

GOVERNMENT OF JAMMU & KASHMIR, FINANCE DEPARTMENT

**JAMMU & KASHMIR FINANCIAL CODE
VOLUME-I**

6TH RE-PRINT EDITION

Incorporating Correction Slips upto ending June, 2006

PREFACE TO THE REVISED EDITION 1964

First Edition of Financial Code, Volume I was issued in 1937 in supersession of the Treasury Code, under Government Order No. 215/C of 1937. Its Second Edition was published in 1951 and incorporated amendments made up to that year. The rules and orders contained in this Volume were of executive character, to be observed by all Departments and authorities under Government except where it was indicated that any particular rule would not apply to a particular Department. The book had been out of print now for some time and there was a pressing demand from all quarters to have a new edition of this book.

2. With the coming into force of the Constitution of Jammu and Kashmir, and the subsequent changes in the financial set up of the State, it was not thought advisable to issue another edition of existing rules, as rules and orders contained therein had become in many cases obsolete. It was, therefore, felt that the rules describing the procedure to be followed in remitting moneys into and withdrawals of funds from the treasuries, as contained in "Financial Code, Volume I", be revised and brought up-to date in conformity with the constitutional provisions and present day requirements. Accordingly, the revised edition of "Jammu and Kashmir Financial Code, Volume I" has been prepared. An effort has also been made, in compiling this volume, to improve certain procedures and to rationalise certain rules and conditions applicable to common groups of expenditure like Advances, Grants-in-Aid etc.

3. These rules are issued under section 118 of the Constitution of Jammu and Kashmir and supersede the provisions contained in Financial Code, Volume I (1951 Edition). The appendices and the forms referred to in these rules are contained in Volume II of this compilation.

4. The rules in this book are to be observed by all Departments and authorities under the State Government except to the extent indicated in the rules themselves. In the matter of receipt, custody and disbursement of Government money these rules are supplementary to the rules contained in "Financial Code, Volume II" as amended from time to time (now entitled as "Jammu and Kashmir Treasury Code"-under revision) and should be applied in conjunction with them.

5. The various departmental codes and regulations, which have hitherto functioned as supplementary instructions to these rules, should now be modified to conform to the revised rules and orders in this book.

6. Errors and omissions noticed in these rules may kindly be communicated to the undersigned.

(Sd.) P. N. CHAKU,

Jammu,
The 15th July, 1964.

Secretary to Government,
Finance Department.

JAMMU AND KASHMIR FINANCIAL CODE

VOLUME I

Preface to Second Reprint Edition

This reprint of the Jammu and Kashmir Financial Code, Volume I incorporates amendments ending September, 1976 and has been printed to meet the growing demand for up-to-date copies of the Rules.

Errors and omissions, if any found, may be communicated to Finance Department for further necessary action.

(Sd.) A. M. LANKAR,

**Secretary to Government,
Finance Department.**

**Srinagar,
September, 1976**

JAMMU AND KASHMIR FINANCIAL CODE

VOLUME I

Preface to Third Reprint Edition

This reprint of the Jammu and Kashmir Financial Code, Volume I incorporates amendments ending May, 1980 and has been printed to meet the growing demand for up-to-date copies of the Rules.

Errors and omissions, if any found, may be communicated to Finance Department for further necessary action.

(Sd.) SUSHMA CHOUDHARY,

Secretary to Government,
Finance Department.

Jammu,
March, 1983

JAMMU AND KASHMIR FINANCIAL CODE

VOLUME I

Preface to 4th Reprint Edition

This reprint of the Jammu and Kashmir Financial Code, Volume I incorporates amendments ending December, 1992 and has been printed to meet the growing demand for up-to-date copies of the Rules.

Errors and omissions, if any found, may be communicated to Finance Department for further necessary action.

(Sd.) J. A. KHAN

Addl. Chief Secretary to Government,
Finance Department.

Jammu,
December, 1992

JAMMU AND KASHMIR FINANCIAL CODE

VOLUME I

Preface to 5th Reprint Edition.

This reprint of the Jammu and Kashmir Financial Code, Volume I incorporates amendments ending December, 1997 and has been printed to meet the growing demand for up-to-date copies of the Rules.

Errors and omissions, if any found, may be communicated to Finance Department for further necessary action.

(Sd.) AJIT KUMAR,

**Addl. Chief Secretary to Government,
Finance Department.**

**Srinagar,
December, 1998**

JAMMU AND KASHMIR FINANCIAL CODE

VOLUME I

Preface to 6th Reprint Edition

This reprint of Jammu and Kashmir Financial Code, Volume I incorporates amendments ending June, 2006 and has been printed to meet the growing demand for up-to-date copies of the Rules.

Errors and omissions, if any found, may be communicated to Finance Department for further necessary action.

(B.B. Vyas) IAS

Commissioner Secretary to Govt.,
Finance Department.

Srinagar,
June, 2006

JAMMU AND KASHMIR FINANCIAL CODE

VOLUME I

INTRODUCTION

The Governor is pleased to issue the following rules under section 118 of the Constitution of Jammu and Kashmir.

II. SHORT TITLE AND COMMENCEMENT

These rules may be called "The Jammu and Kashmir Financial Code", and shall come into effect at once.

III. SCOPE AND EXTENT

These rules are to be observed by all Departments and authorities under the State Government except to the extent indicated in the rules themselves.

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CHAPTER I

DEFINITION

1-1. Unless there be anything repugnant in the subject or context, the terms defined in this Chapter are used in these rules in the sense hereby explained.

1-2. 'Accountant General' means the Head of the Office of Audit and Accounts who maintains the Accounts of the Jammu and Kashmir State and exercises Audit functions in relation to those accounts on behalf of the Government of Jammu and Kashmir.

1-3. 'Administrative approval' is the formal acceptance by the Administrative Department (defined below) of a proposal to incur expenditure on works initiated by or connected with requirements of that Department.

In the case of works executed by the Public Works Department, it is in effect an order to that Department to execute a certain specified work at a stated sum to meet the administrative needs of the Department requiring the work.

Note 1.—'Administrative Department' means a department of the Jammu and Kashmir Government.

Note 2.—The administrative approval accorded to a proposal prior to its inclusion in a schedule of New Expenditure or List of Major Works, as the case may be, should be treated merely as a formal acceptance by the department concerned of the proposal to incur expenditure and should, in no way, be treated as a financial sanction which should be issued and communicated to audit, in the usual course, after funds have been voted by the Legislature. The financial sanction will be communicated to him under the signatures of the authority competent to convey such sanction.

1-4. 'Appropriation' means the amount provided in the Budget Estimates for a Unit of Appropriation or the part of that amount placed at the disposal of Disbursing Officer.

1-5. 'The Bank' means the Reserve Bank of India or any office or agency of the Reserve Bank of India including any branch of the State Bank of India acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934.

Note.—Until agreement with the Reserve Bank of India is concluded for the establishment of Government chests the term as used in the rules refers to Banks functioning in the State entrusted with treasury business.

1-6. 'Book Transfer' denotes the process whereby financial transactions which do not involve the giving or receiving of cash or of stock materials, are brought to account. Such transactions usually represent liabilities and assets brought to account either by way of settlement or otherwise but they may also represent corrections and amendments made in Cash Stock or Book Transfer transactions previously taken to account.

1-7. 'Budget Estimates' are the detailed estimates of the receipts and expenditure of a financial year (refer to the Budget Manual).

1-8. 'Comptroller and Auditor General' means the Comptroller and Auditor General of India.

1-9. 'Competent Authority' means Government or any other authority to which the relevant powers may be delegated by the Government.

1-10. 'Consolidated Fund of the State' means the fund as defined in section 115(I) of the Constitution of Jammu and Kashmir into which all revenues received by the Government of the State, loans raised by the Government, by the issue of treasury bills, loans or ways and means advances and moneys received by that Government in repayment of loans are credited, and from which the expenditure of that State when authorised

by the appropriate Legislature is met.

Note 1.—All other public moneys received by or on behalf of the Government of Jammu and Kashmir shall be credited to the 'Public Account of the State of Jammu and Kashmir'.

Note 2.—All moneys received by or deposited with any officer employed in connection with the affairs of the State in his capacity as such, other than revenues or public moneys raised or received by the Government of the State should also be paid into the 'Public Account of the State.'

1-11. 'Contingency Fund of the State' means the fund as defined in section 116 of the Constitution into which shall be paid from time to time, such sums as may be determined by law and placed at the disposal of the Governor to enable advances to be made out of such fund for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by the Legislature of the State by Law under section 82 or 83 of the Constitution.

1-12. 'Constitution' means the Constitution of the State of Jammu and Kashmir.

1-13. 'Contract' means any kind of undertaking, written or verbal, express or implied, by a person, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repairs of one or more works, for the supply of materials, or for the performance of any service in connection with the execution of works or the supply of materials.

1-14. 'Contractor' means a person, syndicate or firm that has made a contract, but the use of this term is often restricted to contractors for the execution of works or for services in connection therewith.

1-15. 'Controlling Officer' means a head of a department or other departmental officer who is entrusted with the responsibility of controlling the incurring of expenditure and/or the collection of revenue by the authorities subordinate to the department.

In relation to receipts and expenditure under any head of account, this term denotes a Government servant designated as such in Kashmir Budget Manual.

1-16. 'Cash' includes legal tender coin, currency and Bank Notes, cheques payable on demand, Reserve Bank Government Drafts and demand drafts and also ten Paisa revenue stamps.

Government securities, deposit receipt of banks, debentures and bonds accepted as security deposit are not treated as cash.

1-17. 'Cheque' means a written order (not expressed to be payable otherwise than on demand) addressed by a person called the 'drawer' to a bank or a treasury to pay a specified sum of money to himself or a third party known as 'payee' and includes a demand draft drawn on any specified bank or banker (including the Reserve Bank of India).

1-18. 'Detailed Contingent Bill' is a bill setting forth the detail of contingent expenditure. Such a bill can either be payable at the treasury termed white D. C. Bill or not payable at the treasury termed Red D. C. Bill. In the later case it is prepared in support of a charge already drawn and is subject to countersignature by a Controlling Authority.

1-19. 'Detailed Head' is a division of a minor head.

1-20. 'Disbursing Officer' means a Government servant who draws money from the treasury on bills or cheques, but excludes a Government servant who is not the Head of an office and draws only his own pay and allowances from the treasury.

1-21. 'Finance Department' means the Finance Department of the Government of Jammu and Kashmir.

1-22. 'Financial Year' means the year beginning on the 1st, of April and ending on the 31st March following.

1-23. 'Government' means the Government of Jammu and Kashmir.

1-24. 'Government Servant' means any person serving in connection with the affairs of the State, whether remunerated by salary or not, and includes every person who is authorized to receive, keep, carry or spend moneys on behalf of the Government.

1-25. 'Head of Department' means any authority declared to be such for purposes of delegation and exercise of administrative and financial powers.

1-26. 'Head of Office' means a Government servant designated as Disbursing Officer or any other Gazetted Government servant declared to be the Head of an office by competent authority.

1-27. 'Inspecting Officer' means a Government servant who is appointed solely or mainly for performing specified duties of inspection which involve touring the State and does not include a Government servant who performs inspection duties occasionally as part of his general supervision of his subordinates.

1-28. 'Local Body' means the authority legally entitled or specifically empowered by Government to administer a local fund and includes a District Board, Municipal Council, Village Panchayat, Trust Board or a Market Committee, constituted under proper authority.

1-29. 'Local Fund' see Chapter XI on local funds.

1-30. 'Major Head' is a main unit of classification of revenue and expenditure in the Government accounts.

1-31. 'Minor Head' is a sub-division of a major head.

1-32. 'Miscellaneous Expenditure' means all expenditure other than that falling under pay and allowances, contingencies and works.

1-33. 'Non-recurring Expenditure' means expenditure sanctioned as lump sum charge whether the money be paid as a lump sum or by instalments.

1-34. 'Proposition statement' means a statement to be submitted to Government setting forth the financial effects of a proposal for establishments.

1-35. 'Primary Units of Appropriation' is a portion of the supply under each minor head which is allotted to a prescribed sub-division of the head as representing one of the primary objects of the supply.

1-36. 'Public account of the State of Jammu and Kashmir' refer to notes below rule 1-10.

1-37. 'Re-appropriation' means the transfer of funds from one unit of appropriation to another such unit.

1-38. 'Recurring Expenditure' means all expenditure which is not non-recurring.

1-39. 'Revenue of the State/Receipts of Government' means and includes all moneys received by a Government servant on behalf of the government not only the proceeds of taxation and the yield of ordinary revenue but also capital receipts, such as, the proceeds of sales of Land, the proceeds of borrowing operations, unfunded debt, and such receipts of a banking or deposit nature as by virtue of any statutory provision or of any general or special executive order of the Government have to be held in the custody of the Government.

1-40. 'Governor' means the Governor of the State of Jammu and Kashmir.

1-41. 'State' means the State of Jammu and Kashmir.

1-42. 'Stores' means all articles and materials (other than cash and documents) which come into the possession of a Government servant for use in the public service.

1-43. 'Subordinate authority' means any authority subordinate to the Administrative Department of the Government.

1-44. 'Treasury' means any treasury in the State and includes a Muffasil Treasury.

1-45. 'Treasury Officer' means the officer in immediate executive charge of a Treasury.

1-46. 'Unit of Appropriation' means the lowest account head under which the Government place a specific appropriation at the disposal of the spending authority concerned. (Refer also to the Budget Manual).

CHAPTER II— GENERAL PRINCIPLES AND RULES

1. DUTIES AS REGARDS CASH AND ACCOUNTS

2-1. (a) Every Government servant is personally responsible, for the money which passes through his hands and for the prompt record of receipts and payments in the relevant account as well as for the correctness of the account in every respect. The private cash or accounts of members of the office or department should not be mixed up with the public cash or accounts.

Note.— All transactions involving the giving or taking of stores, other properties, rights, privileges and concessions which have money values should be brought to account in some suitable form as soon as they occur.

A similar procedure should be followed in the case of bullion, jewellery and other valuables coming into the hands of Government servants in their official capacity.

(b) Every Government servant should realise that the correct maintenance of his accounts is as important a part of his duties as his executive work. A knowledge of the accounts and financial rules relevant to his duties is a necessary part of the equipment of every Government servant through whose hands Government money passes, and he is expected to be sufficiently familiar with financial and accounts rules to keep an adequate check over the clerks or accountants in the office under his control. He should check the accounts as frequently as possible in order to see that his subordinates do not commit fraud, misappropriation of any other irregularity. The Government will hold him personally responsible for any loss that may be found to be due to any neglect of the duties laid upon him by the provisions of this Code. The fact that a Government servant has been misled or deceived by a subordinate, will in no way mitigate his personal responsibility, since every Government servant should be familiar with the financial rules laid down by the Government and exercise a specially

strict and close control over his subordinates in regard to the use of public funds and the maintenance of proper accounts.

II. RECEIPT OF MONEY, ITS CUSTODY AND PAYMENT INTO THE TREASURY

(i) Receipt of Money

2-2. (a) All sums of money which any State Officer receives in his official capacity must immediately be paid in full into the nearest treasury, without any deduction whatever and the amount must immediately be credited by the Treasury Officer to the appropriate head of account. The appropriation of departmental receipts for departmental expenditure is strictly prohibited.

This rule is relaxed in the following cases :—

(i) Money received in Civil, Revenue and Criminal courts on account of the service of summons, diet money of witnesses etc. may be kept for 3 months with the Nazir of the Court for disbursement but a complete account should be kept of such sums and a quarterly certificate in the following form furnished to the Accountant General by the District Judges of the Civil Districts for Civil Courts, the Additional District Magistrates or District Magistrates for the Courts of Revenue Magistrates and the Collectors for Revenue Courts :—

“I certify that I have verified the balance in the hand of the Nazir of my Court and checked the amount of receipts and payments up to and for the quarter ending and that the balance with the Nazir does not include any sum received by him before the commencement of that quarter ; all such old items having either been paid to the claimants or deposited in the treasury. I also certify that a similar certificate has been received in my office from all mufasil and other Civil Courts, District and Tehsil Criminal Courts and Revenue Courts.”

¹[(ii) In the case of Public Works Department where use of cash receipts temporarily for current expenditure is permitted in accordance

1. Inserted vide F. D. Notification SRO-36 dated 1-2-1975.

with the provisions of paragraph 61 of the Jammu and Kashmir Public Works Account Code.

(iii) In the case of Forest Department where under urgent necessity, forest revenue received locally is expended on departmental purposes, as prescribed under Art. 2 of the Code of Instructions, for regulation of Accounts in Forest Department.

¹[(iv) In the case of Milk Supply Scheme revenue receipts may be utilised for refund if any required against the advance payments already realised.

²[(v) In the case of Educational Institutions the revenue realised by them on account of grazing charges from the Orchards and Fields attached to such Institutions may be utilised by the Department for the improvement of their fields and orchards.

³[(b) Money relating to the fees of students in Government educational institutions on extra-curricular activities as detailed below shall be kept within the Government account as deposits :—

1. Students Games Fund
2. Students Library/Reading Room Fund
3. Students Examination Fund
4. Students Union Fund
5. Students Caution Money Fund
6. Any other fund raised locally with the previous approval of the Government.

Each institution will keep one consolidated personal deposit account in the Treasury which will be operated upon by the Head of the Institution. The individual accounts of the fees realized from the students shall be maintained by the Head of the Institution, and expenditure therefrom regulated strictly in accordance with the provisions contained in the rules, if any, sanctioned by the Government for administration of such funds.

1. Inserted vide F. D. Notification SRO-468 dated 9-8-1978.
2. Inserted vide F. D. Notification SRO-398 dated 9-9-1981.
3. Inserted vide F. D. Notification SRO-99 dated 22-3-1966.

Notwithstanding the provisions if any contained in the rules, the fees shall not be utilised for any purpose other than that for which these have been received except with the sanction of Head of the Department concerned. The detailed account will also be subject to audit by the Accountant General.

(c) No Government servant may, unless authorised by general or special orders of Government, receive in his official capacity, moneys which are not creditable either to the Consolidated Fund or the Public Account. Where he is authorised to receive such moneys the following rules should be observed :—

- (i) He must open an account with the Jammu and Kashmir Bank Ltd. for their deposit. Such accounts may be opened without special sanction with a Bank entrusted with Treasury business in the State or its branch or with a Post Office Savings Bank. The prior approval of the Finance Department is required to their deposit elsewhere.
- (ii) The Government Officer receiving such moneys will be personally responsible for seeing that they are disbursed in strict conformity with the rules, regulations or orders governing the fund to which the moneys relate.
- (iii) A precise record of all the transactions should be kept in a form complying with the regulations of the Fund concerned.
- (iv) The accounts are subject to proper audit checks.

Note 1.—See also annexure to this Chapter.

Note 2.—¹[Deleted.]

Note 3.—Moneys tendered as dues of the Government or for deposit in the custody of the Government shall not pass through the hands of a Departmental Officer unnecessarily. Direct payment into the treasury or into the bank by the person who tenders such money shall be insisted on and direct payments arranged whenever this is practicable.

1. Deleted vide F. D. Notification SRO-99 dated 22-3-1966.

(ii) Receipt of Coin, Notes, etc.

2-3. Government dues or other moneys receivable on Government account may ordinarily be realised in legal tender coin or notes only. The conditions of legal tender and the currency of the various denominations of coin and notes are governed by the instructions embodied in the Jammu and Kashmir Treasury Code.

(iii) Grant of Receipts to the Payer

2-4. (i) A Government Officer receiving money on behalf of the Government must give the payer a receipt in Form F. C. 1 unless any special form of receipt is prescribed by departmental regulations to suit the convenience of any particular department or office. The receipt shall be signed by a duly authorised officer who shall satisfy himself at the time of signing the receipt and initialling its counterfoil that the amount has been properly entered in the cash book.

(ii) Where money is realised not in cash but by recovery from a payment made on a bill setting forth full particulars of the deduction, a receipt may be granted only if specially desired by the payer, the fact of the recovery having been made by deduction from the bill being clearly recorded on the receipt.

¹[(iii) All receipts must be written in words and figures and signed in full in the original and such other copies as are required to be given to the tenderer of moneys on challans in Form F. C. 2. Other copies of challans may however, be initialled alone against the amount shown to have been received therein.

(iv) Custody of Receipt Books

2-5. The blank receipt books Form F. C. 1 duly machine numbered must be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of the Government.

2-6. Before a receipt book is brought into use, the number of forms contained therein shall be counted and the result recorded in a

1. Recast vide F. D. Notification SRO-268 dated 8-4-1972.

conspicuous place in the book over the signature of the Government officer incharge of the book. Counterfoils of used receipt book shall be kept in his personal custody.

(v) Cheques tendered in payment of Government dues

2-7. (a) Payment of money into treasury may ordinarily be made in cash but at places where treasury business is conducted by a branch of the Jammu and Kashmir Bank Ltd., cheques on Banks which have clearing accounts with the Jammu and Kashmir Bank Ltd., will be accepted in payment of Government dues or in settlement of other transactions. Such cheques should always be crossed. Until a cheque has been cleared, the Government cannot admit that payment has been received and consequently final receipts will not be granted when a cheque is tendered. A receipt for the actual cheque only will be given in the first instance in the form of preliminary acknowledgement (see Jammu and Kashmir Treasury Code) but if the person making the payment in this manner so desires, a formal receipt will be sent by post to his address after the cheque has been cleared. Collection charges of the Bank, if any, will be recovered by or under instructions of the Bank from party presenting the cheque.

Note.—An Officer remitting a cheque to the Treasury or the Bank for transfer credit in the Consolidated Fund or Public Account must endorse the words 'Received payment by transfer credit to 1[..... on the document. The officer who endorse a cheque in blank shall be held responsible for the loss if by any chance such a cheque is paid in cash.

(b) In the event of the cheque being dishonoured by the bank on presentation, the fact shall be reported at once to the tenderer with a demand for payment in cash and the dishonoured cheque should be returned to the tenderer on surrendering the preliminary acknowledgement of the cheque or any token previously granted. The Government cannot, however, accept any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque has been dishonoured.

1. The Head of Account to which the amount of cheque is creditable be inserted here.

Note.—The challan accompanying the cheque should not be returned to the tenderer when the dishonoured cheque is returned to him but should be retained and destroyed in due course.

(c) Special arrangements will be necessary when Government dues which have to be paid by certain fixed dates are paid by cheque and persons desiring to make such payments in this manner without risk should take all precautions to ensure that their cheques reach the Treasury sufficiently in advance. Cheques received on the last day of payment for Government dues will be liable to be refused and those received late will not be accepted.

¹2-7. (A)—Cheques which are tendered in payments of Government dues and are accepted and honoured on presentation, the payment thereof shall be deemed to have been made—

- (i) if the cheque is handed over to a Government Officer authorised to receive money on behalf of the Government, on the date on which it is so handed over ; or
- (ii) if it is sent by post in pursuance of an instruction to make payment by post, on the date on which the cover containing it is put into the post :

Provide that where a cheque is marked as not payable before a certain date the payment shall not be deemed to have been made until the date on which it becomes due.

(vi) Deposit in the Treasury of Cash Chests and valuables of other Departments.

2-8. No department may require that funds pertaining to it be kept apart from the general treasury balance, or be received for safe custody and kept out of account or be received at all except under ordinary rules.

1. Inserted vide F. D. Notification SRO-370 dated 3-7-1979.

Detailed rules regarding the receipt of departmental cash chest etc. in the treasury for safe custody and the registers to be maintained in this connection are given in Appendix (I).

(vii) Payment of Moneys into the Treasury

2-9. Any person paying money into Government Treasury will present with it a memorandum/Arzirsal in Form F. C. 2 (except where a different form is prescribed under any departmental Regulations) which will show distinctly the nature of the payment and the person or the officer on whose account it is made, and will thus contain all the information necessary for the preparation of the receipt to be given in exchange. The memorandum should be duly classified by officer on whose account the money is paid into the treasury and the receipt should be signed by all the three Accountant, Treasurer and the Treasury Officer.

