Subsidiary Treasury Rule 4.137) advise the Treasury Officer to credit the State share of the fees to Government as a miscellaneous receipt of the department to which the Government employee belongs.

Note.—These rules are intended to be applied to cases in which the whole or a share of the fees as such is payable to the Government employee doing work for private bodies or persons. They are not applicable to cases, e.g., fees levied for overtime work in departments where it is in existence, where a Government employee undertakes the work as a part of his official duties although in view of the extra work involved and in consideration of the fees realised, he is remunerated by a share out of these receipts. In such cases the fees realised are admissible as departmental receipts and the disbursements to the Government employee as departmental expenditure under "Allowances Honoraria, etc.”

VI—DEPOSITS ON ACCOUNT OF POLICE FUNDS

12.25 These deposits consist of moneys for clothing and equipment funds. They are accounted for like Personal Deposits.

Detailed rules relating to these deposits are given in the Police Rules, Volume I.

VII—DEPOSITS OF UNCLAIMED PROVIDENT FUND

12.26 The sums remaining unclaimed for a period exceeding six months shall be transferred to deposits at the end of each year and thereafter dealt with according to the rules governing "Revenue Deposits".
VIII—DEPOSITS AT SUB-TREASURIES

12.27. In respect of deposits made at sub-treasuries the procedure laid down in Article 57 to 77 of Account Code, Volume II, should be observed.

The Treasury should distinguish deposits credited into the Sub-Treasuries and repayable there by making use of a letter of alphabet (to be assigned to each sub-treasury, in addition to the serial number of each entry).

12.28. Deposits credited at a Treasury but paid at a sub-treasury on orders given by the Treasury Officer will not be passed through the Sub-Treasury Deposit Register, but recorded as distinct items in the Day-Book and the Slaka.
CHAPTER XIII.—Local Funds

I—EXPLANATION

13.1. (a) The expression "Local Fund" denotes—

(1) revenues administered by bodies which by-law or rules having the force of law come under the control of Government, whether in regard to the proceedings generally, or to specific matters such as the sanctioning of their budgets, sanction to the creation or filling up of particular posts, the enactment of leave, pension or similar rules;

(2) the revenues of any body which may be specially notified by the competent authority as such.

(b) The main classes of local funds are:

(1) District Funds.
(2) Municipal Funds.
(3) Other Funds:
   (i) Town and Bazar Funds.
   (ii) Educational Funds (including Athletic Fund).
   (iii) Other miscellaneous Funds.
   (iv) Village Panchayat Fund.

(c) Unless the contrary appears from the context, the instructions in this chapter apply primarily to the treatment of the transactions of the several Funds by the Treasury, and not to the maintenance of accounts in their own offices.

Note.—The expression "Local Body" as used in this Chapter means the authority legally entitled or especially empowered by Government to administer local fund.

II—CUSTODY OF FUNDS

13.2. Unless permitted by the competent authority, or by a law, local funds are ordinarily obliged to place their funds in a Government treasury or the Bank, if there is one near the local body concerned.

Note.—The orders regarding the custody and investment of Municipal Funds are contained in Sections 54 and 55 of the Punjab Municipal Act 1911.

III—POWERS OF INCURRING AND SANCTIONING EXPENDITURE

13.3 The powers of the several authorities in the matter of incurring and sanctioning expenditure in respect of local funds administered by Government
are regulated by the following principles:—

(1) As regards funds constituted by the statute, powers of incurring and sanctioning expenditure will be regulated solely by the provisions of the statute. If the statute is silent on this point the Government as the final administrative authority will have full powers of incurring and sanctioning expenditure and of delegating such powers.

(2) As regards other funds, the authority which constituted the fund will have full powers of incurring and sanctioning expenditure and of delegating such powers.

IV—MAINTENANCE OF ACCOUNTS AT TREASURIES

(a) Record of transactions

13.4. The transactions of all local funds should be recorded in accordance with the provisions of Articles 73 and 74 of Account Code, Volume II.

The following instructions should also be observed by treasuries in keeping accounts of Local Funds:

(1) Details of transactions of Local Funds should not be included in the public accounts.

(2) Where treasury business is conducted by the Bank, the accounts of local funds are kept at the treasury, the Bank only receives and pays the amounts in accordance with Subsidiary Treasury Rules 1.19, 1.20 and 4.146 and credits or debits them under their proper designation.

(3) Receipts in respect of Municipal Funds should be accepted at a treasury or sub-treasury other than that with which the running account is kept.

Note.—For accounts of municipalities with sub-treasuries see paragraphs 349 and 350 of the Sub-Treasury Manual.

(4) The amount paid on account of local rate which is ordinarily tendered along with Land Revenue should be taken to the credit of the Zila Parishad. With a view to providing the Zila Parishad with suitable means of ascertaining the receipts on account of local rate, Treasury Officers should send daily to the Zila Parishad Office together with the challans a memorandum showing the local rate credited in the Treasury accounts of the preceding day. Accordingly it is necessary that the treasury should keep a separate record of local rate figures in a rough Dakhila register, each Sub-Treasury being required at the same time to enter local rate receipts separately in its daily Sliha.

(5) If by mistake a sum of money is credited to a wrong Municipality or the amount of a cheque drawn by one Municipality is wrongly charged to the account of another Municipality, the necessary correction should be made by the Treasury in the treasury account of Municipal transactions by a transfer debit and credit. The amount debited to a Municipality, in order to correct an amount wrongly credited to it, or the amount
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wrongly debited to a Municipality which is corrected by a credit entry, should be supported by a certificate of the Treasury Officer, stating fully the circumstances under which the amount has been debited in excess of the aggregate amount of the cheques drawn by the Municipality, and this certificate should be sent to the Accountant-General as a voucher for the excess debit.

(6) Unless it be expressly authorised by law, proceeds of taxes, fines, or other revenue levied or collected by Government may not be appropriated direct to a local fund without passing them through the Consolidated Fund of Government whether or not such taxes, fines, or other revenue, are ear-marked from the start for the purpose of the fund.

(7) Subject to the provisions of relevant Acts and rules made thereunder, adjustments with local bodies in respect of revenue and other money raised or received by Government on their behalf will be made in such manner and on such dates as may be authorised by general or special order of Government.

(b) Plus and Minus Memorandum.

13.5. A plus and minus memorandum should be prepared and submitted to the Accountant-General as prescribed in Articles 110 and 111 of Account Code, Volume II.

Note.—A detail of separate accounts showing the gross total receipts and the gross total disbursements of each Municipal Fund should be sent to the Accountant-General with the cash account and second list of payments. As this detailed statement is in the form of a plus and minus memorandum it is not necessary to show these receipts payments and balances again in the separate plus and minus memorandum.

(c) Verification of Balances.

13.6. The balances at credit of each local fund shall be verified at the end of the year by the Treasury Officer in communication with the officer in charge of the fund, and it is not necessary for the AccountantGeneral to maintain detailed Accounts of receipts and payments for such local funds except where the local fund has a banking account with more than one treasury and separate balances are not maintained by treasuries. The balance on the Accountant General's book is the balance acknowledged by the Government.

(d) Pass Books.

13.7. The provisions of Rules 12.19 and 12.20 relating to maintenance of pass books for personal deposit accounts apply mutatis mutandis to the upkeep of pass books for local funds.

(1) Subsd. vide No. 2/(3)/51-FR[II, dt. 5-5-62.