1. Bound books which contain forms in duplicate should be intended for from the Press. Both copies should be filled and presented at the Treasury. One copy will be returned to the tenderer duly signed as a receipt, and the other retained in the treasury for further action. In cases in which challans in triplicate are required to be presented at the treasury, loose forms should be intended from the Press to supplement the challan book.

2. Duplicate challans are not required when remittances are made to a treasury for obtaining hundies, or when such remittances are accompanied by Remittance and Pass Books in which the Treasury Officer is required to acknowledge the receipt of the remittance.

3. If a person has to pay several sums of money, creditable to the same head of account they may all be entered in a single Arzirsal, provided each item is separately entered, and the nature of each is clearly stated. When moneys are creditable to several heads of accounts separate challans shall as far as possible be used.

Note.—In the case of remittance by money orders to the Treasury the money order coupon, which contains full details of remittances will be the challan in support of the credit and a separate challan is not necessary.

4. If any sum is paid into the treasury on account of the refund of an advance, or excess drawal, full particulars must be given of the date etc. of the original payment, and the challans for such remittances presented in the treasury in triplicate.

5. When money is paid by a private person into a treasury located in the same place as the departmental officer concerned in the payment, the challan will, before presentation to the treasury, be signed by the departmental officer to whose account the money is to be credited. Otherwise the challan shall be tendered in triplicate, one copy of the challan being forwarded by the treasury to the departmental officer.

Note.—A special form of challan has been prescribed for the payment of income-tax into treasuries. The portion which is marked "Original" should be send to the Income-tax Officer concerned.

6. If any unnecessary delay occurs in the receipt of money by a treasury, the fact should be reported by the presenter to the Administrative Officer of the Treasury.

7. No mismatched or mutilated currency Notes or Cheques on Banks will be received by a Treasury, and no coin or notes will be received other than those current from time to time.

Note.—Note 3 under rule 2-2 shall apply here also.

III. MAINTENANCE OF ACCOUNTS CASH BOOKS.

2-10. Save as otherwise expressly provided in these rules or in any authorised departmental regulations, the following rules shall be observed by all Government officers who are required to receive and handle cash :—

(i) Every officer receiving money on behalf of the Government should maintain a cash book in Form F. C. 3.

Note.—The cash book should be bound in convenient volumes and the pages machine-numbered. Before bringing a cash book into use, the head of office or the officer nominated by him should count the number of pages and record a certificate of count on the first page of the cash book.

(ii) All monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check.

¹[*Note.*—In cases where cash or cheque for payment to third party is obtained by a drawing officer by presentation of bills in the Treasury and when it is again remitted into the Treasury/Bank for obtaining a demand draft in favour of the third party, the entries in the Cash Book should relate to the Cash or Cheque received by the drawing officer on presentation of the bill at the Treasury (on receipt side of the Cash Book) and the remittance made into the Treasury or Bank for obtaining demand draft (on the payment side of the Cash Book). The Demand Draft when received, should be entered in a "Register of valuables" to be maintained in Form F. C. 57 and its disposal watched through the said Register. Receipt of the Demand Draft and the payment to the third party through the Demand Draft need not be entered in the Cash Book.]

(iii) The cash book should be closed regularly and completely checked. The head of the office should verify the totalling of the cash book or have this done by some responsible subordinate other than the writer of the cash book, and initial it as correct.

(iv) At the end of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect.

During the absence of the head of the office from headquarters, he may delegate the duty of attesting the cash book and verifying the

cash balance to another Gazetted Officer subordinate to him, or, if there be no such Gazetted Officer under him to his Office Superintendent, Head Clerk or other similar ministerial official or corresponding rank; but he should personally verify the cash balance on his return to headquarters and sign the cash book.

Note.—Whenever, on the contents of the cash chest being counted, the balance as per cash book is found to be incorrect, it must, unless the error can be detected and set right at once, be rectified forthwith by making the necessary receipt or payment entry in the cash book. "To cash found surplus in Chest" or "By cash found deficient in Chest".

The administrative action to be taken on the occurrence of a deficiency and the report to the departmental superior must depend on the nature of each case.

(v) When Government moneys in the custody of Government officer are paid into the Treasury or the Bank, the head of the office making such payments should compare the Treasury Officer's Receipt on the challan with the entry in the cash book before attesting it, and satisfy himself that the amounts have been actually credited into the Treasury or the Bank.

(vi) An erasure or over-writing of any entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The head of the office should initial every such correction and invariably date his initials.

(vii) A Government Officer who handles Government money should not, except with the special sanction of the head of the office, be allowed to handle also in his official capacity money which does not belong to the Government. Where under any special sanction, a Government officer deals with both Government and non-Government money in his official capacity, the Government money should be kept in a cash box separate from the non-Government money and the transactions relating to the latter should be accounted for in a separate set of books and kept entirely out of Government Account.

(viii) The employment of orderlies to fetch or carry money should be discouraged. When it is absolutely necessary to employ them for this

purpose, a man of some length of service and proved trustworthiness should only be selected and, in all cases, when the amount to be handled is large, one or more officials of the Department or guards where available should be sent to accompany the messenger.

Note.—The duties imposed by clauses (ii) to (vi) of this rule on the head of office may be entrusted to a subordinate Gazetted officer nominated by the head of the office for the purpose.

2-11. The counting should be made on the last working day of each month immediately after closing the cash book of the month, but where this is not possible, the cash balance may be counted on the first working day of the following month before any disbursement is made on the date.

Note 1.—The periodical verification of cash in Government treasuries and sub-treasuries is governed by the rules in the Jammu and Kashmir Treasury Code.

Note 2.—In offices having more than one chest the actual balance of cash in each chest should be counted simultaneously. In the case of subordinate offices at out-stations, the head of office or any other Gazetted Government servant named by him will count it whenever he may visit them, and will record a note in the cash book, showing the date of examination and the amount (in words) found.

2-12. At the close of the day while signing the cash book, the head of the office should see that the departmental receipts collected during the day, the utilisation of which towards expenditure is strictly prohibited under rule 2-2(a) *ibid*, are credited into the treasury on the same day or on the morning of the next day at the latest and that there is corresponding entry on the payment side of the cash book.

2-13. When a cheque is drawn by an officer in favour of self or order to replenish the cash chest, its amount should at once be entered as a receipt. This entry must not be delayed until the money has been received after the encashment of the cheque at the treasury.

2-14. All receipts, disbursement and charges of whatever sort, connected with the Public Service, must be and no other may be, shown in the cash book. Sufficient details should be given in the column "particulars" to admit of the main points of each transaction being readily ascertained without reference to the detailed vouchers.

2-15. If a Government servant, who is not in charge of a cash book, receives money on behalf of Government at exceptional times, he should not mix it up with the imprest or any other cash in his charge, but pay or remit, it at the earliest opportunity, to the nearest Government servant having a cash book or direct to a treasury. The acknowledgement of the treasury (with an intimation of the full particulars of the receipt including the date of its realisation) should be forwarded immediately to the next superior officer having a cash book to enable him to make the necessary entries therein. The record of the transactions will be in the correspondence and not in the imprest or other cash account of receiving officer.

IV. PAYMENTS

(i) General Principles and Restrictions relating to Expenditure

2-16. (a) Every Government servant incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Each Head of Department is responsible for enforcing financial order of strict economy at every step. He is responsible for the observance of all financial rules and regulations both by his own office and by subordinate disbursing offices. Among the principles on which emphasis is generally laid are the following :—

(1) Every Government servant is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(2) The expenditure should not be *prima facie* more than the occasion demands.

(3) Money borrowed on the security of allocated revenues should be expended on those objects only for which money is borrowed.

(4) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

(5) Government revenues should not be utilised for the benefit of a particular person or section of the community unless—

(i) the amount of expenditure involved is significant, or

(ii) a claim for the amount could be enforced in a court of law, or

(iii) the expenditure is in pursuance of a recognised policy or custom.

(6) No authority should sanction any expenditure which is likely to involve, at a later date, expenditure beyond its own powers of sanction.

(7) The amount of allowances, such as travelling allowance, granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole a source of profit to the recipients.

(b) In addition to compliance with the canons of financial propriety enunciated above, the authorities incurring expenditure should further see—

(1) that special or general sanction of the competent authority for the expenditure exists;

(2) that necessary funds to cover the charge exists, that expenditure does not exceed these funds, that the authority incurring the expenditure will be responsible for any excess over the sanctioned funds and that expenditure in anticipation of funds is incurred only in authorised cases;

(3) that all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year; that money indisputably payable, should not, as

far as possible, be left unpaid; and that all inevitable payments are ascertained and liquidated at the earliest possible date;

(4) that money actually paid is under no circumstances kept out of account a day longer than is absolutely necessary;

(5) that no money is withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

(ii) Payment of money at a Treasury

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

Note.—The rule in clause (a) above does not authorise the Treasury Officer to refuse payment of bills which do not comply with the provisions of certain articles of this Code, requiring that sanction to certain specified charges should be quoted on the bill; the omission to comply with these provisions being due to the fact that the necessary sanction has not been obtained. The responsibility for incurring such unsanctioned charges rests with the drawing officer, and the Treasury Officer is not authorised to refuse the payment of such bills on the ground that the charges have not been sanctioned.

¹[(b) Grants-in-aid, Contributions etc. sanctioned by Government or by a Head of Department or any other subordinate authority under the

1. Recast vide F. D. Notification SR0-243 dated 9-7-1965-effective from 1-4-1965.

powers delegated to him, should be disbursed at the treasury without the specific authority of the Accountant General, provided that the bills, quoting order sanctioning the grant, are prepared by the grantee and bear signature or countersignature of the sanctioning authority or such other Government officer as may have been nominated in this behalf.

¹[*Note 1.*—The relief bills in favour of dependents of persons killed and those permanently disabled as a result of border raids and bomb explosions shall be prepared by the Secretary to Government, Home Department (and not by the grantee) and shall be disbursed by the Deputy Commissioner concerned.

Note 2.—The term grants-in-aid, contributions etc., includes such class of expenditure as grants to local bodies, religious, charitable or educational institutions, stipends, scholarships, contribution to public exhibitions and fairs and compensations to Government servants for accidental losses etc.

(iii) Drawal of money from the Treasury

(a) Bills

2-18. General instructions regarding the preparation of the bills on which the different classes of charges are drawn, are given in rule 2-27 and the rules regarding method of obtaining money from the Treasury on travelling allowance and contingent bills have been laid down in the relevant chapters.

(b) Cheques

2-19. All payments, which Government servants authorised to draw cheques have to make, should as far as possible, be made by cheques. (See also rule 2-22).

2-20. The following rules relate to cheques :—

(a) ²[The cheque books shall be stocked by the Accountant General who shall on requisition supply these to the Treasury Officers.] Cheque books required by Disbursing Officers authorised to draw on treasuries and sub-treasuries should be obtained by them direct from the treasury concerned. The Treasury Officer, shall supply a cheque book only on receipt of the printed requisition which is inserted in the cheque book towards the end, and never shall more than one cheque book be supplied

1. Inserted vide F. D. Notification SRO-297 dated 15-9-1964 and SRO-425 dated 21-12-1964—effective from 15-9-1964.
2. Inserted vide F. D. Notification SRO-339 dated 19-7-1975

on a single requisition. The requisition must be signed by the officer authorised to draw cheques on the treasury and the cheque books shall, on receipt, be carefully examined by the drawing officer who should count the number of forms contained in each and record a certificate of count on the flyleaf.

(b) Cheques from books obtained from a particular treasury should not be drawn on other treasuries or sub-treasuries of other districts. Before a cheque book is brought into use, all the cheque forms in it shall be marked by a distinguishing letter. Cheques drawn by a drawing officer on a particular treasury shall be distinguished by a different letter from those drawn by the subordinate officers against his drawing accounts on that treasury and also from those drawn by himself on any other treasury or sub-treasury.

(c) A separate cheque book should be used for each Saddar Treasury or Sub-Treasury. Each cheque book must be kept under lock and key in the personal custody of the drawing officer, who when relieved should take a receipt for the correct number of cheques made over to the relieving Government servant. The loss of a cheque book or a blank cheque form shall be notified promptly to the Treasury Officer with whom the disbursing officer concerned has a drawing account.

(d) No advice of the issue of any cheque need be sent to the treasury.

¹(e). All cheques should be written and signed in indelible ink only.

²[There is no objection to preparing and signing a cheque in ball pen.]

³[2-20-A. Where as a result of abolition of an office or re-organisation or withdrawal of cheque drawing powers or otherwise, cheque books containing unused cheque forms are left over, these should be cancelled prominently across each cheque form and counterfoil without the signature of the drawing and disbursing officer and thereafter returned to the Treasury Officer concerned under intimation to the next higher authority. The Treasury Officer shall destroy them by incineration in the presence of Deputy Commissioner after keeping a note of the fact in the relevant records of the treasury under proper attestation and also keep the concerned departmental authority informed.

1. Inserted vide F. D. Notification SRO-91 dated 15-3-1966.
2. Inserted vide F. D. Notification SRO-257 dated 15-5-1980.
3. Inserted vide F. D. Notification SRO-341 dated 30-6-1977.

2-21. As a rule, no cheque should be drawn until it is intended to be paid away, and cheques drawn in favour of contractors and others should be made over to them by the disbursing officer direct ; but the disbursing officer may be assisted in making disbursements by a cashier appointed for the purpose. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disbursing officer.

In such cases, the subordinate should make no entry in any accounts which he keeps, as a payment made by cheque should appear only in the cash account of the disbursing officer who draws the cheque, and the subordinate record will be in his correspondence.

Note 1.—It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of the grant as utilised.

Note 2.—Wherever a cheque is drawn, and entered in the cash book, but not paid out on the day on which it is drawn, a note must be made in the cash book against that entry explaining why it has not been possible to deliver the cheque to the payee.

2-22. As a general rule, cheques shall not be issued for sums less than twenty-five rupees, unless it is permissible under the provisions of any law or a rule having the force of law for the disbursement of these and other charges which naturally are paid in cash e.g., the wages of labourers and of establishment charged directly to works and value payable postage, etc., it is permissible to draw money from time to time from the treasury by cheques to replenish the cash chest. Whether there be a guard or not, the disbursing officer must draw cheques for the minimum of cash actually required to meet current disbursements and if it is found at any time that the balance in hand is larger than is required to meet anticipated expenditure of the next month, or of the next fifteen days, if the treasury is not situated at an inconvenient distance the surplus should be returned into the nearest treasury.

2-23. Cheques remain current for three months only after the month of issue. Thus a cheque bearing date and time in January is payable at any time up to 30th April. If the currency of a cheque should expire owing to its not being presented at the treasury for payment within the period specified above, it may be received back by the drawer who should destroy it and issue a new cheque in lieu of it. The fact of the destruction and the number

and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number and date of the old cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cash book but not in the column for payment, a note being made at the same time against the original entry in the cash book.

2-24. When it is necessary to cancel a cheque, the cancellation should be recorded on the counterfoil, and the cheque if in the drawer's possession, should be destroyed. If the cheque is not in the drawer's possession, he must promptly request the Treasury Officer to stop payment of the cheque and, on ascertaining that payment has been stopped, shall write back the entry in his cash book by exhibiting the amount of the cheque as a minus figure on the payment side in the bank or treasury column. A counter reference should be given in the cash book, against the original, to the second entry of the cheque. A cheque remaining unpaid from any cause for twelve months from the date of its issue should be cancelled and its amount written back in a similar manner.

Note.—Rules 2-23 and 2-24 above apply to Forest, Public Works and other departments which draw money by cheques to the extent these are not repugnant with the provisions contained in the departmental regulations or where it has been specifically so laid down.

2-25. (i) If a Drawing Officer be informed that a cheque drawn by him, has been lost, he shall address the Treasury Officer drawn on, forwarding for signature a certificate in the following form "Certified that Cheque No. dated.....
Rs.....reported by the (the Drawing Officer)
to have been drawn by him on this treasury in favour
.....has not been paid, and will not be
paid if presented hereafter.

.....Treasury.
.....20.....

Treasury Officer"

(ii) If, after search through the lists of cheques paid, the Treasury Officer finds that the cheque has not been cashed, he will sign and return the certificate taking care to note the stoppage of the cheque, a board showing the particulars of stopped cheques being hung up before the clerk concerned. If the original cheque be presented afterwards, the Treasury Officer shall refuse payment and return the cheque to the person presenting it after writing across it "payment stopped".

(iii) The drawing officer on receipt of the certificate duly signed by the Treasury Officer shall enter in his account the original cheque as cancelled, and may issue another.

¹[Note.—The second cheque issued on the treasury in lieu of a cheque alleged to have been lost should not be superscribed by the Drawing Officers with the words such as "Duplicate".

2-26. If a cheque is issued by Government in payment of any sum due by Government and that cheque is honoured on presentation to Government's bankers, payment shall be deemed to be made :—

(a) if the cheque is handed over to the payee or his authorised messenger on the date it is so handed over, or

(b) if it is posted to the payee in pursuance of a request for payment by post, on the date on which the cover containing it is put into the post.

Note 1.—The provisions of clause (b) above apply *mutatis mutandis* to payment made by Government by postal money order or by any other recognised mode of remitting money by post.

Note 2.—Cheques marked as not payable before a particular date should not be charged to the accounts until the date on which they become payable.

(iv) General Instructions regarding preparations and Form of Bill and Vouchers :

2-27. The following general instructions regarding the preparation

1. Inserted vide F. D. Notification SRO-614 dated 4-9-1972.

and form of vouchers should be observed :—

(a) A bill or other voucher presented at the treasury as a claim for the payment of any amount by the Government shall contain particulars of :—

- (1) the nature of the claim,
- (2) the amount claimed,
- (3) the period to which the claim relates if it arises periodically, e.g. a claim for pay and fixed allowances,
- (4) the orders sanctioning the charge, if it was incurred under special orders,
- (5) the authority for any deduction made in the bill,
- (6) the major head, minor head, sub-head and detailed account head to which the charge (or each part of it) is debitible, and
- (7) the allocation of the charge between Governments and Departments, if any, such allocation is necessary.

(b) Vouchers should, as far as possible, be in printed forms in English or Urdu. Where no special form is prescribed, Form F. C. 4 (Payee's receipt) should be used.

When the use of a voucher in any other language is unavoidable a brief abstract should be endorsed in English or Urdu under the signature of the preferring officer stating the amount, the name of the payee and the nature of the payment.

All vouchers must be filled in and signed in ink. ¹[There is no objection to preparing and signing a vouchers in ball pen].

Note.—Bills affixed with the facsimile signature of the authorised officer presented by the following departments and institutions, forming sub-vouchers of the Contingent bills, may be accepted for payment, if otherwise in order :—

1. Posts and Telegraphs Departments, for telegram and trunkcall charges and telephone bills.

1. Inserted vide F. D. Notification SRO-25 dated 15-5-1980.

2. Water Works Department, for water charges.
3. The State Electric Department, for electricity charges.
4. Municipalities, Town and Notified Area and other Local Bodies for any tax, water and electricity charges.

(c) The amount of each voucher (Rupees and Paise) should be always written in words as well as in figures. Care should be taken to have no space for interpolation. When writing the amount in words "Paise" should always be prefixed to the amount as illustrated below :-

- (1) Rs. 600.09 should be written as Rupees six hundred and paise nine only.
- (2) Rs. 38.23 should be written as Rupees thirty-eight and Paise twenty-three only.

(d) All corrections and alterations in the total of a voucher whether made in words or figures should be attested by the full signature of drawing officer with date as many times as such corrections and alterations are made ; similarly, corrections and alterations in the order of payment must be attested in the same way by the Treasury Officer. The space left blank either in the money column or in the column for particulars of the bill should invariably be covered by oblique lines. A note to the effect that the amount of the bill is below a specified amount expressed in whole rupees should invariably be recorded in the body of the bill in red ink. The amount so specified should be a sum slightly in excess of the total amount of the bill. Erasures and overwritings in any bill are absolutely forbidden and must be avoided ; if any correction, be necessary, the incorrect entry should be cancelled neatly in red ink and the correct entry inserted. Each such correction or any interpolation deemed necessary should be authenticated by the drawing officer setting his dated initials against each.

Note .-Important corrections in all encagements for payment at the treasuries, such as changes in the name of the payee, amount payable and the treasury of payment, should be attested by the full signature of the drawing or countersigning officers.

(e) Except when specifically ordered by the Accountant General otherwise, charges against two major heads should not be included in one voucher but the Treasury Officer will not take exception to a voucher on this ground unless the items require different action by him, such as entry in different registers. This order does not apply to the allowances of a Government servant, or of an establishment, as in such a case the whole of the allowances, even if belonging to two or more major heads of account should be drawn on a single bill if they are chargeable wholly to the revenues of the State.

(f) Unless the Government have expressly authorised it in the case of any specified office, no bill or other voucher and no payment order shall be signed by a clerk for the head of the office, even if it is customary for the clerk to sign letters for him when he is absent. No bill or other voucher and no payment order shall be signed with a stamp.

When a claimant or payee is unable to sign his name he may furnish his signature on a bill or other vouchers in the form of a mark or preferably a thumb impression. No payment shall be made on any bill or other voucher so signed unless some person known to the Treasury or Bank, as the case may be, appears with the payee and identifies him and attested his mark or thumb impression in token of its genuineness. Signatures in a vernacular other than Urdu must always be translated.

(g) When any kind of bill is prepared in duplicate or triplicate, only one copy should be signed or countersigned in full, the other copy or copies being initialled. If the previous audit of the Accountant General is required only the original copy shall be sent to that authority.

(h) When the payee sends a messenger to receive payment on a voucher, the signature of the messenger or his thumb impression, if illiterate should also be taken on the voucher as a proof of the messenger having actually received the money on behalf of the payee.

(i) When a rule or order requires that bills of a certain kind shall be countersigned before payment, no such bill shall be presented at the treasury until it has been duly countersigned.

(j) When a bill relates to a charge incurred under a special order of sanction, the particulars of the order shall be entered in the bill, and a copy of it shall be attached to the bill and duly certified to be a true copy by the Government servant who signs the bill.

(k) Dates of payment should, whenever possible, be noted by payees in their acknowledgements on sub- vouchers, acquittance rolls, etc. If, for any reason such as illiteracy or the presentation of receipts in anticipation of payment it is not possible for dates of payments to be noted by the payees the dates, of actual payment should be noted by disbursing officers on the documents under their initials, either separately for each payment or by groups as may be found convenient.

(l) In case in which the endorsement on a bill is unauthorised, incomplete or otherwise irregular, the treasury officer should refuse payment of the bill and return it to the person with a memorandum explaining why payment is refused.

(m) When the drawing officer desires to draw money through a messenger, who is an employee of the office, he should invariably record a separate and clear authority in the following manner to receive payment on his behalf on the body of the bill :-

Pay to (designation) whose specimen signature below, is hereby attested.

Signature of the Messenger.

Signature of the Drawing Officer.

Note 1.—The above endorsement should not be combined with other endorsements on the bills as for example, "Received payment" or "received contents" usually recorded by the drawing officer at the end of the bill. In other words, the drawing officers discharge should be quite separate from the authority to receive payment on their behalf.

Note 2.—The procedure laid down in clause (m) should be followed also when payment has to be made to a firm or private party for service rendered or supplies made to Government.

(v) **Vouchers for Departmental Payments (Payments made out of Departmental Chests) :-**

2-28. As a general rule, every payment, including repayment of money previously lodged with Government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification in the accounts. As far as practicable, the particular form of voucher applicable to the case should be used.

2-29. Every voucher must bear a pay order, signed or initialled and dated by the responsible disbursing officer, specifying the amount payable both in words and figures. All pay orders must be signed by hand and in ink.

Note.—Cashiers and others authorised to make disbursements on passed vouchers should make no payment without a proper pay order of the responsible disbursing officer recorded clearly in ink on the bill or other voucher. No payment should be made on a voucher or order unless it is signed by hand and in ink.

2-30. Every voucher should also bear, or have attached to it, an acknowledgment of the payment, signed by the person by whom, or in whose behalf, the claim is put forward. The acknowledgment shall be taken at the time of the payment.

2-31. In all cases in which it is not possible or expedient to support a payment by a voucher or by the payee's receipt, a certificate of payment prepared in manuscript, signed by the disbursing officer and countersigned,

if necessary, by his superior officer, together with a memorandum explaining the circumstances, should invariably be placed on record and submitted to the Accountant General, where necessary. Full particulars of the claims should invariably be set forth ; and where this necessitates the use of a regular bill form, the certificate itself may be recorded thereon :

Provided however, the obligation to obtain an acknowledgment shall not arise in cases where merely an adjustment bill for 'nil' amount is presented. The Treasury Officers in such cases can incorporate the bill for 'nil' amount in the treasury accounts without obtaining any acknowledgment of payment from the Drawing Officers.

Note 1.—In the case of articles received by Value Payable Post the value payable cover, together with the invoice or bill showing the details of the items paid for, may be accepted as a voucher. The disbursing officer should endorse a note on the cover to the effect that the payment was made through the Post Office and this also covers charges for the money order commission.

Note 2.—A certified copy (marked 'duplicate') of a receipted voucher may be retained by the disbursing officer, should this be necessary to complete the record of his office, but the payee should not be required to sign such a copy or give a duplicate acknowledgment of the payment.

(vi) **Affixation of Receipt Stamp on Vouchers :**

2-32. Receipts for all sums exceeding Rs. 20 must be stamped unless they are exempt from stamp duty in accordance with the provisions of Stamp Act as applicable to Jammu and Kashmir.

The following classes of payments are exempt from stamp duty :—

- (a) Receipts given by or on behalf of Government.
- (b) Receipts on cheques sufficiently stamped.
- (c) Receipts for any payment of money without consideration, such as receipts for grants-in-aid bills, and for fees paid to Barristers-at-law.
- (d) Money paid to a State Officer for State purposes.
- (e) Hundies.
- (f) Cheques drawn by State Public Works and Forest Officers.
- (g) Pay and Travelling allowance bills of Establishment. (For these stamped receipts where necessary or taken on the acquittance rolls or separately) and contingent bills.
- (h) Payment for Indian Government and to other Indian States.
- (i) Money paid to the Co-operative Societies.
- (j) Money paid to Kashmir Valley Food Control Department.
- (k) Receipts endorsed by payees on postal money orders.

Note 1.—In determining whether the receipt obtained in respect of an amount drawn on a bill preferred against Government should be stamped or not, the net amount of the bill and not the gross amount payable should be taken into account.

Note 2.—Cash memoranda which do not contain acknowledgment of the receipt of money from persons named therein are not receipts within the meaning of Stamp Act. Further the mere writing of the purchasers name and address on a cash memo for delivery purposes does not transform it into an acknowledgment

to the purchaser that the money has been paid. Cash memoranda will not therefore be regarded as sub-vouchers in Audit unless they contain an acknowledgment of the receipt of money from the person named therein with stamps affixed when the amount exceeds Rs.20.

(vii) **Withdrawal of Moneys from the Treasury on Government Account:**

2-33. Unless otherwise expressly authorized by any law or rule or order having the force of law, moneys may not be removed from the Public Account for investment or deposit elsewhere without the consent of the Government. Where permission to open a separate account is given, the accounts must be opened with an office of the Jammu and Kashmir Bank Ltd., and where there is no such office, with the post office saving bank or with the previous approval of the Finance Department with any other Bank.

Funds can be withdrawn only if required for immediate disbursement and the expenditure or disbursement authorized under any rule or general or special order of a competent authority.

The practice of withdrawing funds with a view of avoiding lapse of Budget grant and placing such moneys in deposits in the Public Account or with a Bank, is forbidden.

¹[*Exception.*—The Tehsil Education Officers/ Additional Tehsil Education Officers/Principals of Higher Secondary Schools/Colleges of the Education Department may endorse the establishment bills of the staff to the nearest branch of the Jammu and Kashmir Bank for credit of the amount to their official account (current account) with the bank for subsequent drawal by cheques in favour of the Officers Incharge (Head Masters/Head Mistresses) of various pay centers and payees in respect of Colleges/Higher Secondary Schools.

1. Inserted vide F. D. Notification SRO-369 dated : 18-8-1981.

This shall be deemed to have come into effect from 1st June, 1977.

(viii) **Arrears claims.**

¹[2-34

} Deleted

¹[2-35

²[2-36. Delay in payments are opposed to all rules and highly inconvenient and objectionable. Payments of pay and allowances or miscellaneous claims should be preferred immediately after these become due and disbursed to the concerned without any delay. Unless there are cogent reasons to be recorded in writing, no payment should be delayed beyond period of six months after the date of its becoming due. Any payment that may be made by drawing officer six months after its becoming due should invariably be brought to the notice of the controlling officer and reasons of delay explained in detail. The Controlling Officer will watch all such payments and where the reasons explained for delay are not satisfactory the Controlling Officer should bring the same to the notice of the Administrative Department for appropriate action against the concerned. The Administrative Department shall take serious notice of delay in payments and initiate disciplinary action against the concerned and penalise the delinquent officers after observing required formalities.

³*Government Instructions.*—Notwithstanding the deletion of Rules 2-34, 2-35 and other relevant rules relating to pre-audit of arrear claims, there shall be no objection to have any claim of pay, T.A. or miscellaneous nature, where a Head of Office/ Drawing Officer or an individual officer is doubtful about the entitlement to have it pre-audited by the Accountant General before its drawal from the treasury, so as to

1. Deleted *ibid*.

2. Recast vide F. D. Notification SRO-368 dated : 18-8-1981.

3. Inserted vide F. D. Notification SRO-438 dated . 18-10-1982.

avoid any excess drawal which might be retrenched by the A. G. in post audit.

(b) Where an arrear claim is presented at the treasury for payment beyond 6 months from the date it actually fall due, the drawing officer should invariably record a certificate thereon that he has separately explained in detail to controlling officer the reasons for the delay in payment.

¹2.37 All sanctioning authorities should bear in mind the inadvisability of sanctioning claims with retrospective effect. Provision of Rule 17-13 should be observed before issuing of any such sanction which may have retrospective effect.

²2-38. Deleted.

³[2-39. The right of a Government servant travelling allowance including daily allowance is forfeited or deemed to have been relinquished if the claim for it is not preferred within one year from the date on which it became due.

⁴[Note.—Government Instructions No. 2 below article 368 of the J&K C. S. R., apply here also.]

2-40. Claims against Government which are barred by time under any provisions contained in section 3 read with the first schedule of the Jammu and Kashmir Limitation Act IX of 1995 or under any other provision of Law relating to limitation should ordinarily be refused and no claim on account of such a time-barred item should be paid without the sanction of Government. The onus is upon the claimant to establish a claim to special treatment for a time-barred item and it is the duty of the authority against which such a claim is made to refuse the claim until a case for other treatment is made out. All time-barred petty claims are to be rejected forthwith and only important claims of this nature considered.

1 Recast vide F. D. Notification SRO-368 dated : 18-8-1981.

2. Deleted *ibid*.

3. Recast vide F. D. Notification SRO-67 dated : 15-2-1967.

4. Inserted vide F. D. Notification SRO-262 dated : 3-4-1972

¹Deleted.

2-41. All petty claims of Government servants more than three years old other than those affecting his pension and all such claims for whose delayed submission an adequate explanation is not forthcoming should be rejected forthwith.

¹42. Deleted.

2-43. The re-opening of old cases should be deprecated as a fundamental principal. Where, however, such cases are opened as a special case as for instance in relation to the refixation of initial pay in time-scale, the arrears should not be allowed.

1. Explanations deleted.

²*Government Instructions.*—A question has arisen as to what should be the determining factor for treating a case to be an “Old One” for purposes of rule 2-43. It has been decided that a case which has been under correspondence throughout and in which the question of payment arises only when it is decided and final orders passed thereon, will not attract the provisions of rule 2-43. In such cases the payment of arrears if any, due may be paid retrospectively provided that the competent authority who has issued final orders on the disposal of the case specifically mentions the date from which the arrears due as a result of retrospective sanction are to be paid and also records briefly the reasons for payment of such arrears. Such sanction shall not be issued by the competent authority without the previous consent of the Finance Department and in case of disagreement by the Finance Department with the approval of the Cabinet.

1 Deleted vide F. D. Notification SRO-368 dated : 18-8-1981.

2. Inserted vide F. D. Notification SRO-437 dated : 2-9-1974.

Cases may arise where a claim for payment is taken up suddenly after a considerable period, either because the claim was lost sight of before or because the circumstances under which it was withheld and the relevant orders in force at the time to which it pertains are stated to have escaped notice at that time. Such like cases shall be treated as "Old Cases" for purposes of rule 2-43 and their re-opening shall be deprecated. Provided that if any such case affects the future emoluments of an official the case will be re-opened and the pay refixed retrospectively but without payment, of arrears up to the date of refixation.

12.44. Deleted.

(ix) **Check of Charges.**

2.45. Every charge comes up for audit or disposal by the Accountant General/²Director Audit & Inspections Organization of Finance Department who, if the charge is irregular, or is in excess, proceeds to remove the irregularity or recover the excess through the Treasury Officer, usually, however, issuing a warning slip to the Government servant concerned; and, if anything more is due (unless the amount be insignificant) informs the Government servant accordingly, leaving him to prefer the additional claim or not as he thinks proper.

(x) **Audit Objections and Recoveries :**

2.46 (a) Every Government servant must attend promptly to all objections and orders communicated to him by the Accountant General/²Director, Audit and Inspections Organisation of Finance Department by letters, audit memoranda, objection statements etc and return the audit memoranda or reply to objections within a fortnight or send a letter explaining the cause of delay.

1. Deleted vide F. D. Notification SRO-368 dated : 18-8-1981.

2. Substituted vide Notification SRO-54 dated : 9-2-1999

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

(b) (1) When the Accountant General/¹Director, Audit and Inspections Organisation of Finance Department disallows a payment as un-authorized, the Treasury Officer, is bound not only to recover the amount disallowed without listening to any objection or protest, but to refuse to pay it in future till the Accountant General/¹Director, Audit and Inspections Organisation of Finance Department authorises the payment to be resumed. That no warning slip has been received by the officer retrenched, or that, being received, it has been answered, are facts with which the Treasury Officer has no concern.

(2) If a Government servant from whom recovery is ordered is transferred to the jurisdiction of another disbursing officer, the order of recovery should be passed on to that disbursing officer without delay.

(3) A disbursing officer must not, when a retrenchment is ordered enter into any correspondence with either the Accountant General/¹Director, Audit and Inspections Organisation of Finance Department or the officer against whom retrenchment slip has been issued; it is his duty simply and promptly to carry out the orders he has received and to leave the person aggrieved to refer the case to competent authority.

(4) Representations and protests against retrenchment ordered by the Accountant General/¹Director, Audit and Inspections Organisation of Finance Department, will not ordinarily be considered, by the administrative authorities, if submitted later than three months after the date of receipt of the intimation by the aggrieved officer.

(5) Recoveries of excess drawals are ordinarily made at once in full, but if the officer affected has not acted contrary to orders or without due justification, the Accountant General/¹Director, Audit and Inspections, Organisation of Finance Department may recover the excess by instalments of not less than 1/3rd of the salary.

1. Substituted vide Notification SRO-54 dated : 9-2-1999

(6) A register should be maintained at the Treasury and by every other disbursing officer for recording all retrenchments ordered by the Accountant General/¹Director, Audit and Inspections Organisation of Finance Department. It should contain columns specifying the name and office of the person from whom the recovery is to be effected, the nature and amount of the over payment and the method by which the over payment has been adjusted.

(7) If considered desirable, the recovery of a sum retrenched from a pay bill need only be made from the next pay bill and of a sum retrenched from a travelling allowance bill from the next bill of travelling allowance ; but retrenchments of travelling allowances must be recovered in cash or from pay bill when the officer concerned does not within a month present, a travelling allowance claim from which they can be recovered.

(xi) Responsibility for overcharges :

2.47. (a) A drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. He should, therefore, make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that he can be in a position to detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur, such as the stage at which money has been drawn from the Treasury and is lying undisbursed with a subordinate official. To minimise the length of time during which the leakage occurs and the amount of money lying undisbursed, should be one of his first cares.

With a view to enable the head of office to see that all accounts drawn from the treasury have been entered in the Cash Book, he should obtain from the Treasury Officer by the 15th of every month a list of all bills drawn by him during the previous month and trace all the amounts in the Cash Book.

(b) The responsibility of countersigning officers will be that which attaches to all controlling officers and which brings them under liability to make good any loss arising from their culpable negligence.

1. Substituted vide F. D. Notification SRO-54 dated : 9-2-1999

Controlling Officers for their part should regard it as an important part of their duties to inspect the offices of their subordinates and to see to what extent the financial control is a real thing. In particular where periodical inspections are required by the rule, they should be invariably made. Before countersigning bills for expenditure submitted by subordinate officers, they should see whether the expenditure was really necessary, the rates charged are not extravagant, and the payments have been properly vouched for and are covered by Budget appropriation.

(c) The Treasury Officer who makes payment without preaudit will be responsible for checking any culpable errors and (in the case of change of office or of rate of pay of Gazetted Government servants) for passing the new rate with reference to the orders directing the change. He is also required to examine the accuracy of the arithmetical computations in a bill.

Note.—When bills presented for payment contain obvious arithmetical mistakes or trifling mistakes which can easily be corrected, the Treasury Officer should not return such bills but should correct them and pay the corrected amount of the bill. Similarly, where bills contain doubtful items which can easily be eliminated, the Treasury Officer should disallow the doubtful items and pay the remainder of the bill. In all cases the corrections made and the reasons therefor should be intimated to the presenter of the bill and, if necessary, to the Accountant General.

(d) The responsibility for an overcharge shall rest primarily with the drawer of the bill and it is only in the event of culpable negligence on the part of controlling officer or of the Treasury Officer that the question of recovery from either of them may be considered.

(xii) Control over accounts :

2-48. (a) It is not sufficient that a Government servant's accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant General, that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an account is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded as to afford the

requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the *bona fides* of the transactions. It is further essential that the records of payment, measurement and transactions in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts, if required in a court of law.

(b) The responsibilities of disbursing officers, controlling officers and Heads of Departments in regard to the control over expenditure incurred against the grants allotted to them are laid down in the Kashmir Budget Manual.

(xiii) Internal check against irregularities, waste and fraud :

2-49. In the discharge of his ultimate responsibilities for the administration of the appropriation placed at his disposal, every Controlling Officer, must satisfy himself not only that adequate provisions exist within the departmental organizations for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of his subordinate officers and to guard against waste and loss of public money and stores, but also that the prescribed checks are effectively applied.

V. DEFALCATIONS AND LOSSES

(i) Responsibility for losses sustained through Fraud or Negligence of Individuals :

2-50. Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence [see rule 2-16 (a) (i)]. A memorandum regarding (i) general principles to regulate the enforcement of responsibility for losses sustained by Government through fraud or negligence of individuals (ii) the procedure to be followed in prosecutions in respect of the embezzlement of Government money,

and (iii) the procedure to be observed for conducting departmental enquiry is attached as Appendix (2) to this Code.

[(i-a) Exhibition of losses in Government Accounts :

2-50-A. If an amount, once drawn from Treasury is lost through misappropriation, defalcation, embezzlement etc. the same or a part of it cannot be redrawn from any treasury without the sanction of the Government in the Administrative Department concerned with prior concurrence of the Finance Department, pending further action regarding investigation, etc. and its recovery, if any. In each case the amount so sanctioned shall be drawn on Form F. C. 56 without any prior authority of the Accountant General to the Treasury Officer.

In the accounts the amount so redrawn will be classified as a "Special Advance" under the major Head "Departmental Advance in Section T-deposits and Advances Part III advances not bearing interest". The amount, if any, recovered subsequently shall be credited to the above head and the balance, if any under that head, if found irrecoverable shall be written off with the sanction of the authority who sanctioned redrawal and adjusted as a loss under the head of account to which the expenditure of the Department concerned is ordinarily debitable.]

(ii) Report to the Accountant General and the Departmental Superior Authority :

2-51. (a) With the exception noted below, any defalcation or loss of public money, departmental revenue or receipts, stamps, opium stores, or other property, discovered in a Government Treasury or other office or department, which is under the audit of the Accountant General/²Director, Audit and Inspections Organisation of Finance Department should

1. Inserted vide F. D. Notification SRO-133 dated : 12-3-1969

2. Substituted vide F. D. Notification SRO-54 dated : 9-2-1999

immediately be reported by the officer concerned to his immediate superior official as well as to the Accountant General/¹Director, Audit and Inspections, Organisation of Finance Department even when such loss has been made good by the persons responsible for it. It will usually be sufficient if the officer reporting the defalcation or loss to higher authority sends to the Accountant General/¹Director, Audit and inspections, Organisation of Finance Department either a copy of his report or such relevant extracts from it as are sufficient to explain the exact nature of the defalcation or loss and the circumstances which made it possible. Such reports must be submitted as soon as a suspicion arises that there has been a loss ; they must not be delayed while detailed enquiries are made. When the matter has been fully investigated a further and complete report should be submitted of the nature and extent of the loss showing the errors or neglect of rules, by which such loss was rendered possible, and the prospects of effecting recovery. The submission of such report does not debar the local authorities from taking any further action which may be deemed necessary.

If the irregularity be detected by Audit in the first instance, the Accountant General /¹Director, Audit and Inspections, Organisation of Finance Department will report it immediately to the administrative authority concerned, and if he considers necessary to Government as well.

(b) (i) Reports of losses exceeding Rs. 300 should be submitted through the proper channel to the Head of the Department. These reports will be necessary even in cases where the amount involved is less than the limit up to which the officer concerned is competent to write off the loss under Kashmir Book of Financial Powers. The Head of the Department may deal with those reports finally in cases in which the loss involved does not exceed the amount up to which he is competent to write off the loss.

(ii) Reports of a Head of Department for all losses exceeding Rs. 300 each and the reports received by him which he cannot dispose off finally under (i) above should be submitted to Government.

1. Substituted vide F. D. Notification SRO-54 dated : 9-2-1999.

(iii) The above procedure will not apply to cases of losses which disclose defect in rules or procedure the amendment of which would require the orders of higher authorities or the Finance Department and those which disclose serious negligence on the part of any Government servant which may call for disciplinary action by a higher authority or cases which involve any important features which need investigation.

(iv) The submission of reports contemplated in rule 2-50 and clause (a) of this rule will be necessary even in cases of shortages discovered during physical verification of stores made under rule 8-29.

Exemption.—Petty cases that is cases involving losses not exceeding Rs. ¹[500] each need not be reported to the Accountant General/²Director, Audit and Inspections, Organisation of Finance Department unless there are, in any case, important features which merit detailed investigation and consideration.

Note.—The procedure to be followed for investigation of cases of defalcation or losses of public money, departmental revenue etc. instructions as laid down in General Department Circular No. GDB-464/61 (iii) dated 13th September, 1961 are reproduced below for the guidance of Departments :—

- (i) When material losses due to suspected theft, fraud, fire etc., occur in any office/ institution, such cases should invariably be reported to the Police keeping in view the fact that the Police investigation will be increasingly handicapped with lapse of time.
- (ii) For the purpose of above instructions, all losses (excepting the losses due to suspected sabotage) of the assessed value of Rs. 10,000 and more shall be regarded as "material". All cases of suspected sabotage shall be reported to the Police promptly irrespective of the value of loss involved. Losses below Rs. 10,000 should also be sent for Police investigation if departmental action is not effective.

1. Substituted vide F. D. Notification SRO-100 dated . 22-3-1966.

2. Substituted vide F. D. Notification SRO-54 dated . 9-2-1999

- (iii) Once the matter is reported to the Police authorities all concerned should assist the Police in their investigation. A formal investigation report should be obtained from the Police authorities in all cases which are referred to them as above.

(iii) Losses due to natural calamities :

2-52. Any serious loss of the immovable property such as buildings, communication or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, should be reported at once by the departmental officer to the Head of the Department and by the latter to Government. When a full enquiry as to the cause and extent of loss has been made, the detailed report should be sent by the departmental officer concerned to the Head of the Department, a copy of the report or an abstract thereof being simultaneously forwarded to the Accountant General.

Explanation.—(1) (i) For purposes of this rule all losses of immovable property such as buildings etc. caused by fire, flood or any other natural cause exceeding Rs. 5,000 should be treated as “Serious” and that (ii) while losses not exceeding Rs. 5,000 in value should continue to be reported to the Head of the Department (and the Police etc. where necessary), they need not be reported to Government or to the Accountant General whether the cost of restoration is chargeable to maintenance estimates or to some other Head of Account.

- (2) The term “value” for purposes of explanation (i) above will be the book value of the property.

VI. INTER-GOVERNMENT AND INTER-DEPARTMENTAL TRANSACTIONS

2-53. The conditions under which a department of a Government may make charges for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts of the Government concerned are given in Appendix (3) to these rules.

VII. MISCELLANEOUS RULES AND ORDERS

(i) Erasures, Overwriting and Corrections :

2-54. Erasures and overwritings in any account register, schedule or cash book are absolutely forbidden. If any correction be necessary, the incorrect entry should be cancelled neatly in red ink and the correct entry inserted.

Each such correction, or any interpolation deemed necessary should be authenticated by the head of the office setting his dated initials against each.

Special care should be taken by the Treasury Officer as regards all vouchers and accounts showing signs of alterations and if such documents be frequently received from any office, the attention of the head of the office, should be formally drawn to the irregularity (see rule 2-27).

(ii) Issue of Duplicates or Copies of Documents :

2-55. No Government Officer may issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents for the payment of money which has already been paid, on the allegation that the original have been lost. If any necessity arises for such a document, a certificate may be given that on specified day a certain sum on a certain account was received from or paid to a certain person. This prohibition extends only to the issue of duplicates on the allegation that the originals have been lost and does not apply to cases in which by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill or deposit repayment voucher passed by the Drawing Officer/Controlling Officer for presentation at a treasury but lost either before payment or before presentation at a treasury the Government servant who drew the original bill or voucher shall ascertain from the treasury that payment has not been made on the original before he issues a duplicate thereof. The duplicate copy, if issued, must bear distinctly on its face the word “duplicate” written in red ink. If, however, a bill lost had been preaudited by the Accountant General or borne pay order by that officer but was lost before its encashment from the treasury, a detailed report

should be made to the Accountant General who will after ascertaining non-payment of the original pay order issue a fresh pay order by a special letter but such fresh pay orders will not be given within six months from the date of the original pay orders, except in special cases in which payment of the original can be guarded against to the satisfaction of the Accountant General.

¹ [Note.—Note below rule 2-25 applies here also.]

(iii) Prohibition regarding sending of communications at public expenses :

2-56. (a) All references by Government servants on personal matters such as leave, leave salary, pay, increments, funds subscriptions, house-rent, posting etc., must be submitted in covers stamped with ordinarily postage and not with service postage stamps. This rule applies only to the letters of Government servants regarding their own personal matters. When, however, references, are forwarded officially by a superior officer, the letter should be treated like any other official communication.

(b) All telegraphic messages regarding personal matters referred to in clause (a) above or other analogous matters must be paid for by the persons sending them. When a telegraphic reply is required on any such matter the reply should always be pre-paid.

(c) This rule applies also to the use of telephone for trunk calls.

(d) When it comes to the notice of audit that a letter, telegram or trunk call has been made at Government expense instead of at the expense of the officer concerned, recovery should be made from the next pay bill of the officer who should be informed of the reasons for the recovery. If the officer wishes to object to the recovery, he must take up the matter with the Accountant General through his controlling officer, who may, if he desires, obtain the orders of Government through the Head of the Department.

(iv) Call of vouchers from Audit Office :

2-57. Vouchers once received in the Accounts Office will not be returned to the Department except when these are required for investigation purposes

1. Inserted vide F. D. Notification SRO-614 dated : 4-9-1972.

by an investigating officer and a requisition to this effect is received from the Police Department or a Court of Law.

¹ [Explanation 1.—Such documents shall be supplied to the Police Department by the Accounts Officer only on receipt of a requisition from the Inspector General of Police or Dy. Inspector General of Police (Anti-Corruption Department), who will address the Accountant General to handover the documents in original to the Investigating Officer, indicating that the photostat copies would not serve his purposes.]

² [Explanation No. 2.—Where any departmental proceedings have been initiated against a Government servant in respect of any charge criminal or otherwise and the Inquiry Officer requires a copy of the original voucher for the purpose he may address the Accountant General to supply him photostat copy of the required voucher duly attested.

(v) Claims against the Railway for goods lost in transit :

2-58. Government Officers should take due care when ordering goods from or consigning goods to destinations outside the State on Government account and which have to be booked through Railway, to see that the goods so ordered or consigned are, as far as possible, booked at Railway risk by complying with the relevant Railway Rules. Claims for any losses or shortages, should be lodged with the Railway Department immediately and within time. Any default in this respect will render the Government Officer concerned responsible for the loss.

(vi) Departmental check of receipts and disbursements :

2-59. The check of receipts consists in seeing (a) that sums due are received and checked against demand, and (b) that all sums received are brought to credit in the accounts.

As regards (a) it is the revenue collecting authorities alone which can by maintaining proper demand registers ensure that Government receives all sums of money due to it. For (b) also the departmental officers are mainly responsible, the duty of the Audit Office being merely to intimate

1. Inserted vide F. D. Notification SRO-318 dated : 16-6-1969.

2. Inserted vide Notification SRO-410 dated : 21-9-1982.

to them credits in the accounts. For check of disbursements also the duty imposed on the Audit Department is similar to that in the case of receipts.

In order, however, therefore to ensure effective check of receipts and disbursements with a view to guard against interception of receipts and encashment of forged bills, the following instructions are laid down for the guidance of the departmental collecting and disbursing officers and their controlling officers :—

(i) All collecting/dispersing officers should enter all receipts realized and paid into the Treasury and all bills drawn from the Treasury for departmental expenditure in a register.

(ii) The Register will be taken by some responsible person to the treasury once a month, to verify all drawals from and payments into the Treasury with the registers maintained at the Treasury, the fact of verification being noted on the departmental register under his initials and those of the Treasury Accountant.

(iii) The total monthly receipts and expenditure from the verified figures will then be communicated to the controlling officer who will consolidate them in his own office and compare them with the figures received from the Audit Department and reconcile the differences, if any, brought to notice.

VIII. DEPARTMENTAL REGULATIONS

2-60. All Departmental codes, rules or regulations in so far as they embody orders or instructions of a financial character or have important financial bearing should only be issued under the authority of Government, after consultation with the Finance Department.

ANNEXURE TO CHAPTER II

(Referred to in Note 1 to rule 2-2)

The following instructions relate to the maintenance of cash books (Form 3) by officers permitted to handle private funds with the sanction of Government :—

(i) Accounts of funds belonging to private persons and local bodies should be kept entirely separate from those of Government funds. For this purpose a separate cash book for private funds should be maintained on exactly the same lines as the main cash book for Government moneys. Private money should be kept in a separate cash box and not mixed up with Government moneys.

(ii) All cheques received by post should be immediately entered in the cash book under the initials of Head of the Office or Institution.

(iii) The Head of the Office or Institution should keep the cheques in his personal custody and should cash them as soon as disbursement has been arranged. The amount should be disbursed the same day as the cheques are cashed. If any payee after due notification is absent on the day of disbursement, his money should be sent by money order the same day as the cheque is cashed.

(iv) Bills of local firms should be paid in the presence of the Head of the Office or Institution. As regards outside firms money orders should be sent the same day as the cheques are cashed under the signatures of the Heads of Office or Institution.

(v) The Head of the Office or Institution should as far as possible entrust the work connected with private funds to his accounts clerk who will have furnished a security in respect of Government funds placed in his charge.

(vi) All amounts received in cash should be entered in the proper cash book immediately on their receipt and the amounts deposited as far as possible on the same day in the Jammu and Kashmir Bank Ltd. or the Post Office Savings Bank.

(vii) Private moneys taken as deposits or securities and refundable to the private persons should likewise be deposited in the Jammu and Kashmir Bank Ltd. or the Post Office Savings Bank and the pass-book should be hypothecated to the Head of the Office or Institution.

(viii) All officers concerned should supervise the accounts of private money as strictly as those of Government funds as they are personally responsible for their custody and disbursement.

CHAPTER III—CHECK ON REVENUE AND RECEIPTS

1. GENERAL

3-1. It is the duty of the Revenue or the Administrative Department concerned, to see that dues of Government are correctly and promptly assessed, collected and paid into the treasury.

The departmental controlling officers should see that all sums due to Government are regularly and promptly assessed, realised and duly credited into the treasury. They should accordingly arrange to obtain from their subordinates monthly accounts and returns in suitable form (see Chapter 7 Kashmir Budget Manual) claiming credit for so much paid into the treasury and otherwise accounted for and compare them with the statements of treasury credits furnished by the Accountant General to see that the amount reported as collected has been duly credited to the Consolidated Fund or Public Account.

If wrong credits thus come to the notice of the controlling officer, he should at once inform the Accountant General with a view to the correction of the accounts. If any credits are claimed but not found in the accounts, enquiries should be made first of the responsible departmental officer concerned.

Note 1.—For this purpose the Accountant General will send to the departmental controlling officer an extract from his accounts showing the amounts brought to credit in them each month.

Note 2.—It is essential that the departmental accounts of revenue should not be compiled from the returns prepared by the treasury. But the Treasury Officer may be required, where necessary, to verify the returns prepared for submission to the departmental controlling authority.

Note 3.—The reconciliation of differences should be carried out as promptly as possible especially in the case of returns of March so that all corrections may be included in accounts of the year concerned.

Note 4.—In order to minimise the differences between the treasury figures and the departmental figures, it is essential that the challans with which money is remitted to the treasury should bear full and correct accounts classification.

Note 5.—The directions relating to the exhibition of recoveries of expenditure in Government accounts are contained in Chapter 5 of Account Code, Vol. I issued by Comptroller and Auditor General of India.

Note 6.—All Treasury Officers (except of Frontier District) shall supply to the respective Excise and Taxation Officers monthly statements showing the details of Excise Revenue by each treasury receipt for necessary check.

3-2. Detailed rules and procedure regarding assessment, collection, remission etc. of revenue should be laid down in the departmental regulations of the revenue and collecting departments concerned.

Note.—In Departments in which officers are required to receive moneys on behalf of Government and issue receipts therefor in Form F.C.I, the departmental regulations should prescribe the procedure rules for the maintenance of a proper account of the receipt and issue of the receipt books, the number of receipt books to be issued at a time to each officer and check with the officer's accounts of the used books when returned.

3-3. No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be recoverable the orders of competent authority for their adjustment must be sought.

3-4. Unless specially authorised by any rule or orders made by competent authority, no sums may be credited as revenue by debit to a suspense head ; the credit must follow and not precede actual realisation.

3-5. Heads of Departments in charge of important sources of revenue should keep the Finance Department fully informed of the progress of collection of revenue under their control and of all important variations in such collections as compared with the Budget estimates.

II. FINES

3-6. (a) It is the duty of every court or authority having the power to fine to maintain a register giving particulars of every fine imposed by it and see that the money realised reaches the treasury and adequate precautions are taken against double refunds of fines not actually paid into the treasury.

(b) In the case of Magisterial and Judicial Fines, creditable to 014 Administration of Justice, each Court, Civil or Criminal, will submit to the additional District Magistrate of the District or in the case of the Frontier District to the Deputy Commissioner, Frontier District, Ladakh, on the last working day of each calendar month, a statement in the prescribed form showing the demand, collection and balance of fines levied and written off by it as well as refunds therefrom, the statement being made up for the account month of the treasury or sub-treasury with which the Court deals. The Additional District Magistrate/Deputy Commissioner, Frontier District, Ladakh, will consolidate these returns into a monthly statement for the courts under him and his own and compare it with the statement of fines remitted by his own court and the courts subordinate to him into the Sadder Treasury or any of sub-treasuries and accounted for in the treasury account. For this purpose the Sadder or Tehsil Treasury will send to the concerned Additional District Magistrate/Deputy Commissioner, Frontier District, Ladakh, a statement of the fines remitted into it by the various courts under his jurisdiction by the 15th of the month following that to which the remittances pertain. In the event of any discrepancy between the departmental and treasury figures, reconciliations should be ensured with the Treasury Officer concerned direct. All refunds of fines will be subject to the previous certificates of the Sadder/Tehsil Treasury Officer to the effect that the amount of refund claimed has actually been credited into the treasury and accounted for under the concerned Receipt Head.

III. MISCELLANEOUS DEMANDS

3-7. Miscellaneous demands of the State not falling within the ordinary revenue administration are watched by the Accountant General. Such are payments due from other States, local funds, contractors and other towards establishment charges, leave and pension contribution, etc.

IV. INTEREST ON GOVERNMENT SECURITIES

3-8. The interest is realized in India and checked with registers kept by the Finance Department.

V. REMISSION AND ABANDONMENT OF CLAIMS TO REVENUE

3-9. The sanction of the competent authority is necessary for the remission and abandonment of claims to revenue.

3-10. Heads of Departments should submit annually on the first of June to the Accountant General statements showing the remissions of revenue and abandonment of claims to revenue sanctioned during the preceding year by competent authorities in exercise of the powers vested in them otherwise than by law or rule having the force of law. For inclusion in these statements, remissions and abandonments should be classified broadly with reference to the grounds on which they were sanctioned and a total figure given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class. Subject to any general or special order issued by Government, individual remissions below Rs. 100 need not be included in the statement.

VI. RENT OF GOVERNMENT BUILDINGS, LANDS ETC.

3-11. The detailed rules and procedure regarding the demand and recovery of rents of Government buildings and lands, are contained in the departmental regulations of the departments in charge of these buildings.

When the maintenance of any rentable building is entrusted to a Civil Department, other than the Public Works Department, the Head of the Department concerned will be responsible for the due recovery of the rents thereof. The procedure for the assessment and recovery of the rents of such buildings will be regulated generally by the rules applicable to residences under the direct charge of the Public Works Department.

VII. AUDIT OF RECEIPTS

[3-12. It is the duty of the Comptroller and Auditor General, to audit all receipts which are payable into the Consolidated Fund of the State and to satisfy himself that the rules and procedures in that behalf are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed and to make for this purpose such examination of accounts as he thinks fit and report thereon. Regulations for conduct of the Audit by the Comptroller and Auditor General are contained in Annexure 'A' hereto].

1. Recast vide F. D. Notification SRO-298 dated : 22-6-1974.

ANNEXURE 'A' TO CHAPTER III

Regulations for the Conduct of the Audit of Receipts

(Referred to in rule 3-12)

1. It is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to Government, which have to be brought to account are correctly and promptly assessed, realized and credited into Consolidated Fund and any investigation by audit must be so conducted as not to interfere with this executive responsibility. Audit shall, however, have power to examine the correctness of the sums brought to account in respect of receipts of any department in such manner and to such an extent as may be determined by Government in consultation with the Accountant General.

2. In conducting the audit of receipts of any Government Department the chief aim should be to ascertain that adequate regulations and procedure have been framed to secure an effective check on the assessment, collection and proper allocation of revenue and to see by an adequate detailed check that all such regulations and procedure are being observed. In the audit of receipts, ordinarily, the general is more important than the particular.

3. (a) In the audit of receipts it would be necessary in the case of a department, which is a receiver of public money, to ascertain what checks are imposed against the commission of irregularities at the various stages of collection and accounting and to suggest any appropriate improvement in the procedure. Audit might, for instance, suggest in a particular case that a test inspection should be carried out by comparing a sample set of receipt counterfoils with the receipts actually in the hands of the tax-payers or other debtors, the results of such an inspection being made available to audit.

(b) In no case, however, should independent enquiries be made among the tax-payers on the general public. Audit should confine itself to calling upon the executive to furnish necessary information and, in cases of difficulty, it should confer with the administrative authorities concerned as to the best means of obtaining the evidence which it requires.

4.(a) The audit of receipts should be regulated mainly with reference to the statutory provisions or financial rules or orders which may be applicable to the particular receipts involved. If the test check reveals any defects in such rules or orders, the advisability of amendment should be brought to notice.

(b) It is, however, rarely, if ever, the duty of audit to question an authoritative interpretation of such rules or orders, and in no case may audit review a Judicial decision, or a decision given by an Administrative authority in a quasi-judicial capacity. This instruction does not, however, debar the Accountant General from bringing to notice any conclusion deducible from the examination of the results of a number of such decisions.

5. Where any financial rule or order applicable to the case prescribes the scale or periodicity of recoveries, it will be the duty of audit to see, as far as possible, that there is no deviation without proper authority from such scale or periodicity. When this check cannot be exercised centrally, a test audit may be conducted at local inspections, the aim being to secure that disregard of rule or defect of procedure is not such as to lead to leakage of revenue rather than to see that a particular debt due to Government was not realised at all or on due date.

6. Ordinarily Audit will see that no amounts due to Government are left outstanding on its books without sufficient reason. Audit will continue carefully to watch such outstanding and suggest to departmental authorities any feasible means for their recovery. Whenever any dues appear to be irrecoverable, orders for their adjustment should be sought. But unless permitted by any rule or order of a competent authority, no sums may be credited to Government by debit to a suspense head; credit must follow, and not precede, actual realisation.

The procedure prescribed by the Comptroller and Auditor General for raising and pursuing audit objections in relation to expenditure, including powers of Audit Officers to waive recovery of Government dues under certain conditions, shall apply *mutatis mutandis* in respect of audit objections on any account of receipts.

'ANNEXURE 'B' TO CHAPTER III

1. Deleted vide F. D. Notification SRO-298 dated : 22-6-1974.

CHAPTER IV—PAY, ALLOWANCES AND PENSION— GENERAL RULES

I. DUE DATE

¹4-1. (1) The monthly pay and allowances of the Government Servants shall be due for payment on or after last working day of month by the labour of which it is earned except for the month of 'September' and 'March'. For the month of 'September' it shall become due for payment on or after penultimate working day and for the month of 'March' the same shall be disbursed on or after 1st April.

For purposes of check of pay bills at treasuries, these should be presented for payment three to six days, before the last or the penultimate working day of the month as the case may be. In the following cases, separate bills must be presented for pay and allowances or pension due for part of a month and these bills may be paid before the end of the month :—

(a) When a Government servant proceeds out of India on deputation or on leave, or on vacation.

(b) When a Government servant is transferred—

(i) from one department to another, or

(ii) from one Public Works Division to another, and

(iii) From one Audit Circle to another, and

²(iv) Within the Department involving change of Drawing and Disbursing Officers.

³ [Note 1.—If as permitted above, emoluments up to the date of transfer are not drawn before a Government servant proceeds on transfer as also in other cases of transfer, emoluments for the whole of month will be drawn in the new office.

Note 2.—The allocation of charge to the old and the new posts, when the transfer involves change in classification of

1. Recast vide F. D. Notification SRO-183 dated :21-5-1990.

2. Inserted vide F. D. Notification SRO-48 dated : 15-1-1986.

3. Recast vide F. D. Notification SRO-219 dated :12-5-1977.

the charge, should be clearly specified on bills in which the pay of Government servants transferred is drawn for the first time in the new office. This is, however, not necessary in the case of pay and travelling allowance due to Government servant of the Forest Department on his transfer to another circle or division, which should be wholly debited against the appropriation of the new division.

(c) When a Government servant finally quits the service of Government or is transferred to foreign service.

(d) When a Government servant is promoted from non-gazetted to a gazetted post or reverted from a gazetted to a non-gazetted post in circumstances involving transfer from one office to another.

(e) When there is a variation in the rate of a pension consequent on the disbursement of the commuted value of a portion thereof.

¹ [Deleted.]

4-2. Pension fixed at monthly rates are ordinarily payable monthly on or after the first day of the following month. The Treasury Officers, Srinagar and Jammu may, however, for the convenience of the treasury, fix dates on which a particular class of pensioners shall receive their pensions at the treasury.

All charitable allowances which are little more than subsistence allowance, should ordinarily be paid monthly.

²Note 1.—Advance of pay and T.A. on annual move of Government is regulated under rule 14-26 of this Code.

²[Note 2.—Bills relating to pension claims which are presented by the pensioners through their banks or other agents who have executed the requisite indemnity bonds may be accepted at the treasuries during the last four days of the month to which

1. Deleted vide F. D. Notification SRO-219 dated : 12-5-1977.

2. Inserted vide F. D. Notification SRO-617 dated : 4-9-1972.

the claim relates including the month in which a life certificate is required to be produced, the payment for such a month, however being made only on production of life certificate for the particular month.]

¹ [4-2-A. The Government may in special cases relax any other conditions specified in rules 4-1 and 4-2 above.]

II. PAYMENTS ON QUITTING THE SERVICE

4-3. (a) The last payment of pay or allowances shall not be made to, or in respect of, a Government servant whose pay is drawn on gazetted Government servant's bill form, finally quitting the service of the Government by retirement, resignation, dismissal, death or otherwise, or placed under suspension, until the disbursing officer has satisfied himself by reference both to the Accountant General and his own records, that there are no demands outstanding against him. In cases of other Government servants, payments may be made without reference to the Accountant General on the responsibility of the head of the office concerned.

Note 1.—No Demand Certificates should be required in respect of—

- (i) rent due for occupation of Government quarters ;
- (ii) advances of any kind from Government ;
- (iii) recoveries on account of any inadmissible pays or allowances ;
- (iv) any other dues outstanding against a Government servant as such

Note 2.—Dues like electric charges, water tax etc., can be recovered under rules regulating recovery of such dues.

(b) ² [No Demand Certificate in respect of item (i) of Note 1 under sub-para (a) above should be obtained from Director of Estates

¹ Inserted vide F. D. Notification SRO-273 dated : 28-7-1965.

² Recast vide F. D. Notification SRO-408 dated : 29-7-1969.

in respect of Government residential buildings in the cities of Jammu and Srinagar, the Chief Engineer P.W.D. (R&B) in respect of Government residential quarters in Muffasils and the concerned head of office/department in respect of departmental residential quarters.] When a requisition has been made before a Government Officer's retirement and the certificate is not issued within two months from the date of his retirement the Treasury Officer should authorise the last payment of salary without a such certificate provided the retiring officer gives an undertaking (in Form 2 prescribed in Schedule XII of the J&K C.S. Rs.) binding himself to pay from his pension such outstandings if any found subsequently. If the certificate from the concerned Department/Departments is not received within the period of two months, and it may not be possible for the Treasury Officer to effect recovery from the pensioner for one reason or the other, the amount involved shall be recovered from the officer/officers responsible for delaying the issue of the certificate. No such certificate will, however, be necessary in cases in which the Head of the Office or Department certifies that the official never occupied Government residential quarters, but in such cases also the retiring officer will have to furnish an undertaking as specified above.

No Demand Certificates in respect of items (ii), (iii) and (iv) of Note 1 under sub-para (a) above should be obtained from the Head of the Office or Department in which a Government servant served last and the Treasury Officer of the Treasury from which an officer (gazetted) was drawing his salary, and has to be verified by the Accountant General.

¹ [Note.—In respect of No Demand Certificate of Government servants who retire on or after 1st May, 1971, see also article 168-C of Jammu and Kashmir Civil Service Regulations.]

III. DEATH OF PAYEE

4-4. (a) Pay, allowances or pension can be drawn for the day of man's death and the hour at which death takes place has no effect on the claim.

1. Inserted vide F. D. Notification SRO-192 dated : 24-5-1971.

Note.—“Day” for the purpose of this rule should mean a calendar day beginning and ending at mid-night.

(b) Pay and other allowances claimed on behalf of a deceased Government servant may be paid without the production of the usual legal authority :

(1) to the extent of Rs. ¹ 10,000 under the orders of Deputy Commissioner in case of the Muffasil Treasuries and under orders of the Treasury Officer in case of the Sadder Treasuries of Jammu and Srinagar or other officer responsible for the payment after such enquiry into the right and the title of the claimants as may be deemed sufficient.

(2) For the excess over Rs. ¹10,000 under the orders of Government on execution of any indemnity bond with such sureties as it may require, if it is satisfied of the right and title of the claimant and considers that undue delay and hardship would be caused by insisting on the production of letters of administration. Where there are more than one claimants, the share payable to each of them may be shown in the orders of the Government.

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

Note 1.—Forms of Indemnity Bond see Form F. C. 6. The sureties accepted for joining in such bond must be of proved financial ability to meet the obligation undertaken.

Note 2.—The Idemnity Bond in Form F.C. 6 executed by the heirs of deceased Government servant under this rule should be properly stamped.

(3) The rules regarding payment of pensions of deceased pensioners are contained in the Jammu and Kashmir Civil Service Regulations (articles 303-303-A).

¹ The words and figures 10,000 in rule 4.4 (b) (1) (2) substituted vide SRO-224 dated : 28-6-1990.

14-4-A. Notwithstanding the provisions contained in rule 4-4, on the death of a pensioner, pension to his beneficiaries shall be payable for the entire month in which death takes place.

IV. PAYMENT OF DUES OF A GOVERNMENT SERVANT WHOSE WHEREABOUTS ARE UNKNOWN

4-5. Pay, etc., due to a Government servant whose whereabouts are unknown should not be paid till a presumption of death of the Government servant is shown to be justified. Action may be taken (when the presumption of death is shown to be justified) as described in rule 4-4 supra, on the assumption that the Government servant is dead, if any one claims the undisbursed pay, etc., in the capacity of legal heir of the Government servant.

V. PAYMENT OF PAY, LEAVE SALARY ETC. AND DRAWAL OF LEAVE SALARY AND PENSIONS ETC. THROUGH BANKS BY FURNISHING BONDS OF INDEMNITY

PLACE OF PAYMENT

(i) pay and allowances

4-6. (a) subject to any special rule or procedure that may be prescribed by departmental regulations, bills for pay and allowances, are ordinarily payable only at the treasury of the district in which the claim arises ;

(ii) Leave Salary

4-6. (b) (i) Leave salary of non-gazetted officers is paid by the Head of the Office and drawn on ordinary and supplementary establishment bills. The Head of the Office must satisfy himself that the absentee is alive and may remit the leave allowance at the expense of the recipient. The Head of Office is solely responsible for such payments.

(ii) Payment of leave salary of a gazetted officer requires authority of the Accountant General, and can be drawn from that treasury only from which he drew his pay, when last on duty except in case of officers attached to

1. Inserted vide F. D. Notification SRO-33 dated 30-1-1984.

moving offices. A Government Servant who signs his bill himself, when claiming leave salary, must either appear in person at the place of payment or furnish a life certificate signed by a responsible Government Officer or some other well known and trustworthy person. If he draws his leave salary through an authorised agent, the agent must furnish the life certificate aforesaid, or execute a bond as indicated hereinafter to refund over payments under the provisions of the rules.

(iii) When a period of leave is followed by transfer, such portion of the leave salary as could not be drawn at the old station may, however, be drawn at the treasury or office of disbursement from which the pay in respect of the new post is drawn.

(iii) Bills of Inspecting Officers and their Establishment

4.6 (c) (i) A Government Servant whose duty requires him to travel about on inspection shall ordinarily take with him a last pay certificate which will enable him to draw from the nearest treasury or office of disbursement within the circle of his jurisdiction such portion of his pay as may be entered in it at his request, the balance, if any, being drawn at his headquarters.

(ii) When a part of his establishment moves with an inspecting officer, the head of the office may grant a last pay certificate for that part in order to enable him to draw from another treasury or office of disbursement such portion of the pay for it as may be desired the balance, if any, being drawn at headquarters.

(iv) Pay due to Government servants absent out of India.

4.6 (d) If pay or allowance be due in the State to a Government servant absent out of India, he must make his own arrangements to receive it in the State.

(v) Payment of pay and allowances

4.6 (e) (i) pay and allowances may be paid only upon the personal claim of the Government servant concerned, and to his personal receipt and not otherwise.

The Government servant may be allowed to receive payment through a messenger duly authorised by him to receive the money on his account, but there can be no endorsement on the bill to pay any such person, and in such a case, the Government accept no responsibility in respect of money, cheque or draft, that may be handed over to the messenger.

(ii) At his written request or order the pay bill of a Government servant who is permitted to draw his own bills may be made payable to some well known banker or agent, provided that the receipt of the banker or agent shall not be accepted as a final quittance unless the bill itself is duly endorsed in favour of the banker or agent, by means of a distinct pay order. The receipt of the banker or agent, alike if it is recorded in the bill itself or separately, shall be stamped, unless the receipt of the bill has already been duly signed and stamped by the Government servant himself.

(iii) Pay and allowances of a Government servant who is not authorised to draw his own bills may, when he is unable to present himself in person to receive payment, be paid to a banker or agent duly authorised by him to receive the money and give a legal quittance, provided that the banker or the agent holds a legally valid power of attorney to act in his behalf. In the absence of such a power of attorney, the Government servant desiring to receive payment through a banker or agent must furnish the latter with a legal quittance for the money claimed, signed by himself, which will have to be surrendered to the disbursing officer with a letter of authority for the payment to be made. The banker or the agent must also furnish a formal receipt (which need not be stamped) to show that the money has been actually received by him.

Note 1.—A Government servant or any other single person cannot be constituted an 'agent' under rule 4-6 (e) (ii) and (iii) for the purpose of the above rules except when he holds a legally valid power of attorney to act for the Government servant concerned.

Note 2.—When the endorsement on a bill is incomplete or irregular, the procedure laid down in rule 2-27 (i) should be followed. The same procedure applies to payment of cheques as well.

(f) Government servants and pensioners may make arrangements with their agents to draw their leave salary, vacation pay, pension etc. either granting them powers of attorney to enable them to do so or leaving their bills duly signed in the agent's custody for collection; the agents in their turn giving Government a bond of indemnity in Form F.C. 6 as security against any loss in case of overpayment.

Note.—A register of Power of attorney will be kept in Form F.C. 7 by the disbursing officer in case of non-gazetted Government servants and by the Treasury Officer in the case of gazetted officers.

(g) The form of indemnity bond prescribed for use by banks or firms authorised to draw the pay and leave salary of Government servants pensions etc. is given below. The bond of indemnity must be stamped :—

In Consideration of our/their being permitted to draw the leave salary pay/pension of during his absence we (here insert the name of bank) hereby (engage) to refund to Government, on demand, any overpayment that may be made to us/them as his agents/agent.

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

(i) It is not necessary for a separate bond to be entered into for each individual. Such banks as are included in the second schedule to the Reserve Bank of India Act, 1934 (herein after called scheduled banks) may be allowed to execute a general bond in the Form F.C. 6, to cover the pay, leave salary and pensions, etc. of their constituents in general.

Exception.—State Co-operative Banks, State owned/controlled banks, which are not included in the Second Schedule to the Reserve Bank of India Act, 1934, may be allowed by Government in consultation with the Reserve Bank to execute a general bond of indemnity under this rule, provided they undertake commercial banking and their financial position is considered satisfactory.

VI. PROVISIONAL PAYMENT OF PAY ON APPOINTMENT, PROMOTION/TRANSFER TO A NEW POST

¹ [4-7. When due to unavoidable reasons appointment of officers is made in anticipation of sanction to the creation of posts, or where such sanction has expired owing to having been for a limited period of time and is likely to be extended, or where the posts are created but provision for such posts does not exist in the budget, request for provisional payment authority should be made by the Administrative Department to the Accountant General direct. The provisional payment will be authorised for a period of 3 months in the first instance and may be extended up to 6 months at the further request of the Administrative Department, though occasions to extend the provisional payment beyond 3 months should be very rare.

The Accountant General shall issue provisional pay authority on the responsibility of the Administrative Department who will ensure that the sanction to creation of posts etc. is got issued quickly and with retrospective effect.]

² When last pay certificate of an officer transferred/appointed to a new post is not available, the concerned Government servant in such circumstances be allowed to draw pay and allowances provisionally up to a period of three months provided he gives an undertaking that in the event of any excess drawal or outstanding recovery which may come to the notice of the Department after the receipt of last pay certificate, the same shall be refunded by him. Authorising of provisional pay and allowances beyond three months in such cases shall be allowed with the approval of Administrative Department concerned for reasons to be recorded.

Similarly in the case of pensioners who may be re-employed in service and whose re-employment pay and allowances may not be possible to determine for want of details regarding pension and the element of pension equivalent of gratuity etc. the concerned drawing and disbursing officer may allow provisional pay to the re-employed person on his furnishing

1. Recast vide F. D. Notification SRO-85 dated : 10-3-1965.

2. Inserted vide F. D. Notification SRO-282 dated : 15-4-1986.

an undertaking similar to one required in the case of non-receipt of L.P.C. as above. In such cases provisional payment shall be valid for three months.

4-7-A. (a) When a non-gazetted officer is appointed to a gazetted post or a gazetted officer is transferred or promoted from one post to another, the appropriate authority should take action expeditiously to complete the prescribed formalities such as issue of notification, forwarding the charge report, issue of L.P.C. in the case of non-gazetted Government servant fixation of pay etc. ¹ [production of L.P.C. may not be insisted upon at the time of making provisional payment of pay on promotion/transfer to a new post. However production of L.P.C. subsequently will be necessary to regularise the provisional payment].

² [For the purpose of drawal of transit pay and allowances of a Government servant on his promotion from a non-gazetted to gazetted post, an extra copy of the last pay certificate should be sent by the Head of the Office direct to the Audit Officer and on reversion from gazetted post to non-gazetted post, the Treasury Officer shall forward the Last pay Certificate of the official to the Accountant General who will forward the same to the concerned Head of Office duly countersigned.]

(b) When in any particular case, a proper sanction for the post exists but the completion of any of the necessary formalities explained in sub-para (a) above is likely to take some time resulting in delay in the issue of a salary slip to a gazetted Government servant, the Administrative Department concerned, may request, without Finance Department consultation to the Accounts Officer concerned to authorise him provisional payment of pay up to the extent and subject to the conditions mentioned below : —

(i) The officer may be paid provisionally pay at the rate, either of his substantive pay or of the minimum of the scale of pay of the new post plus allowance or allowances except deputation allowance if any, attached thereto whichever is higher. No provisional payment of joining time pay, if any, which may be admissible under the rules, will be authorised.

¹ Inserted vide F. D. Notification SRO-24 dated : 9-7-1965.

² Inserted vide F. D. Notification SRO-85 dated : 10-3-1965.

(ii) The provisional payment should be restricted to a period of two months. In the case of an officer assuming charge of the new post in the later half of any particular month, the provisional payment will be allowed for the broken parts of that month in addition to two months specified above. Cases where provisional payments are required beyond these periods will be referred to the Finance Department for a decision.

(c) The request for authorising provisional payment will be signed by an officer not below the rank of a Secretary, Deputy Secretary or Under Secretary of the Administrative Department.

(d) Provisional payment should be authorised only after the officer concerned has given a declaration in the form given in Annexure to this Chapter which must accompany the request for provisional payment, and in the case of a temporary Government servant, provisional payment will be further subject to the production of a surety of a permanent Government servant holding a post not inferior in rank to the post held by the temporary Government servant.

VII. LAST PAY CERTIFICATE

4-8 (a) When the transfer from one station to another of a gazetted Government servant or a non-gazetted Government servant who draws his salary on the salary bill form of gazetted officers, involves the drawal of his salary from another treasury, he will obtain a Last Pay Certificate in Form F.C. 8 from the Treasury Officer to enable him to draw on the new treasury.

(b) In the case of non-gazetted Government servants the Head of the Office will give the Last Pay Certificate in Form F.C. 8 to the Government servant of his establishment who is transferred or deputed to another establishment. This certificate should be given even when a subordinate is transferred from one establishment to another under the same Head of Office.

Note.—When the Head of an Office is himself a non-gazetted Government servant he should not sign his own Last Pay Certificate but should obtain one from the disbursing officer. The certificate should state

that the Government servant has received pay up to (date inclusive) and that from..... (date) he ceased to draw pay, on account of, etc.

¹ [(ii) This rule does not apply to gazetted Government servants moving from Srinagar to Jammu and vice versa with the Government at the time of move of Headquarters. They shall on presenting of their first salary claim at Jammu/Srinagar treasury, after move of offices to that place record the following certificate on the bill :—

“Certified that my salary stand authorised by the Accountant General vide his latest salary slip No. dated at Rs. up to on Srinagar/Jammu Treasury and that I drew my salary, allowances last for from Srinagar/Jammu Treasury on at”

(c) A Treasury Officer (or the Head of Office in the case of a non-gazetted Government servant) should on no account disburse any pay or allowances to a Government servant to whom he has granted a last pay certificate unless the certificate is first surrendered.

(i) The Last Pay Certificate also provides for noting details of deductions for Insurance, etc., although the Government servant, preparing the bills is responsible for the correctness ; but the Disbursing Officer is responsible not only for entering in the certificate all demands against the relieved Government servant of which he may have received notice before granting the certificate, but also for passing on any demand of which he may afterwards receive notice to the Treasury or Office, as the case may be, from which the Government servant will in future draw pay.

(ii) The blank spaces in the printed form of the certificate should be carefully filled up to enable the Accountant General to use and record the particulars without further reference.

¹ H.O. vide F. D. Notification SRO-10 dated : 5-1-1967.

(iii) Amounts recoverable under attachment orders issued on the Treasury Officer or the Disbursing Officer as the case may be, should be noted on the Last Pay Certificate of a Government servant transferred to another district. In such cases, the Treasury Officer or the Disbursing Officer, as the case may be on whom the attachment order is issued should inform the court also that he has no longer in his hands any salary of the judgement debtor who has been transferred to

(iv) The Last Pay Certificate of a Government servant who is transferred or is proceeding on leave should not be issued until the date and hour of making over charge are known to the Treasury or other Government servant who has to issue the certificate.

(v) If the applicant for pension is no longer in active service a Last Pay Certificate shall be attached to the application. In other cases, the L.P.C. shall be furnished to the Audit Office later separately, immediately after his retirement. In case of Anticipatory pensions, however, the production of L.P.C. shall not be necessary.

VIII. DEDUCTION FROM BILLS

(i) Funds deduction

4-9. The duty of noting proper deductions to be made from pay bills on account of Provident, State Insurance and other Funds shall devolve on the drawer of the bill, but no discretion is allowed in carrying out any order received from the Accountant General to make any particular deduction.

Note.—Particulars of deductions should be given in the respective schedules without which no salary or establishment pay bill shall be entertained or passed for payment at a treasury or a divisional chest [see sub-clause (f) of rule 12-7]. In the case of premia for State Life Insurance Fund printed form (Form No. L.I. 3) should be used for scheduling the recoveries made on account of premia for State Life Insurance Fund. Full details showing the correct number of the Policy, the name of the Government servant and the amount of the premia should be furnished in support of each item of recovery and if the amount represent the total premia on

several policies, the number of each Policy should be noted so that the Life Insurance Branch of the Finance Department may be able to deal with recoveries without further correspondence with the Drawing Officer. The subscriber should see that proper deduction is made from the bills, though the responsibility of making the necessary deductions regularly and correctly devolves upon the Drawing Officers of the bills. Same procedure should be adopted in case of Provident Fund deductions which should appear in printed Form F.C. 9.

(ii) Deductions of Taxes on Income

4-10. Deductions from salary and establishment bills on account of income-tax (and super-tax) shall be made strictly in accordance with the relevant provisions of the Income-Tax Act, as modified from time to time.

Note 1.—Schedule of Income-tax deduction should be appended to the monthly pay bill.

Note 2.—A Statement of Income-tax deductions made during the assessment year should be enclosed with the pay bill for February.

(iii) House Rent Deductions

4-11. (1) When demands for rent of public buildings recoverable from Government servants are received from the Public Works Divisional Officer or any other authority in charge of such buildings, the Government servants who draw their own salary bills, and Heads of Offices in the case of non-gazetted Government servants, shall make the necessary deductions as specified in the demands from the next bill in which pay is drawn unless the payment is made in cash in the treasury or the divisional chest. After the recovery has been made, one copy of the demand statement which will be rendered in triplicate shall be returned to the authority from which it was received after noting the amounts recovered and recording the certificate to the effect if the recoveries are in order, that the recovery has been made and emoluments are correct. The other two copies should be attached to the bill from which the recovery has been made. In noting the deductions in the bills, the head of account to be credited and other

particulars as given in the demand statement must be shown.

(2) If the rent recoverable from a Government servant is limited to a certain percentage of the emoluments of the Government servant the particulars of such emoluments shall be noted in the remarks column of the demand statement, before its return. Where, after the return of the demand statement the emoluments of a Government servant are changed retrospectively such changes shall either be shown in the next demand statement or intimated to the authority concerned by a special letter.

(3) Notwithstanding anything contained in this rule the recovery of rents from Government servants of the Central Government in respect of public buildings belonging to the state may be made in accordance with such procedure as may be prescribed by the Government.

(4) The provisions of this rule apply also to other charges, e.g., additional rent recoverable for furniture, electric, water, heating and sanitary installations, charges for cost of water, electric energy, etc., which may under the orders of competent authority, be recovered the same way as, and together with, rents of buildings proper.

Note.—Details of deductions should be given in the rent deduction schedule.

IX. ATTACHMENT OF PAY AND ALLOWANCES ETC. FOR DEBT

(i) Pay and Allowances

4-12. (a) When the pay of a Government servant is attached by an order of a Court of Law, it is the duty of the officer receiving the attachment order to see that proper deduction is made in satisfaction of such order from the pay of the Government servant concerned.

Note.—The extent to which the emoluments of a Government servant are exempt from attachment for debt is laid down in section 60 of the Code of Civil Procedure Svt. 1977 (Annexure B).

(b) The following instructions should be observed in recovering amounts from Government servants on account of attached orders issued by courts :—

(1) The maximum amount attachable by a civil court is to be calculated on the gross amount earned and not what remains after satisfying any debt due to Government on account of any advances taken under rule. Thus if the total gross emoluments earned by the Government servant represented by X, and the allowances declared to be exempted from attachment [vide note under sub-para (a) above] and, if the Government servant is under suspension any subsistence grant or allowance made to him, represented by Y, the net amount attachable, if any, is $[(X-Y)/2]-50$.

(2) Any deductions which may have to be made on account of subscriptions to Provident Funds recognised by Government, taxes on income payable by the Government servant and debts due to Government should be made from the non-attachable portion of the Government servant's salary.

(3) Recoveries in satisfaction of attachment orders should be made in the order in which they are received and should be made by the Head of the Office in the case of non-gazetted Government servants, and Treasury Officers in the case of gazetted Government servants.

Note 1.—The cost, if any, or remittance to a court, of money under its attachment order shall be deducted from the amount realised and the net amount remitted to the court.

Note 2.—In case in which a judgment-debtor does not sign the acquittance roll and intentionally allows his pay to remain undischarged, or the judgment debtor, being a gazetted Government servant or not being a gazetted Government servant but being permitted to draw his salary on a separate salary bill, refrains from preparing his salary bill and drawing his pay regularly, in order to evade payment on account of an attachment order issued by a Court of Law, the Head of the Office, or in the case of a gazetted Government servant or of a Government servant treated in this respect like a gazetted Government servant, the Administrative Officer

of the department concerned may draw the salary of the judgment-debtor, in satisfaction of the attachment order subject to the prescribed restrictions and remit the amount to the court concerned.

The amounts drawn as above shall be treated in the accounts in the same way as leave salary, or pay drawn by the Government servant concerned the particulars of the attachment order being cited in the pay bill or the acquittance roll, as the case may be, as an authority for the charge, and the court's receipt for the amount shall be filed with the attachment register or such other suitable record as may be kept by the drawing officer.

(ii) Pensions

4-13. For liability of pensions to attachment by a Civil court see Article 302, Jammu and Kashmir Civil Service Regulations.

X. COMMUNICATION TO AUDIT THE ORDERS AFFECTING PAY ETC.

4-14. (a) Orders affecting the personal emoluments, posting, leave etc. of gazetted Government servants only should be communicated to the Accountant General by the sanctioning authorities. If, however, an order affecting a gazetted Government servant is notified in the Gazette, a separate intimation to Audit, by a letter shall still be necessary.

(b) Changes in the personnel of subordinate establishments and in their emoluments should be indicated in establishment bills and absentee statements by the authorities preparing those documents, who are responsible to see that orders of competent authority are obtained in each case as required by the rules. Orders of a special nature authorising the grant to a non-gazetted Government servant (or ordering the discontinuance) of any increase in the emoluments or otherwise affecting the emoluments admissible to him against the sanctioned pay of the appointment which he holds should, however, be communicated to the Audit Office by letters.

(c) All orders revising sanctioned scales or sanctioning the creation or abolition of permanent or temporary posts, should at once be communicated by letters to the Accountant General.

XI. MAINTENANCE OF REGISTER OF SUBSCRIBERS TO G.P. FUND AND STATE INSURANCE FUND

4-15. For procedure relating to the maintenance of Registers of subscribers to (i) G.P. Fund and (ii) State Insurance Fund, see Annexure 'C' to this Chapter.

XII. TRANSFER OF CHARGE

4-16. When an officer, who usually draws or countersign bills payable at a treasury, makes over charge of his office to another, he should send a specimen of the Relieving Officer's signature to the Treasury Officer in order that the latter may satisfy himself as to the validity of the bills presented by him. The specimen signature should not be sent on a separate blank paper but in a letter informing the Treasury Officer of the change of the office. Both the officer relieved and officer relieving should sign one after another.

Note 1.—In case of a non-gazetted Government servant taking over charge from a Government servant who usually draws and countersigns bills, a special authority from the Accountant General on the Treasury Officer is essential for honouring his signatures.

Note 2.—If a Drawing Officer is on casual leave or out of station on Government duty for a few days, he may authorise a gazetted Government servant subordinate to him, to draw bills from the treasury and send an intimation to that effect to the Treasury Officer concerned. In case the Drawing Officer is the only gazetted Government servant in the office, he may request his superior officer to sign bills on his behalf in case of emergency notifying the intention to the Treasury Officer concerned. In either case the Government servant going out of the station should produce the specimen signature of the Government servant whom he proposes, to draw bills on his behalf and send the same to the Treasury Officer for his guidance.

¹ When the above arrangements are made due to his (Drawing Officer) Temporary absence from headquarters on account of leave or tour, he should immediately on return check that the bills passed and cheques issued by nominated officer during the period of his absence are correct, the payment have been properly accounted for and record a certificate to this effect in the Cash Book. Similar action may also be taken in case arrangements are made due to his transfer, but in that case, the prescribed verification etc. may be made by the successor officer soon after he takes over new charge.

4-17. In the transfer of charge the following points should be observed :—

1. The cash book (or where no cash book is maintained, acquittance rolls), contingent register and imprest account should be closed on the date of transfer and a note recorded in it over the signature of both the relieved and relieving Government servant showing the cash and imprest balances, and the number of unused cheques, if any, made over and received in transfer by them respectively.

2. The relieving Government servant in reporting that the transfer has been completed should bring to notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count the cash, inspect the stores, count, weigh and measure certain selected articles in order to test the accuracy of the returns. He should also describe the state of the records.

3. In the case of any sudden casualty occurring or an emergent necessity arising for a Government servant to quit his charge, the next senior Government servant of the department present will take charge. When the person who takes charge is not a gazetted Government servant he must at once report the circumstances to his nearest departmental superior and obtain orders as to the cash in hand, if any.

XIII. RECOVERY OF GOVERNMENT DUES

4-18. Government servants who purchase articles on credit from Departments of the State for their own use should pay for them

1. Inserted vide F. D. Notification SRO-391 dated : 24-7-1980

punctually. In cases where the Head of a Department or other officer considers that it is necessary to recover from the salary or pension of a Government servant any amount in adjustment of his dues to Government or to any concern belonging to Government when such dues relate to transaction in his private and individual capacity, a special reference should be made to Government. Without the special orders of Government no such recoveries can be effected from the pay or pension of the Government servant. This rule applies also to cases in which Government servants stand as security for others and the bill for charges is not paid either by them or by the purchasers.

(1) Arrears of Income-tax will be recovered from the salary or pension of the Government servants concerned on requisitions from Income-Tax Officers.

(2) Dues in respect of sales from the Jail Manufactory may be recovered from the salary of the Government servants concerned.

4-19. For recovery of Government dues from the subsistence allowance granted to a Government servant under suspension, see note 3 to Art.108 J&K C.S. Rs.

XIV. CREATION OF APPOINTMENTS

4-20. Creation of posts, permanent or temporary requires Government sanction except where such powers have been delegated to lower authority.

ANNEXURE 'A'

(Referred to in rule 4-7)

I, Shri/ Shrimati hereby declare that duty pay was last drawn by me at the rate of Rs..... (rupees only) in the scale of Rs..... up to and for and my substantive pay is Rs. in the scale of Rs. from

I also declare that deductions and recoveries to be made from my pay bill are as detailed below :—

Deductions :

General Provident Fund	Rs.	p. m.
S.L. I. Premium	Rs.	p. m.
Income-tax (average monthly rate)	Rs.	p. m.

Recoveries :

1.Installment of recovery towards motor car/cycle advance	Rs.	p. m.
2.Housing Building Advance	Rs.	p. m.
3.Advance from G.P. Fund	Rs.	p. m.
4.Advance of pay	Rs.	p. m.
5.Loan under M.I.G.H. or I.I.G.H. Schemes	Rs.	p. m.
6.Advance of T. A.		

Signature and Designation

ANNEXURE 'B'

(SECTION 60 OF THE CODE OF CIVIL PROCEDURE, SVT, 1977)

Attachment (Referred to in rule 4-12)

Property liable to attachment and sale in execution of decree

60. (1) The following property is liable to attachment and sale in execution of a decree, namely, lands, houses or other buildings, goods, money, bank notes, cheques, bills of exchange, hundies, promissory notes, Government securities, bonds or other securities for money, debts shares in a corporation and save as hereinafter mentioned, all other saleable property, movable or immovable, belonging to the judgment-debtor, or over which, or the profits or which, he has a disposing power which he may exercise for his own benefit, whether the same be held in the name of the judgment-debtor or by another person in trust for him or on his behalf :

Provided that the following particulars shall not be liable to such attachment or sale, namely :—

(a) the necessary wearing-apparel, cooking vessels, beds and bedding of the judgment-debtor, his wife and children, and such personal ornament, as in accordance with religious usage, cannot be parted with by any women ; such as the gold nosering of a women during coverture ;

(b) tools of artisans, and where the judgment-debtor is an agriculturist, his implement of husbandry and such cattle and seedgrain as may in the opinion of the court, be necessary to enable him to earn his livelihood as such, and such portion of agricultural produce or of any class of agricultural produce as may have been declared to be free from liability under the provisions of the next following section ;

(bb) one milch cow and her calf, (the latter only so long as it is necessary for milching the cow) ;

(c) the residential house and houses used for agricultural purposes (which the materials and the sites thereof and the land immediately

appurtenant thereto and necessary for their enjoyment) belonging to an agriculturist ;

(c-1) houses, of Kamins of a village ;

(c-2) Araziat maqbuza assamain marusi wa malikan ; but not an arzi malyari Sagzari in Srinagar, which is exempted from payment of revenue ;

(Explanation.—Araziat muqbuza assamian marusi wa malikan include land held by owners and occupancy tenants whether cultivated directly or through tenants-at-will.)

(c-3) such portion of the house sought to be attached as may be necessary for the residence of the widow of a judgment-debtor :

Provided, firstly, that accommodation is not available in some other house forming part of the estate of the deceased ;

Secondly, that the reservation is to be only for life-time of the widow and during her widowhood and that she would have no right to make any transfer by mortgage, sale or otherwise.

(c-4) A Gharat or water mill or grinding corn ;

(c-5) A Kathar or a Sandug-i-shali ;

(d) books of account ;

(e) a mere right to due for damages ;

(f) any right of personal service ;

(g) stipends and gratuities allowed to pensioners of the Government and political pensions ;

(h) allowances (being less than salary) of any public officer or of any servant of a railway company or local authority while absent from duty ;

(i) the salary or allowances equal to salary of any such public officer or servant as is referred to in clause (h), while on duty, to the extent of —

(I) the whole of the salary, where the salary does not exceed (thirty) rupees monthly, or where it is the salary of a village Patwari, Kanungo or Zaildar or other village officer ;

(II) (thirty) rupees monthly, where the salary exceeds (thirty) rupees and does not exceed (sixty) rupees monthly ; and

(III) one moiety of the salary in any other case ; (provided that where the whole or any part of the portion of such salary liable to attachment has been under attachment whether continuously or intermittently for a total period of 24 months such portion shall be exempt from attachment until the expiry of a further period of 12 months)

(j) Omitted.

(k) Omitted.

(l) the wages of labourers and domestic servants whether payable in money or in kind ;

(m) an expectancy of succession by survivorship or other merely contingent or possible right or interest ;

(n) a right to future maintenance ;

(o) Omitted.

(p) where the judgment-debtor is a person liable for the payment of land revenue, any mobile property which, under any law for the time being applicable to him, is exempt from sale for the recovery of an arrear of such revenue.

(q) one moiety of the Illaqa or Jagir income of any Illaqadar or Jagirdar ;

Explanation.—The particulars mentioned in clauses (g), (h), (i) and (j) are exempt from attachment or sale whether before or after they are actually payable.

(2) Nothing in this section shall be deemed :—

(a) to exempt houses and other buildings (with the materials and the sites thereof and the lands immediately appurtenant thereto and necessary for their enjoyment) from attachment or sale in execution of decrees for rent of any such house, building, site or land, or

(b) to effect the provision of the standing orders for the Kashmir Army or of any similar law for the time being in force.

ANNEXURE 'C' TO CHAPTER IV

Subject :—Maintenance of registers of subscribers of G. P. Fund, State Insurance Fund and Postal Insurance Fund.

(Referred to in rule 4-15)

It has come to notice that the schedules of deductions on account of G. P. Fund, State Insurance Fund and Postal Life Insurance do not contain in a number of cases, sufficient details of the names and account numbers of subscribers with the result that a number of items remain unposted in the ledgers of the Audit Office, Finance Department and of the Deputy Director, Postal Life Insurance. To overcome this difficulty it is notified to all drawing and disbursing officers that the list of subscribers to (i) G. P. Fund, (ii) State Insurance Fund ; and (iii) Post Life Insurance Fund, if any may be maintained in a register in the Form F. C. 10. The Instructions for maintenance of the registers and preparation of the monthly schedules to be attached with pay bills are detailed below which may also be strictly adhered to.

Procedure for maintenance of registers of subscribers to (i) G. P. Fund, (ii) State Insurance Fund, and (iii) Postal Life Insurance.

All the drawing officers should maintain in Form F. C. 10 a corrected and up to date register of subscribers to G. P. Fund/State Insurance Fund/Postal Life Insurance under their control. The name of the subscribers to G. P. Fund/State Insurance Fund/Postal Life Insurance should be noted in alphabetical order according to surnames, leaving sufficient space between two entries to enable "new comers" name being inserted in the right place. A separate entry should be made in the register for each policy in the case of policy holders having more than one policy. On receipt of an intimation from the Accounts Officer about the acceptance of a proposal in favour of a subscriber authorising the drawing officer to commence recovery from pay or on receipt of a Last Pay Certificate in respect of a subscriber

transferred from another office the drawing officer should make a note of the particulars of the policy in the register. The name of the office from which the subscriber has been transferred should invariably be noted in the remarks column. Whenever a subscriber is transferred to another office or his policy is discharged his name should be scored out from the register, giving necessary remarks, regarding discharge of policy or indicating the office to which the subscriber or insurant has been transferred as the case may be.

2. After the preparation of the monthly bill but before its encashment the bill clerk should check up the recoveries shown in the bills on account of G. P. Fund, State Insurance Fund and Postal Life Insurance with the register to see that the recoveries have been made from all the subscribers and the correct amount has been recovered. This check will discover the cases of omissions to make recovery as well as cases of noting of recoveries in a wrong column of the pay bill. The amounts of the recovery shown in the bills should be posted in the monthly column in the register with proper reference to the bills or the vouchers, reasons for short, excess or non-recovery being briefly noted in the remarks column. Extracts of this register should then be made out in the schedules. The schedule should be attached to the relevant bills in support of the recoveries.

3. While taking extracts it should be seen that the names of those insurants from whom recoveries were made in the previous months but no recoveries have been made during the current month either on account of transfer or discharge of that policy or on account of leave salary being not drawn or the official being on leave without pay, should be included in the current month's schedule with necessary remarks noted against their names. Similarly the remarks "New Subscriber" or 'New Policy' or 'Transferred fromOffice' should be given in the schedule against the names of subscribers entered for the first time in current month. Reasons for short or excess recoveries should be noted briefly in the remarks column. In short schedule of recoveries to be attached to the bills, would be a record not only of those from whom the recovery has actually been effected but also of those from whom recovery was being effected previously but has not now been effected.

In case of double recoveries or late recoveries, the reasons for late drawal of pay or pension together with an indication of the month of

pay or pension from which premium has been recovered, should be recorded in the remarks column.

This information is absolutely necessary to determine the liability of the insurant to pay fine or interest and the currency of the policy.

4. Though each policy of the insurant will be entered separately in the register and the schedule, the total amount recoverable monthly from each policy holder on account of all policies should be shown in the register by bracketing all the policies. This will serve as a guide for preparation of monthly bills where recoveries in respect of each policy cannot be shown separately. This total in the register should be kept corrected up to date on additions of new policies and exist of old ones.

Note.—For maintenance of detailed accounts of G. P. Fund, of inferior subscribers, refer to instructions contained in Appendix XIV.

CHAPTER V—PAY, ALLOWANCES ETC. OF GAZETTED GOVERNMENT SERVANTS

Note.—‘Government servant’ as used in this Chapter means a gazetted Government servants, unless the context otherwise indicates.

I. INTRODUCTORY

5-1. The provisions of this Chapter shall apply primarily to claims of gazetted Government servants, including those of non-gazetted Government servants, drawing their pay in the form provided for gazetted Government servants, which are payable on bills drawn directly on the treasury. With regard to claims of Government servants which are payable by or through a departmental office of disbursement, these rules shall apply subject to such variation or modification as may be authorised by departmental regulations.

II. FORM OF BILLS

Pay, Fixed Allowances etc.

5-2. The pay and fixed allowances of a Government servant shall be claimed on Form F. C. II in which the whole of the fixed allowances claimable by a Government servant in respect of the same post shall be set forth. A Government servant who draws an additional allowance for a separate office need not present a separate bill for it unless it is payable from a source other than the Consolidated Fund or Public Account.

Subject as hereinafter provided in this Chapter, the form prescribed for drawal of pay shall be used for claims relating to leave salary and all occasional payments to a gazetted Government servant that are made on his personal account.

Note.—A gazetted Government servant on leave preparatory to retirement should record a certificate on the leave salary bill that during the period for which leave salary is drawn he was not employed under any State Government, Local Fund or a private employer.

5-3. A gazetted Government servant drawing his pay for the first time from a treasury should present with the pay bill a Last Pay Certificate, unless he is newly appointment Government servant drawing his pay for the first time in which case there should be an authority from the Accountant General on the Treasury Officer as regards the rate at which and the period for which payment should be made. Regarding drawal of leave salary, reference is made to rule 4-6 (b) (ii) under which it should be regulated.

5-4. In the case of a Government servant newly appointed in service permanently the payment of his salary in accordance with the instructions issued by the Audit Office is besides to the production of certificates prescribed under rule 6-5 subject to the production of a certificate with the salary bill that he has submitted his proposal for insurance with the State Insurance Fund or that he is exempt from insurance under the rules of that Fund. The Treasury Officer should see that these certificates are invariably furnished.

5-5.(a) No gazetted Government servant may draw an increased or a changed rate of pay, leave salary, fixed allowance, or any reward¹ [xx] unless the bill on which he draws it is either pre-audited by the Accountant General, or is accompanied by a letter of the Accountant General, authorising the amount to be drawn. These letters will be issued from the Accountant General's Office as soon as possible ; but as delay may occur if the change is made near the end of a month, or if it takes effect from a date which cannot immediately be ascertained, or cannot be fixed by a certificate of transfer of charge appended to the bill. Government servants shall, in the case of pay, leave salary or fixed allowances, either draw their bills for not more than old rates or send their bills for pre-audit to the Accountant General, if they have not received his letter of authority.

Note.1—No bill shall be drawn by a gazetted Government servant who has relinquished charge of his post consequent on his proceeding on leave, promotion, reversion or transfer beyond the date of making over charge without a fresh authority from the Accountant General. In case any bill presented at the treasury includes salary or leave allowances for any period beyond that date, the Treasury

1. Deleted vide F. D. Notification SRO-150 dated : 9-4-1974.

Officer should, instead of returning the bill for amendment by the officer, pass such portion of the claim as relates to the period up to that date and is otherwise admissible.

¹ [Government Instructions No. 1.—The Accountant General will issue leave salary slips on the authority of the orders sanctioning leave and report of handing over charge without waiting for a formal notification. When an officer who proceeds on leave returns or is appointed for the same post from which he proceeds on leave, the pay slip issued for duty (before proceeding on leave) will be treated as valid for duty after the leave, unless superseded and his pay bills should be passed by the Treasury Officer on receipt of the charge report on resumption of duty.

If the leave has been extended, but the leave order/leave salary slip has not been issued, the Head of the Office, unless he is himself the pay disbursing officer, may endorse the charge report to the pay disbursing officer in such cases, specifying therein that the officer has rejoined duty in the same post after leave and there has been no break in his service. The pay disbursing officer will then allow drawal of duty pay from the date of resumption of charge on the basis of pay slips issued to the officer for his duty period prior to his leave.]

² [Government Instruction No. 2.—Notwithstanding anything contained in sub-rule (a) all gazetted Government servants may draw provisionally the enhanced dearness allowance sanctioned by the Government from time to time, without obtaining the requisite authority from the Accountant General in each individual case. The Accountant General shall issue a general authority to the Treasury Officers for allowing such enhanced dearness allowance to be drawn by the Gazetted Officers every time, enhanced rates are announced by the Government.]

Note 2.—In the case of transfers within the same Audit Circle and not involving any change in designation or emoluments of officer concerned, the Treasury from which the officer concerned draws his claims, after transfer, shall commence making payment

1. Inserted vide F. D. Notification SRO-85 dated : 10-3-1965.

2. Inserted vide F. D. Notification SRO-17 dated : 16-1-1976.

on the basis of L. P. C. issued by the Treasury Officer who last disbursed the claims of the officer. For this purpose the Treasury Officer issuing the L. P. C. should indicate therein complete information given in the authority of the Accountant General in his possession particularly the date, if any up to which it is effective.

¹ [Note 3.—Payments of honorarium by gazetted Government servants which is of a non-recurring nature, can be drawn by them directly from the Treasury on the authority of the sanction of the competent authority without an authority from the Accountant General.]

(b) In the case of time scales of pay with efficiency bars at certain stages, an Audit Officer will not authorise any Government servant to draw pay at a rate above the stage at which an efficiency bar is fixed, until he has received a declaration from the authority, empowered to make the promotion, that it has satisfied itself, that the Government servant in question is fit to pass the bar.

In order to prevent the passing of an efficiency bar becoming a mere matter of form, it is imperative that every case should be carefully scrutinized by the sanctioning authority before signing the declaration prescribed above.

(c) Advances to a Government servant on transfer or on tour, when admissible under the rules, may be drawn from the treasury on the ordinary Pay Bill or Travelling Allowance Bill forms on the authority of the sanction or a duly certified copy thereof appended to the bill, without any previous authority from the Accountant General. As regards temporary advances from Provident Fund such advances will be made by the treasury on the authority and responsibility of the officer sanctioning the advance, without authorisation or pre-audit by Accountant General vide note 3 to rule 12-7.

1. Inserted vide F. D. Notification SRO-150 dated : 9-4-1974.

No other personal advance can be paid to a Government servant, unless the payment has first been authorised by the Accountant General or the claim has been pre-audited by him.

Note.—Sanction to personal advances may, if preferred, be obtained in the form of countersignature on the bill itself before it is presented for encashment.

¹ [PROVISIONAL PAYMENT OF LEAVE SALARY

5-5-A. A Gazetted Government servant who proceeds on Privilege Leave, may draw leave salary provisionally subject to its regularisation by the Accountant General subsequently. The following procedure shall be adopted for provisional payment of leave salary in such cases :—

(i) The leave salary and allowances admissible will be provisionally determined by the leave sanctioning authority and indicated in the leave sanction order.

(ii) On the basis of the sanction, the leave salary bills will be drawn up by the Gazetted Officer duly countersigned by the drawing and disbursing officer of the office. The bill accompanied by a signed copy of the leave sanction order, will be presented to the Treasury from which he drew his pay immediately before proceeding on leave.

(iii) The provisional payment of leave salary will be adjusted and regularised on the issue of leave salary slip by Accountant General in due course.]

1. Inserted vide F. D. Notification SRO-323 dated : 31-5-1976.

III. TRANSFER OF OFFICE

5-6. Every transfer of charge of a Gazetted Government servant should be reported by post on the same day to the Accountant General in Form F. C. 12. A copy of the report should simultaneously be sent to the Head of the Department or other Controlling Authority concerned. In the case of a Government servant having independent charge of a public treasury, statement of cash balance, of the stamps and also of the bill forms in stock, should be prepared, signed by the Government servant taking charge and forwarded to the Accountant General at the same time.

IV. TRAVELLING ALLOWANCE

5-7. (a) Travelling allowance bills of a Gazetted Government servant shall be drawn in accordance with the rules under which such allowance may be due. For mileage, halting or daily allowance, Form F. C. 13 is prescribed for general use.

(b) When a circuitous route is taken, the reason for doing so must be stated on the bill. When a Government servant is entitled to draw actual expenses, such expenses shall, in the absence of special orders to the contrary, be set forth in detail.

(c) The provisions of clauses (ii) and (v) of rules 6-32 apply *mutatis mutandis* to bills of Gazetted Government servants also.

5-8. Deleted. ¹ [xxx]

V. INSPECTION OFFICERS

5-9. A Government servant whose duty requires him to travel on inspection should ordinarily take with him a Last Pay Certificate which will enable him to draw from the nearest treasury within his circle of jurisdiction such portion of his pay as may be entered in it at his request, the balance, if any, being drawn at his headquarters. Similarly, he may draw his travelling allowance, etc. on the prescribed form of bill countersigned by the controlling authority, if any, but he cannot take advances on account of travelling allowances.

1. Deleted vide F. D. Notification SRO-438 dated : 18-10-1982.

CHAPTER VI—PAY, ALLOWANCES ETC. OF
ESTABLISHMENT

I. SECTIONS OF ESTABLISHMENT

6-1. For the purposes of audit and the preparation of pay bills, the Accountant General divides a non-gazetted establishment, when necessary, into sections in consultation with the Head of Department or the Office on the following principles :—

(a) The division should be uniform throughout the State for the same classes of establishment.

(b) The division into sections in large offices should follow the actual working arrangements of the office.

(c) In large offices where the members of the ministerial services are arranged classes and grades, such as Superintendents, Head Clerks and Senior Clerks, each class or grade may form a separate section.

(d) An establishment consisting of a large number of subordinate Government servants, such as school masters, may be divided into sections according to the tehsils or sub-divisions of a district.

(e) Clerks, school masters etc. should not, except in small establishment, be combined with the last grade Government servants, such subordinates should form a separate section, or sections unless they are very few.

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

Note 1.—Parts of an establishment under the same officer which are charged for under different major heads should be treated as separate establishments.

Note 2.—The Accountant General issues from time to time a list of the sections fixed by him for each office and the entries in pay bills, absentee statements, annual returns of establishments, proposition statements and other similar documents should be made in accordance with the sections so prescribed.

II. ANNUAL RETURNS OF ESTABLISHMENT

6-2. Early in March each year, a detailed statement of the permanent establishment existing on 1st march will be prepared by each Head of Office in the form and manner prescribed by the Comptroller and Auditor General and transmitted to the '[Head of Department]' concerned direct as soon as possible not later than the 15th April.

A sufficient number of blank copies of Annual establishment returns shall be obtained in February by the Heads of Offices from the Government Presses. One copy of the return duly signed and certified shall be submitted to the '[Head of Department]' and the other retained as office copy.

Note 1 —The detailed statement should be prepared in two parts, one for permanent establishment including permanent and officiating incumbents of permanent posts and the other covering all temporary posts in existence on the 1st of March.

Note 2.—Delays in submission of Annual Establishment Returns will render defaulting heads of offices liable to the payment of their pay bills being withheld until the overdue returns are submitted.

6-3. The directions given by the Comptroller and Auditor General with regard to the forms, preparation and submission of these returns are contained in the Annexure to this Chapter.

1. Submitted for "Accountant General" vide SRO-243 dated : 9-7-1965.

III. AGE, HEALTH AND PERMANENT RESIDENTSHIP CERTIFICATES

1[6-4. (i) Every person newly appointed to a service or a post under Government, should at the time of appointment declare the date of his/her birth by the Christian era with confirmatory documentary evidence such as Matriculation Certificate, School Leaving Certificate, Municipal Birth Certificate and so on, as required by or permitted under Article 35-AA of the Jammu and Kashmir Civil Service Regulations.

Government, however, reserve the right to make a correction in the recorded age of a Government servant at anytime, against the interests of that Government servant when it is satisfied that the age recorded in his service book or in the history of services of a Gazetted Government servant is incorrect and has been incorrectly recorded, with the object that the Government servant may derive some unfair advantage therefrom. This will, however, apply to the cases of those Government servants only who entered service after the date of issue of Council Order No. 677-C of 1941 dated : 22-7-1941, as in the cases of those who entered service prior to 22-7-1941 the basis is the age declared at the time of their entry in Government service.

Note 1.—(a) If a Government servant is unable to state his exact date of birth but can state the year or years and month of birth, 1st July or the 16th of the month respectively may be treated as the date of his birth.

(b) If a Government servant is only able to state his approximate age, his date of birth may be assumed to be the corresponding date, after deducting the number of years representing his age, from his date of appointment.

(c) When a Government servant who first entered military employ is subsequently employed in a civil department the date of birth for civil employment should be the date stated by him at

1. Substituted vide F. D. Notification SRO-311 dated : 29-11-1995

the time of attestation, or if at the time of attestation, he stated only his age, the date of birth should be deduced with reference to that age according to the method indicated in sub-para (b) above.

Note 2.—Against every correction in the date of birth already reported in the Annual Establishment Returns of previous years, a note should be made of the number and date of the order authorising it and a copy of the order of Government attached to the return.

(ii) The appointing authority will be responsible for seeing that a person newly appointed to the non-gazetted service of the Government is of the prescribed age and will communicate his date of birth to the Head of the Office where such person has first been posted, for entry in the service book or service rolls, as the case may be, stating therein the basis on which the date of birth has been accepted.

In the case of persons appointed to the gazetted service of the Government, the Head of the Department in which the person has been appointed will send the above information to the Accountant General for entry in the service records of the Government servant. If the person appointed is himself a Head of the Department, the information to the Accountant General will be communicated by the Administrative Department concerned of the Secretariat. The Accountant General will bring to the notice of the competent authority any case in which the date of birth has not been accepted in accordance with the rules.

6-5. (1) Every person newly appointed to a post for service under Government, shall produce :—

(i) A certificate of being a permanent resident to the State in Form F. C. 15 ;and

(ii) Age and Health Certificates, as prescribed under the J & K C. S. Rs. in Form F. C. 16 unless these have already been submitted in connection with any competitive examination or test on the basis of which he has been appointed and the regulations of which require the submission of such certificates.

(2) [A certificate to the effect that the medical certificate in the prescribed form has been obtained in respect of the Government servant concerned should be furnished to the Audit along with his first pay bill. The procedure to be followed for furnishing of the certificate in respect of gazetted and non-gazetted officers will be as follows :—

- (i) In respect of gazetted officers, certificate furnished by the competent authority to whom the medical certificate has been submitted should be attached to the first pay bill.
- (ii) In respect of non-gazetted officers, the drawing and disbursing officers should furnish such certificates along with the first pay bill of the Government servant concerned.]

Note.—A Government servant who is re-employed after resignation or forfeiture of past service, will be required to produce an Age and Health Certificate, in conformity with any rule or order governing the conditions of the service to which he belongs.

IV. ALTERATION OF ESTABLISHMENT

6-6. The Head of the Department or other authority concerned should scrutinise with the greatest care every proposal for an addition to an establishment, whether permanent or temporary or for an increase in the emoluments of an existing post. He should examine the financial implications thoroughly, and should not submit the proposal to the Government unless he is satisfied that it is essential.

6-7. The scale of pay proposed for a new post whether temporary or permanent, should be the same time-scale as that already in force for the posts of the same class or category, except when a different time-scale has been fixed for temporary posts in a particular Department. When the new post to be created will form an addition to a cadre which is divided into grades, the pay of the post should ordinarily be that of the lowest grade ; if a higher rate of pay is proposed, the special reasons for proposing the higher rate should invariably be stated. If there is no post in existence similar to the one proposed, the following principles should be observed in proposing a rate of pay for the new post :-

(1) If the post is to be filled by a person not already in Government service, the pay proposed should be the minimum necessary to secure the services of a person capable of discharging efficiently the duties of the post.

(2) If the post is to be filled by a person who is already a Government servant, the pay proposed should be appropriate with reference to the nature and responsibility of the work to be done and the existing pay of Government servants whose status is such that they are considered likely to be suitable for selection for the post.

(3) In determining the cost of a scheme, allowances, whether fixed or variable, should be taken into account. When it is impossible to determine in advance the exact amount of an allowance, it will be sufficient to include as accurate an estimate as possible of the amount required for this allowance.

6-8. (1) Every proposal to add to, or to make a change in an existing establishment should be explained fully in the communication addressed to the authority competent to sanction the proposal. The following information should invariably be furnished :—

- (i) the reasons for considering the addition or the change proposed to be necessary ;
- (ii) the present cost either of the section or sections affected or of the total establishment, as the circumstances may require ;
- (iii) the corresponding cost after revision ; and
- (iv) the details of the number and pay of the posts, if any, which it is proposed to add to the establishment and of the number and pay of the posts, if any of which it is proposed to change the conditions.

(2) A proposal to add to or modify an existing establishment shall be accompanied by a proposition statement in duplicate in Form F. C. 17 and 17-A as the case may be, if it involves a general revision of establishment :—

(i) if it cannot be set out clearly without a proposition statement ; and

(ii) when the scheme involves a recurring expenditure of Rs. 2,500 per annum or more.

Note.—The authorities submitting the proposals should take into account any claims to pension that may arise in consequence of their proposals with reference to article 210 of the J&K C. S. Rs. and certify to their having done so in their proposals.

6-9. No proposition statement is required in the following cases :—

(i) When the new scheme proposed involves no change in establishment except the creation of a post or posts the like of which does not yet exist.

(ii) When the proposal involves only the retention without alteration of an existing temporary establishment for a further period.

(iii) When the proposal is solely for the grant of a compensatory allowance, a duty allowance and personal allowance to a member or members of an existing establishment, or solely for a change in the designation of an existing post.

Where the proposition statements are not required under the above rules, the proposals should distinctly indicate the extra cost to Government including clearly the fixed and variable allowances attached to the appointments.

6-10. The following instructions should be observed in preparing a proposition statement :—

(i) The statement should relate strictly to the section or part of the office affected by the proposals. No details or figures of total cost should be furnished for the other parts or sections of the office.

(ii) The latest order sanctioning the existing establishment should be quoted and not any earlier orders on the subject.

(iii) The increase or decrease in cost involved in the proposals should be shown against each post or class or category of posts affected.

(iv) Grand total should be given for the number of posts and the total cost of the several sections affected, both under the existing orders and according to the proposal made and also of the amounts under 'increase or decrease per month'.

(v) Pay which is not incremental should be entered in the column headed 'Maximum'.

(vi) In the case of a temporary establishment the period for which it is proposed that it should continue should be entered.

(vii) When the pay of any post, existing or proposed, rises from a minimum to a maximum by periodical increments, the average monthly cost should be calculated according to formulae given below and not the actual cost or the cost in the first year.

(viii) Fixed allowances should be entered in a proposition statement but not variable allowances, such as ordinary travelling allowance, information in regard to which should be furnished separately in the communication addressed to the authority competent to sanction the proposal.

6-11. The following rules should be followed in determining the average cost of appointments on progressive (time-scale of pay) pay :—

I. A time-scale of pay rising to its maximum by five equal yearly increments, is equivalent to a fixed pay equal to the minimum, plus two-thirds or, if the appointment is a ministerial appointment, minimum plus three-fourths, of the difference between the minimum and the maximum.

II. When the increment is annual or biennial and the period of rise is above five years, the following principles shall be followed :—

(a) In the case of ministerial appointments, value = minimum plus $(\frac{3}{4} - X/60)$ of the difference between the maximum and the minimum.

(b) In the case of other than ministerial appointments, value=minimum plus $\left[\frac{2-X}{3} + \frac{X}{90} \right]$ of the difference between the maximum and the minimum.

Here 'X' represents, the excess in the period of rise in years over five years when the increment is annual, or over four years, when the increment is biennial.

III. When the period of rise is less than five years, the following method shall be applied :—

- (a) In the case of ministerial appointments, value=minimum plus $(3/4 \text{ plus } X/20)$ of the difference between the maximum and the minimum.
- (b) In the case of other than ministerial appointments, value=minimum $(2/3 \text{ plus } X/15)$ of the difference between the maximum and the minimum.

Here 'X' represents the deficiency required to make up five years when the increment is annual and four years when the increment is biennial.

IV. 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, the following formula may be adopted to find the average cost of appointments in the first grade :—

$$\text{Average pay} = \frac{A+C}{2} + \frac{C-A}{2} (1-S+1) \left\{ .006 + \frac{1-.004S}{G-E} \right\}$$

Where A=Minimum pay.

- ” C=Pay just before promotion to the second grade.
- ” S=Period of rise from A to C.
- ” E=Average age at entry in the first grade ; and
- ” G=Average age at the time of promotion to the second grade.

(b) The following formula should be restricted to cases involving an elaborate scale, consisting of two or more sections with efficiency bars at one or more stages :—

$$\text{Average pay} = \frac{1}{2} (A + W_1 B_1 + W_2 B_2 + X_1 C_1 + X_2 C_2).$$

Where A=The initial pay of the scale.

B₁B₂=The maximum pay of the different sections of the scale such as the ordinary scale, the scale for passed clerks.

W₁W₂=The proportion of the establishment which would normally reach the maximum of B₁B₂ respectively.

C₁C₂=The pay of the different efficiency bars ; and

X₁X₂=The proportion of the establishment which would normally be detained at C₁C₂ respectively.

6-12. Verification of the proposition statement by the Accountant General will be got done in cases of very complicated establishments. The Accountant General will check only such proposition statements, as have been forwarded to him for verification by Government in view of their complicated nature.

The work of verification of the correctness of the facts regarding the “present establishment” is the function of the executive authority, and if a sanctioning authority is to exercise its functions satisfactorily, it should maintain adequate records and statistics of its own sanctions and be in possession of a full picture of the present establishment.

In respect of proposition statements not sent to the Accountant General for his verification, they will be verified in the concerned Administrative Secretariat.

6-13. The following additional rules should be observed as regards temporary establishment :—

(1) A clear distinction should be maintained between temporary establishment charged to the estimate for a work and temporary establishment

sanctioned for general purposes and charged to the departmental head 'Establishment'. The temporary establishment sanctioned for general purposes of control without reference to any special work should be regulated by sanctioned scales as in the case of permanent establishments.

(2) No temporary establishment should be continued in anticipation of sanction and should there be a need for renewal of sanction, application should be submitted in time so as to reach Government at least three months before the sanctioned period expires. Government servants who do not dispense with temporary establishments on the dates on which sanction expires will render themselves personally liable for the expenditure involved.

(3) In the absence of an express order specifying the period for which a temporary establishment should be retained, it should be considered to be terminated at the end of February of the Financial year in which the sanction was accorded.

6-14. Proposals for creating an establishment or for the revision of an already sanctioned establishment should be submitted immediately the need for it arises and should not under any circumstances be postponed until the budget estimates of expenditure are being framed or considered, as such a course impedes business during probably the most busy time of the year.

6-15. Increases to an establishment will originally be sanctioned with effect from the 1st April of the year following that in which the proposals are made, and in the budget estimates of which the necessary funds may be provided. But when it is absolutely necessary that proposals should take effect during the currency of the year in which they are made, the officer submitting them must give full reasons why he considers it indispensably necessary that the outlay should be incurred at once and not postponed to the beginning of the ensuing year. In such an emergency he should also state, if possible, from what source he would propose to meet the additional expenditure by a re-appropriation statement in Form F. C. 18 but if he is not in a position to do this, he should say so

6-16. The Head of an Office is not at liberty to re-adjust the salary of a Government servant by giving one Government servant more and another less than the sanctioned pay of his post, nor may he distribute the pay of an absentee otherwise than as provided in the J & K Civil Service Regulations. But, in the case of departments or establishments divided into grades, there is no objection to an excess appointment being made in a lower grade on an interim basis, against a vacancy left unfilled in a higher grade. This liberty must, however, not be used for the purpose of increasing the numerical strength of an office. For each vacancy in a higher grade, only one extra appointment in a lower grade is admissible. This rule is applicable to ministerial establishments also.

V. MONTHLY PAY BILLS

(i) Instructions for Preparation of Pay Bills

6-17. [Pay bills should be prepared in Form F. C. 19 and allowances of permanent establishment, temporary establishment and the establishment for whom no service books are required to be maintained should be drawn on a single bill in three parts subject to fulfillment of other conditions applicable in this regard. Bills should be prepared separately for Gazetted, non-Gazetted and Class IV employees. Each bill to be treated as a separate voucher.

Class IV for purposes of these rules shall mean all officers included in Schedule II of the J & K Civil Service Regulations

1. For large establishment requiring more than one sheet of pay bill form, the double forms of the bill should be used, while for a small establishment, only single form should be used to avoid waste of forms.

2. The name of the department or office and the month or period to which it relates should be given at the top in the space provided

3. The various sections comprising the establishment shall be shown separately, the description of each section as well as the sanctioned number of posts included therein being prominently written in red ink at the top.

Note.—All fixed allowance, including permanent travelling allowance, conveyance allowance, horse allowance, etc., should be drawn in the establishment bill.

4. The names of incumbents whose pay (if fixed) or whose maximum pay (if progressive) does not exceed Rs. 80 a month as also the names of all inferior Government servants and persons holding the following categories of posts :—

- (a) Head Constables and Constables of the Police Department,
- (b) Firemen of the Fire Brigade,
- (c) Drivers, Conductors, Cleaners and like posts in the Transport Department carrying a pay equal to or lower than that of Cleaners,

may be omitted from the pay bills provided a certificate in the form given below is furnished on the bill. In cases, however, when such posts are small in number, such as, office Jamadars and Orderlies, the names of the incumbents may be shown in the pay bill itself along with the other establishment :—

‘Certified that all persons whose names are omitted from but whose pay has been drawn in this bill have actually been employed during the month and that full details of the names of the persons concerned and the emoluments drawn for them, working up to the total included in the bill, have duly been shown in the office copy’.

Note 1.—The Drawing Officers shall have the office copy relating to these classes of Government servants prepared separately so as to show full detail of names, leave etc., the total of the pay

bill shall then be entered in the pay bill. The Drawing Officer shall verify and satisfy himself that the grand total in the office copy agrees with the total amount in the fair copy.

Note 2.—The claim of the Government servants whose names are omitted from the bills should not be lumped together and entered in a single item in the bill. The bills in such cases should show separately the number on different rates of pay or with different designations.

Note 3.—The Finance Department may in consultation with the Accountant General extend the provisions of this rule to specified class of establishment when the entry of names in the bills is not essential for audit purposes.

5. In the case of the officials in superior service the name, designation and pay of each person must be shown separately on a line in the same order as the sanctioned Budget scale for the establishment.

Such of the appointments of the inferior servants as carry equal pay and the same designation may be shown in lump and their names should not be shown such as,

10 persons at Rs. 25 p. m. each Rs. 250

5 persons at Rs. 27 p. m. each Rs. 135

the last lump sum amount only appearing in the money column substantive pay.

6. When more than one person has held the same appointment for portion or a month all their names are to be shown in the second column with the number of days for which each is to be paid and the amount for each, but in column 3 there will be only entry for the sanctioned appointment and not separate entries for the separate persons.

7. In the first moneys column should be shown the full amount of pay claimed, in the second money column the full amount of leave salary

claimed, whether drawn or not and in the 3rd money column the officiating pay claimed. In the 4th money column should be entered all compensatory allowances. In other relevant columns of the pay bill should be noted the amount. The 14th money column will be used to show the amount actually drawn for each section ; and when pay is drawn for a portion of a month only, the rate at which it is drawn and the number of days for which it is claimed, should be stated either against the name of the employee in the body of the bill, or in a note at the foot of the page ; the pay of the persons included in each section will be marked off in it, and the total of each section will be entered in red ink.

8. Special attention must be given to the printed certificates on the pay bill regarding agreement of the entries with service books, and disbursement, in full of the pay drawn in previous months. The undisbursed portion, if any, must be either actually refunded in cash into the treasury or deducted from the bill.

9. The component items of an establishment bill shall be checked by adding up the items. If the bill relates to a small establishment, the drawing officer shall either check it himself, or have it checked by a Gazetted Government servant under his orders, before he signs it. If the bill relates to a large establishment, the drawing officer shall ensure that the whole bill is thoroughly checked by some one other than the clerk who prepared it ; and shall himself check a part of the bill or arrange for a gazetted Government servant to do so, before he signs it. Check of bills includes verification of the total amount entered in the bill.

10. (a) When leave salary based on average pay is drawn in a bill for a Government servant whose pay/presumptive pay is not less than Rs. 300 p. m. the bill in which it is first drawn shall be accompanied by a statement attested by the drawing officer showing the calculation by which the amount drawn on account of leave salary has been deduced.

(b) If leave salary is based on actual pay and not on average pay, a certificate in the following form should be recorded on the bill or attached to the bill :—

That the leave salary claimed is admissible under articles 164 to 165 of Jammu and Kashmir Civil Service Regulations.

Note 1.—In cases in which formal administrative sanction of Government to the creation or continuance beyond the sanctioned term of any post or posts billed for has not been accorded, the drawal of pay for the incumbent of such post or posts should be supported by a copy of an order of Government in the General Department attested by the drawing officer, authorising the drawal of such pay.

Note 2.—The pay of the establishments referred to in the exception to rule 7-5 which is treated as contingent charge should not be included in the pay bill.

Note 3.—The claim of Government servants, whose names are omitted from the bill should not be lumped together and entered in a single item in the bills. The bills in such cases should show separately the numbers on different rates of pay, or with different designation.

Note 4.—If for any reason the leave salary claimed by a permanent servant on leave is not known, (as for example the kind of leave to be granted to him has not been finally decided by the sanctioning authority) the amount of pay to which he would have been entitled had he remained on duty should be shown as held over for future payments, the amount being left undisbursed pending the fixation of the amount of his leave salary.

Note 5.—To suit the requirements of audit in the case of establishments on time-scale rates of pay, the form of pay bill, absentee statement and increment certificate may be amended in consultation with the Accountant General, where necessary.

6-18. Fines imposed on non-gazetted Government servants for ordinary neglect of office duty are properly recovered by stoppages from pay and consequent short drawings from the establishment pay bills.

(ii) Absentee Statements

6-19. (a) The monthly bill should ordinarily be supported by an absentee statement in Form F. C. 20 if any person other than the inferior Government servant referred to in rule 6-7 (5) was absent during the month, either on deputation or suspension or with or without leave (Except on casual leave) or if a post has been left vacant substantively, whether or not any Government servant officiated in it.

(b) In the case, however, of provincial or amalgamated establishments a consolidated absentee statement showing the complete chain of arrangements should be separately furnished by the controlling officer within a period fixed by the Accountant General. For this purpose the Heads of Offices should report to the controlling officer, the arrangement made by them for inclusion in the consolidated absentee statement and no separate absentee statement need be furnished by Heads of Offices along with the monthly pay bills. In cases, however, in which the power to sanction leave and officiating arrangements within the office has been delegated to Heads of Offices within prescribed limits the requisite absentee statement should be furnished by them along with the pay bills, and such vacancies and arrangements should not be included in the consolidated absentee statement to be furnished by the controlling officer.

(c) In the case of an acting arrangement the complete chain should be shown in one place in the absentee statement, while in the body of the bill and against every appointment affected by the acting arrangement, should be shown the name of the person holding it substantively and just below it the name of the acting incumbent giving detail of the monthly rate of the substantive pay and of acting allowance in column I of the bill below his name. If the substantive appointment of the incumbent is in the same office or section his name will appear twice in the bill, i. e. first against his substantive appointment where (for the acting period) no drawal will be made for him and a note will be given to the effect that he acted for on Rs. and secondly against the

appointment in which he acts, showing against his name there the amount of substantive pay and acting allowance drawn for the acting period.

(d) When an absentee statement is attached, each chain of acting arrangements is distinguished by drawing a line after the close of each chain, and the necessary correction must be made on the printed certificate on the bill.

6-20. If no person in superior service was absent, during the month, either on deputation or suspension or with or without leave (except on casual leave) certificate No. 2 printed on Form F. C. 10 should be signed by the Head of the Office

(iii) Increments

6-21. To the first bill in which a periodical increment is drawn by an officer, a certificate in Form F. C. 21 should be appended.

Note.—The authority competent to allow or withhold increment shall also maintain a register in the same form for all non-gazetted Government servants serving under it showing the increments allowed or withheld in each case.

6-22. When an increment claimed operates to carry a Government servant over an efficiency bar, it should be supported by a declaration from the authority empowered to allow the increment that he has satisfied himself that the Government servant in question is fit to pass the bar.

In order to prevent the passing of an efficiency bar becoming a mere matter of form, it is imperative that every case should be carefully scrutinised by the sanctioning authority before signing the declaration prescribed above.

(iv) Arrear Pay Bills.

6-23. Arrears of fixed allowances or leave salary or pay, should be drawn, not in the ordinary monthly bill, but in a separate bill, the amount claimed for each month being entered separately with quotations of the bill from which the charge was omitted or withheld, or on which it was refunded by deduction, or of any special order of competent authority granting a new allowance or an increase in pay. ¹ Such bills can be presented

1. Recast vide F. D. Notification SRO-438 dated : 18-10-1982.

at any time (within the dates prescribed for payment of arrears bills) subject to the conditions laid down in Rule 2-36 and Government Instructions thereunder may include as many times as are necessary.

Note.—The Drawing Officer shall also record the following certificate on the arrear bill over his dated signatures :—

- (i) That no part of the amount drawn has been claimed previously.
- (ii) That a note of the arrear claim has been made in the office copy of the bill for the period to which the claim pertains.

¹ **Government Instruction.**—Claims to past arrears of pay and allowances of a Government servant may be wholly or partly pertaining to one or more than one office/department (where he may have worked during that period) other than one in which a Government servant may be working at the time the arrears become due as a result of grant of new allowance or increase in the allowance retrospectively or increase in pay as a result of release of Efficiency Bar or withheld increments, or any other cause. In all such cases the drawing and disbursing officer of the office in which the Government servant is currently working may prepare a 'Due and drawn statement' in respect of arrears of pay and allowances of such a Government servant and sent it to his earlier office/offices as the case may be for verification of the claim. The latter office/offices may check these statements, make entries in their records (i. e. in the office copies of the bills) and return to the concerned drawing officer with a certificate that the arrears relating to the Government servant have been noted in the relevant office copies of the bills. After the "Due and drawn statement" duly verified by the earlier office/offices is received, the drawing and disbursing officer may prepare the arrear bill of the Government servant in the proper form, record the necessary certificate as required under the provisions of Rule 6-23 on the basis of verified statements received from the concerned drawing officer/officers and draw the bills from the treasury and disburse the arrears to the Government servant on proper acquittance. The expenditure in this behalf may be debited to the budget provisions of his office.

1. Inserted vide F. D. Notification SRO-302 dated : 10-6-1980.

(v) Acquittance Roll.

6-24. (a) Each Head of an Office must keep up an Acquittance Roll in a bound register in Form F. C. 22 (which is the office copy of the bill with an additional column for signature of payees and receipt stamps, where necessary). A complete copy of the monthly pay bill should be made in the Acquittance Roll before it is sent to the treasury, for encashment and with the difference that in this will be shown the name of each inferior servant on a separate line, although the monthly pay bill shows their appointments in lump. No other copies need be kept of the pay bill.

(b) Travelling allowance of establishment should be recorded in a separate register in the same form as the Travelling Allowance Bill with an additional column for signature of the payee, and a receipt stamp, if necessary. The register serves as an acquittance roll and also dispenses with separate office copies of the bills.

(c) In big Departments like Police, Community Development and National Extension Service, Education, Health, Excise and Taxation etc. office copies of monthly pay bills, may, owing to the peculiar circumstances of these Departments be kept in bound printed registers, in addition to the separate acquittance rolls to be maintained for the different distributing stations in F. C. 22.A. The office copy of the bill should be initialled and distinctly marked as 'office copy'. On no account should these be kept in loose printed pay bill forms as these are liable to be presented at the treasury for payment and may thus lead to fraud.

6-25. Acquittance rolls should be signed by the Head of the Office and carefully preserved as a permanent record as they are important records for purposes of verification of service for pension.

VI. Disbursement of Moneys drawn on Monthly Bills.

6-26. (i) The Head of the Office is personally responsible for

all moneys drawn as pay, leave salary, allowances etc. on an establishment bill signed by him or on his behalf until he has paid them to the persons who are entitled to receive them and has obtained their dated acknowledgement duly stamped where necessary.

(ii) If a Government servant who is entitled to receive any moneys drawn from the treasury on his behalf fails to claim payment in person or in accordance with sub-para (iii) infra before the end of the month in which they are so drawn, the moneys drawn for him shall ordinarily be refunded by short drawing in the next bill and drawn afresh when he claims them, if the rules regarding arrear claims permit it. When the drawing officer considers that the earlier refunding of any such moneys would cause undue inconvenience, he may retain them for a period not exceeding three months, but he will continue to be held personally responsible for them and must make satisfactory arrangement for keeping them safely. Undisbursed pay, allowances and leave salary shall not under any circumstances be placed in deposit.

(iii) The leave allowances of non-gazetted Government servants is paid by the Head of the Office and drawn on ordinary supplementary establishment bills. The Head of the Office must satisfy himself that the absentee is alive ; and may remit the leave allowances at the expenses of the recipient and he will be solely responsible for such payments.

(iv) Claims on account of pay and allowances of non-gazetted personnel should be deemed to arise at the station where the drawing and disbursing officer, who draws the claims, is stationed.

Note. 1—Acquittance rolls and office copies of bill are not required to be submitted to the Accountant General but being important records they should be stamped 'paid' and preserved carefully for periods prescribed. 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 undisbursed amount paid subsequently, the items should be stamped 'paid' individually and attested by the drawing officer while signing the cash book.

Note 2.—Cash drawn on pay and T. A. bills of establishment should not be mixed with regular cash balance of the departments, if any. An account of undisbursed pay and allowance should be kept in a register in Form F. C. 23. Entries of the total and particular amounts of undisbursed pay and allowances may be made against each bill serially and subsequent payment thereof entered in the appropriate columns of the register and the cash book, each such entry being attested by a Gazetted Officer. From this register an abstract of amounts remaining undisbursed for three months should be prepared to ensure their refund ; either in cash or by short drawal from the next bill.

Note 3.—A bill register in Form F. C. 24 should be maintained by all heads of offices who are authorised to draw moneys from the treasury on bills signed by them . The register should be reviewed monthly by a Gazetted Officer and the result of the review recorded thereon.

VII. Record of Service.

6-27. The service book is a contemporary record in minute detail of the official career of a non-gazetted Government servant and every entry in it shall be attested by the Head of the Office each time an entry becomes necessary due to orders passed by him or any higher authority. Non-pensionable service should be distinctly shown as such in column 2 of the service book.

Note 1.—Officers for whom the maintenance of a character roll has been prescribed need not have a separate service book, as the former contains all the information required by the latter.

Note 2.—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.

Note 3.—For rules regarding maintenance of service records see articles 264 to 268 of the Jammu and Kashmir Civil Service Regulations.

6-28. (i) 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 servant 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 1.—The verification of service referred to above should be in respect of all service qualifying for pension.

Note 2.—See also note 2 below Article 288-A J&K Civil Service Regulations.

(ii) 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 the office records distinctly state that for the excepted periods (naming them) a statement in writing by the Government servant as well as record of the evidence of his contemporaries is attached to the book.

(iii) When, however, a non-gazetted Government servant 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 servant was employed under him, before forwarding the service book to the office where the services are transferred.

6-29. Cost of service books and character rolls shall be borne by the Government and these should be indented from the Government Press, Jammu/Srinagar.

6-30. (i) Service books and character rolls should be kept in the custody of the Head of the Office, *i. e.* the Officer on whose signature the monthly pay bill of the establishment is paid from the treasury.

(ii) When an employee is transferred to another office, his service book should be sent to the Head of the Office to which he is transferred and not made over to him nor should it be given to him when proceeding on leave. When a non-gazetted Government servant officiates in a gazetted appointment, his service book should be kept by the Head of the Office to which such Government servant permanently belongs, but when he is confirmed in such appointment, the service book should be forwarded to the Accountant General for record. The service book should not be made over to the Government servant concerned if he resigns or is discharged with or without fault. A certified copy of the service book may, however, be supplied to a Government servant who asks for it on quitting Government service by retirement, discharge or resignation on payment of a copying fee of Rs.5 of which a proper note should be kept in the original service book.

The amount of copying fee, in the case of Departments having a separate receipt Major Head may be taken to the Minor Head “Collection of payments for services rendered” and if such a Minor Head does not exist the recoveries may then be taken to the Minor Head “Miscellaneous”, under the Major Head Recoveries relating to Departments not having a special receipt. Major Head should, however, in all cases be taken to Minor Head “Collection of payments for services rendered” under the Major Head 0070 :-Other Administrative Services.

Note 1.—The service record of tehsil establishment shall be maintained and completed in the district offices.

Note 2.—Touring officers who have no gazetted assistants at headquarters need not carry service books and character rolls with them during tours, but may with the previous approval of their Heads of Departments and subject to such instructions as may be issued by them, keep them at their headquarters under lock and key.

Note 3.—It is duty of every officer to see that his service book is properly kept up and that all corrections in it are properly attested. If the book is not carefully kept up, difficulties may arise as to the verification of service when the officer applies for pension.

6-31. Personal certificates of character should not ordinarily be entered in the service book, but if an officer is reduced to a lower substantive appointment, the cause of the reduction should always be stated in brief.

VIII. Travelling Allowance

6-32. Subject as provided in rule 6-35 bills for travelling allowance, other than permanent or fixed allowances, shall be prepared and presented in accordance with the following rules :—

(i) The bill shall be prepared in Form F. C. 25 the instructions printed on the form being strictly observed. When a circuitous route is taken, the reason for doing so must invariably be stated in the bill.

(ii) When actual expenses are claimed under article 337-A of J&K Civil Services Regulations, vouchers in support of the claim shall be attached to the bill and a certificate that the actual expenses incurred was not less than the sum claimed recorded on it.

(iii) Separate bills shall be submitted for Government servants, of different grades under the travelling allowance rules, if the bills require different treatment in the office of the Accountant General.

(iv) All travelling allowance bills must bear a certificate of the drawing officer in the following form :—

“Certified that I have satisfied myself that the amounts included in the bill drawn 1 month/2 months/3 months previous to this date, with the exception of those detailed below (of which the total amount has been refunded by deduction from this bill) have been disbursed to the Government servants therein named and their receipts taken in the office copy of the bill or in a separate acquittance roll”.

(v) When a Government servant travels by a mode of conveyance to which he is not entitled under the rules applicable to him, the claim should be supported by a copy of the sanction of the competent authority.

6-33. The bill completed under the last preceding rule may be cashed at the treasury on the receipt of the Head of the Office ; but no bill requiring previous countersignature of a controlling authority shall be presented at the treasury before such countersignature has been obtained.

¹[A record of all bills sent for encashment at a treasury or for preaudit shall be kept in a register (Form F. C. 46) and a proper acquittance of the claimant taken on this register when the bill is cashed from the treasury and disbursed to the claimant.]

6-34. The travelling allowance bills of non-gazetted Government servants proceeding on tour shall be presented at convenient intervals during the period of their tour or immediately on return to the headquarters and as far as practicable before 31st March, if the tour has been completed before that date.

6-35. In the Public Works Department, save where any special rule or procedure has been authorised by departmental regulations T. A. bills can be presented for payment only after the claims have been passed by the controlling officers concerned.²[The subordinates should prepare their T. A. Journals in P. W. Form 52-A and after these are duly countersigned by the controlling authority, an abstract showing the totals under each head of the claim for each person should be prepared in P. W. Form 22-B by the Divisional Officer (Administration Branch) and passed on to the Accounts Section for check and payment under orders of the Divisional Officer. The original Journal should be attached with the abstract bills, for being sent to the Accountant General with the voucher supporting the monthly account. This shall come into force with effect from 1-4-1975]

6-36. For preaudit of T. A. bills of non-gazetted Government servants, see rule 5-8 of this Code.

1. Inserted vide F. D. Notification SRO-524 dated : 27-12-1965

2. Recast vide F. D. Notification SRO-99 dated : 27-2-1975.

ANNEXURE

(Referred to in rule 6-3)

**Comptroller and Auditor General's Directions for the
preparation and submission of the Annual
Establishment Returns**

1. The detailed statement of a permanent non-gazetted establishment commonly known as the Annual Establishment Return, will be prepared in Form F. C. 14 (A+B). It will show accurately the establishment as it exists on 1st March.

2. The particulars in respect of all members of the establishment holding permanent posts whether on duty or absent in foreign service, leave or deputation, or in temporary posts else-where or under suspension, or in transit to another office, should be entered in the appropriate columns, with the exception of the following classes of Government servants :—

(a) Government servants for whom records of service are maintained in the Audit Office ;

(b) Government servants for whom service books are not required to be maintained.

3. The return should show accurately the sanctioned scale of permanent establishment and so will include every post, whether filled or not. If a post be vacant, the word 'vacant' should be set against in the column 'Name of incumbent'. Posts sanctioned but not filled should be detailed at the foot of the return.

4. There should be a separate return for each permanent establishment and not more than one establishment should be exhibited on a single page.

5. The names should be entered in order of sections of the establishment. There should be a separate total for each section and a grand total for the whole establishment.

6. (a) In column I the general orders should be entered once only ; any other order should be entered against every entry which it supports.

(b) The date to be entered in column 2 is the date from which the Government servant has held the post continuously in an officiating, quasi permanent or substantive capacity, as the case may be.

(c) Personal pay should be shown on a separate line immediately below the entry of pay in column 8. The orders of the competent authority sanctioning it being quoted in column 1.

If the pay entered in column 8 includes an increment allowed with effect from 1st March, the entry should be checked with the increment certificate which would accompany the March bill.

7. When the pay of an establishment or of an individual Government servant is met partly by Government and partly by local or other funds, the whole pay should be shown in the return and the portion payable from each source specified in foot note.

8. The name of a Government servant officiating in a post and the amount of additional pay, for officiating drawn by him need not be shown unless the additional pay for officiating counts for pension.

In the case of an establishment on a time scale of pay the names of all Government servants not belonging permanently to the cadre but officiating in permanent posts or holding temporary posts should be included with an indication of the nature of the vacancies they fill.

If the officiating incumbent holds a permanent post on another establishment, the fact should be stated and the entry should be supported by a certificate from the head of that other establishment.

9. If a Government servant on the establishment has attained the age of compulsory retirement and is on Leave Preparatory to Retirement in terms of Rule 35 of J&K Civil Service Leave Rules 1979 as amended from time to time, his name need not be included in the annual establishment list.

10. A statement in Form F. C. 14-B should be appended to the return showing with relevant particulars the names which did not appear in the return of the previous year and those which appeared in the return of the previous year but are now omitted, as well as the names of Government servants who were on leave or under suspension during the previous year.

If a Government servant was transferred more than once in the preceding year, the name of each office and post in which he was employed during the year should be mentioned with dates in column 2 of the statement.

11. As the return will be the chief authority by which pension claims will be tested later, both the statements (Forms F. C. 14-A+B) should after completion be checked carefully with the service books, and a certificate of this check should be endorsed on each.

12. In the case of establishments borne on a provincial or amalgamated cadre separate returns should be furnished to the controlling officer, who should consolidate them into one return. The certificate of comparison with service books on the consolidated return should be as follows :—

‘Certified by Heads of Offices to have been verified with service books’.

13. The return should be transmitted to the Head of the Department concerned as early as possible after 1st March and in any case, not later than 15th April.

Note.—In the case of establishments on time-scale of pay the Head of the Department concerned may require the submission of the return in duplicate.

14. These directions apply equally in respect of local funds establishments, the claims to pension for which are submitted to the Accountant General for verification of service and report.

CHAPTER VII—CONTINGENCIES

I. Introductory

7-1. The term ‘Contingent Charges’ or Contingencies, as used in this Chapter means and includes all incidental and other expenses which are incurred for the management of an office as an office or for the technical working of a department, other than those which under prescribed rules of classification of expenditure fall under some other head of expenditure, e. g., ‘works’, ‘stock’, ‘tools and plant’, etc.

7-2. The rules of procedure prescribed in this Chapter shall apply primarily to ‘contingencies’ but miscellaneous expenditure 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 prescribed in other chapters of this Code or by any departmental regulations.

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

II. Classification of Charges

7-3. Contingent charges incurred on the Public service are divided into the following 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 without further sanction of any kind. They generally consist of charges, the annual incidence of which can be gauged with reasonable accuracy, e. g., Hot and Cold weather charges, rent of buildings etc.

(ii) Scale Regulated Contingencies—to comprise such Contingent Charges, as may be regulated by scale laid down by competent authority, e. g. rewards for destruction of wild animals, uniforms to inferior Government servants etc.

(iii) **Special Contingencies**—to include such Contingent Charges, whether recurring or non-recurring as cannot be incurred without the previous sanction of competent authority.

(iv) **Countersigned Contingencies**—to include such Contingent Charges as may require 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 through a Red D. C. Bill submitted to the Accountant General.

In some cases, the control over these contingencies is exercised before payment. In such cases, monthly Red D. C. Bills are not required to be submitted to the Accountant General, but the White D. C. Bill exhibits full details of the charges.

(v) **Fully Vouched Contingencies**—to comprise Contingent Charges which require neither special sanction nor countersignature, but may be incurred by the Head of the Office on his own authority subject to the necessity of accounting for them. These may be passed on fully vouched bills without countersignature.

Note.—The five Classes of Contingencies set forth above are not necessarily mutually exclusive. There may be cases in which special contingencies may be regulated by scales, or in which a bill for scale regulated contingencies may require countersignature. When a contingent bill falls within two or more classes the procedure prescribed in Section VI of this Chapter for each of these classes should, as far as possible be applied to.

III. General Rules

7-4. 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.

Note 1.—In cases where any scale 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.

7-5. Save as hereinafter provided in this rule, no pay of any kind and no addition to pay may be drawn on bills as contingent expenditure.

Note.—Fixed allowances for contingent expenses which are drawn regularly, irrespective of the actual expenditure in any month should be drawn as contingent charges on White D. C. Bills.

Exceptions.—Except what has been or may be specified by a general or special order of the Government, the following charges will ordinarily be treated as contingent expenditure and debited to contingencies or maintenance or work grants as may be appropriate :—

- (a) Hot weather establishment.
- (b) Mazdoors engaged on manual labour and paid on daily or monthly wages.
- (c) Sweepers (whether whole-time servants or not).
- (d) Extra potdars engaged to accompany remittances etc.
- (e) Different classes of employees given below by whatever designation they may be called (whole-time servants or not) declared ineligible for pension as well as those who may in future be declared to be non-pensionable.

Skilled Employees

Motor Drivers, Cycle Mechanics, Lampmen, Gasmen, Ayas, Mistries (other than those of P. W. D.), Dhobies, Table Servants, Barbers, Tailors, Boatmen, Mates, Malies, Syces and Regulation Beldars at the head works of canals, branches and escapes in the Irrigation Branch, Oilmen, Motor Attendants, Mochis, Farm Labourers, Assistants for Wood Works, Spinning and Weaving Hands, Khansamans, Wiremen, Line Carpenters, Groundmen.

Unskilled Employees

Khalasis, Mashkis, Tent-Pitchers, Messengers, Weighmen, Motabirs, Mirabs, Dak Runners, Chowkidars, Farashes, Wardmen, Water-Carriers, Bhishtis, Sweepers, Cleaners, Patrols, Farm Chowkidars, Firanders, Mace Bearers, Kamas, Mazdoors (Workshop or otherwise), Gate-Keepers, Khidmatgars, Sentries, Cattle attendants and Bearers.

Note 1.—(i) The rates of pay allowed should not exceed, such pay or scale of pay as may be fixed by Government for any particular class or classes of such inferior servants ; and

(ii) That when pay or scale of pay has been fixed, except with the special sanction of the Government, inferior servants should not be granted higher rates of pay than those allowed to identical classes of inferior servants employed in the same position under the same Government.

(iii) A certificate to the effect that the pay granted to different kinds of employees drawn in this bill is not higher than those fixed for similar servants employed under the State Government.

Note 2.—Contingent charges incurred on account of wages of Mazdoors engaged on manual labour and paid at daily or monthly wages should be supported by a certificate signed by the disbursing

officer to the effect that the Mazdoors were actually engaged and paid. The Audit will call for some of the paid Muster Rolls in each quarter and check them to see that they were properly maintained.

Note 3.—In the case of all other employees specified above, the certificate in the following form should be furnished by the disbursing officer :—

- I. 'Certified that.....skilled employees at the rate of.....and.....unskilled employees at the rate of.....whose pay is being drawn in this bill have been sanctioned by.....with effect from.....to.....or with effect from.....for an indefinite period, in exercise of the powers under.....and that they were actually entertained during the period for which their pay has been drawn in this bill.'
- II. 'Certified that no charges on account of pay of employees which have been left undrawn for more than one year are included in bill.'

Note 4.—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 Offices should be accompanied by the following certificates signed by the Disbursing Officer :—

'Certified that the amount drawn on account of rents, rates and taxes in Contingent bill No.dated the.....was actually paid to the parties concerned and that—

- (i) 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 ; and

- (ii) 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 undermentioned Government servants 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 imprest amounts held by each of them are much less than the monthly rate of contingent expenditure on rents, 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 an account of rents, rates and taxes, etc. in the previous Contingent bill No.....dated the..... have been paid to the parties concerned and that ;
- (b) the amounts drawn in this bill will be paid to the parties on realisation’.

Note 5.— The following certificate signed by the Drawing Officer, shall be attached with the Contingent bills which include charges on account of light refreshment at formal meetings and conferences :—

‘Certified that the expenditure on entertainment charges included in this bill was incurred in accordance with terms and conditions laid down by the Government from time to time, and that the prescribed monetary limits have not been exceeded.

7-6. 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 (whether required to be submitted to the Audit Office or not) should be stamped ‘Cancelled’ by the drawing officers at the time of initialling the entries relating to them in the Contingent Registers.

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 receipts, 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.

Note 2. - Similarly value payable parcel covers showing the amount paid to the post office may be treated as payee’s ‘Receipt’ provided they are certified to be 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 3. - Vouchers for feeding expenses of prisoners in transit need not be insisted upon. The Magistrate may accept the acknowledgement of the Officer-in-Charge of escort as a voucher and he may verify the expenditure by questioning the prisoner concerned.

See also Note 1 to rule 2-31.

7-7. 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 under the rules and orders of the High Court’.

IV. Special Rules relating to particular kinds of Contingencies and other Expenditure.

(i) Contract Contingencies

7-8. In respect of contract contingencies, sub-vouchers for more than Rs. 50 should be retained in the office of the disbursing officers, while others should be destroyed or so defaced that they cannot be used again.

7-9. 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

7-10 (a) From the monthly totals of the contingent register Form F. C. 27 (see rule 7-15) the monthly Red Detailed Contingent Bill (hereinafter named as Red D. C. Bill) will, in the case of contingent charges countersigned after payment, be prepared in Form F. C. 26 headed 'not payable at the treasury', and showing the monthly total of each column, with 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 White D. C. Bills cashed at the treasury during the month. The difference, if any, between the total of a Red D. C. Bill and the register must be adequately explained. The Red D. C. Bill will be signed by the Head of the Office and submitted to the controlling officer with all sub-vouchers above Rs. 10, his signature to the certificate endorsed on the bill taking the place of the smaller ones. See also rule 7-22.

(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.— There are occasions when it is not possible to meet the charges 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 2.—The following instructions should be carefully observed in preparing Red D. C. Bills :—

(a) One Red D.C. Bill should be prepared for the amounts drawn on all White D. C. Bills in any one month, and should be headed as appertaining to the month in which payment was actually made from the treasury. Several Red D. C. Bills may, however, be sent to adjust a single White D. C. Bill when in any special circumstances the whole of the amount of the White D. C. Bill cannot be accounted for in one Red D. C. Bill. The multiplication of bills should, however, be avoided.

(b) Charges on account of one major head only should be included in one Red D. C. Bill.

(c) All sub-vouchers for items exceeding Rs. 10 each should be noted with their amounts in column I of the Red D. C. Bill provided for the purposes.

(d) Details of miscellaneous charges or other items should be fully given in the Red D. C. Bill.

(e) The Red D. C. Bill should be submitted by the end of the month following that in which White D. C. Bill is drawn. A certificate to the effect that the monthly Red D. C. Bill for the White D. C. Bill or bills drawn in the month previous to the preceding one has been submitted for the countersignature of the Controlling Officer on.....should be recorded on the White D. C. Bill presented for payment at the treasury. On no account will the Treasury Officer cash a White D. C. Bill without such certificate.

7-11. On receipt of the monthly Red D. C. 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 countersigning officer with sub-vouchers. Any disallowances, with the number of the sub-voucher concerned and explanation of the objection, 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. 100, his signature to the certificate endorsed on the bill taking the place of the smaller ones.

Note 1.—The Controlling Officer should pass on to the Accountant General duly countersigned Red D. C. Bills received from the subordinate officers within one month of their receipts.

Note 2.—The term 'items' refers to the items of expenditure and not items of charges, e. g. a charge for Rs. 120 for section writers would not require to be supported by a sub-voucher if the amount is made up of sums paid to several individuals, none of which exceeds Rs. 100.

Note 3.—In the absence of the countersigning officer the examination and countersignature of the bill may be performed by some responsible gazetted Government servants authorised by the countersigning officer.

7-12. In the register maintained in the office of the countersigning officer the columns to the right will be written up as follows :—

That concerning the Red D. C. 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.

7-13. After despatch of the Red D. C. Bill to the Audit Office, the countersigning officer shall communicate any disallowance to the drawing officer and 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 total 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 total of the sub-vouchers', "Add amount of disallowance from bill of.....dated.....and allowed as per.....". The receipt would be for the gross amount, and the items would be re-included in the next monthly Red D. C. 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.—When a countersigning officer receives a Red D. C. Bill with vouchers for sums between Rs. 10 and Rs. 100 missing he should forward the bill to the Accountant General countersigned for the amount which is supported by vouchers and take steps to obtain the missing vouchers. On their receipt he should inform the Accountant General that they have been obtained and that the bill is passed by him for this further amount. The countersigning officer should devise means for watching the receipt of belated vouchers and take whatsoever steps he can to prevent their being unduly delayed. The Accountant General will keep a watch over bills countersigned only in part and bring the matter to the notice of the countersigning officer concerned from time to time.

(iii) Charges Regulated by Scale and Special Contingencies.

7-13-A. Charges regulated by scales and Special Contingencies which require the previous sanction of the superior authority before they can be incurred shall be drawn on White D. C. Bill Form F. C. 29 with full description of charges and accompanied by vouchers above Rs. 100. In the case of Special Contingencies the orders of sanctioning authority must

be quoted ; and when expenditure for which lump sum is granted under a special sanction, is continued over more than one month the second and subsequent months bill shall bear a note of how much has been spent up-to-date under the sanction.

(iv) Fully Vouched Contingencies

7-14. In the case of fully vouched contingencies, sub-vouchers for items not exceeding Rs. 100 should be retained in the office of the drawing officer and those above that limit attached to the contingent bills in support of the charges they represent.

Note.—See also note 1 below rule 7-10 (b), note 2 below rule 7-11 and rule 7-20.

(v) Record of Contingent Expenditure

(i) Contingent Register

7-15. 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 servant to whom this duty has been delegated by him (see rule 7-32 *infra*) shall be entered against the date of payment of each item.

This register will be in Form F. C. 27. 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 suit 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 wages of Pankha pullers etc.) entered in the other column belong.

Note 1.—If more convenient, a separate register may be maintained for each class of contingent charges (see rule 7-3).

1. Recast vide F. D. Notification SRO-169 dated : 24-2-1982.

Note 2.—If during the absence of the Head of the Office of the Government servant to whom this duty has been delegated, the entries have been initialled by a non-gazetted Government servant, the register must be reviewed and the entries reinitialled by the Head of the Office or such gazetted Government servant 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.

7-16. As each payment is made, entries must be made in the contingent register of the date of payment, name of payees, 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 Government servant incurring it shall be taken against the description.

Note .—Regarding the entries to be made in the final columns, see rule 7-12.

7-17. 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 7-30) 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 may be entered in one register only for the purposes of control, the account of an adjustment being left to the Accountant General.

(ii) Bills for Contingent Charges

7-18. (i) When it is considered necessary to draw money from the treasury for contingent expenditure of which vouchers cannot be readily obtained before payment, money for the contingent expenditure may be drawn on a White D. C. Bill (Form F. C. 28) showing in as clear a detail as possible the expenditure to be incurred.

(ii) When, however, it becomes necessary to draw money for contingent expenditure to recoup the permanent advance or when a transfer of charge takes place during the course of the month or in any case at the end of the month a red ink line shall be ruled across the page of the contingent register (Form F. C. 27) the several columns added up and several totals posted in separate bill for each class of contingent expenditure. The Head of the Office or the Officer to whom this duty has been delegated, shall carefully scrutinise the entries in the register or registers with sub-vouchers, initial them if this has not already been done and sign the bill which will then be dated and numbered and presented for payment at the treasury.

(iii) The heads of contingent expenditure may be entered in manuscript in the bill and the totals posted against them, provided that in cases of expenditure requiring explanation, full details of the charges must be entered in the bill, except when they are given in the sub-vouchers sent to the Accountant General.

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

7-19. (i) Subject to any orders or instructions issued by the Government in this behalf, a contingent bill for payment to suppliers, etc. which cannot be met from the permanent advance, may be endorsed for payment to the party concerned. This procedure shall not apply to cases, where the disbursing officer is authorised to incur expenditure by drawing cheques on the treasury.

(ii) Whenever under the provisions of this rule a contingent bill is endorsed to a private party, the drawing officer shall issue an advice to the treasury officer concerned, giving full particulars of the bill. The item must at once be entered in the contingent register and a note made to the effect under the initials of the drawing officer that the amount has been drawn.

(iii) An endorsement of a contingent bill by a drawing officer in favour of a messenger is not an endorsement for the purpose of this rule.

Note.—Endorsements will in all cases remain current for three months only, counting from the date of issue. In the case of bills issued in the last quarter of the year, however, an endorsement should be entered to the effect that the payment orders will lapse unless the bills are cashed by the end of March.

¹(iv) Notwithstanding anything contained in this rule, the system of endorsing contingent bills to private parties shall be dispensed with. Bills up to Rs. 1000/- shall be drawn and disbursed in cash by the Departmental Officers. Bills above Rs. 1000/- be paid by the drawing and disbursing officer through Bank Drafts at the expense of the payee. The Bank Drafts shall be obtained from the Jammu and Kashmir Bank only, being bankers to the Government and dealing with cash of all the Treasuries.

7-20. When, in paying rewards to informers, or in any other case, it is not desirable to disclose the names of payees, a certificate in the hand-writing of the disbursing officer to the effect that the payment has been duly made, shall be submitted to the Accountant General in support of the payment in lieu of the payee's receipt ordinarily required.

1. Inserted vide F. D. Notification SRO-556 dated : 17-12-1987.

7-21. All charges actually incurred must be paid and drawn at once and under no circumstances may they be allowed to stand over to be paid from the grant of another year. Money must never be drawn unless it is wanted for immediate disbursement. The drawal of the whole or part of the budgeted grant in a lump sum or otherwise in anticipation of demands for expenditure likely to be spread over some months or not to be incurred till after some weeks have passed, or to prevent lapse of budget grants is strictly prohibited and must be avoided as the most frequent source of fraud and losses and protracted correspondence about adjustments.

7-22. Any unexpended balance of money drawn on a White D. C. Bill must be refunded into the treasury on a simple Arzirsal (Form F. C. 2) quoting the date and amount of the White D. C. Bill on which it was drawn. Money should be refunded in this way as soon as it is found that the expenditure must be postponed or is unnecessary, e. g., an officer is allotted Rs.250/- for repair to building. He draws Rs. 100 on white D. C. Bill and buys material for Rs. 50 and spends Rs.25 on labour when snow falls and stops the work. The unspent balance of Rs. 25 should at once be refunded in cash unless it can be spent simultaneously on some other sanctioned object. The balance of Rs.175/- can be drawn later when the season allows the work to be recommenced.

In such a case it would be irregular :—

(a) To draw the whole amount of Rs. 250 at once because it could not all be spent within a short time.

(b) To retain the unspent balance of Rs. 25 in hand till the work is recommenced.

7-23. The practice of giving lump advances to contractors and others is very undesirable and should be stopped ; prompt payment for the completed work or for as much as has been completed is ordinarily quite sufficient to secure satisfactory work for State requirements.

7-24. The amount and date of each White D. C. Bill drawn must be recorded clearly on pages set apart for the purpose in the contingent register to guide the disbursing officer in finally and fully adjusting each one in proper time. Amounts unspent and refunded in cash must be entered on the expenditure side, quoting number and date of the treasury receipt, to balance the account for each White D. C. Bill.

(vi) Preservation, Cancellation and Destruction of Sub-Vouchers

7-25. The following rules for the prevention of the fraudulent use of sub-vouchers should be observed by all Drawing and Disbursing officers in the matter of cancellation and destruction of sub-vouchers :—

(i) Unless in any case it is distinctly provided otherwise by any rule or order, no sub-vouchers may be destroyed until after a lapse of 3 years. This will generally apply to sub-vouchers between Rs. 10 and Rs. 100 which are to be preserved till these are audited by the outside Audit Department of the Accountant General's Office and inspected by Accounts Organisation of the Finance Department.

²(ii) Every sub-voucher whether it is retained in the office by the drawing officer or is sent to the audit office or to the Controlling Officer shall be cancelled by means of a rubber stamp or by an endorsement in red ink across the voucher, the cancellation being initialled and dated by the officer authorised to draw the contingent bills of the office. The cancellation should be made at the time when the contingent bill in which the sub-vouchers are included is actually signed.

³[(iii) Deleted].

(iv) In all cases in which sub-vouchers are not required to be submitted to the Accountant General or the controlling officer, the drawing officer should after personal check certify on the bill that sub-vouchers other than those attached to the bill have been so defaced mutilated or destroyed that they cannot be used again. Destruction of vouchers in any case is subject to the provisions of sub-rule (i) above.³[Deleted].

1. Recast vide F. D. Notification SRO-169 dated : 24-2-1982.

2. Recast vide F. D. Notification SRO 399 dated : 9-9-1981.

3. Deleted vide F. D. Notification SRO 399 dated : 9-9-1981.

Note :—¹[Deleted].

(vii) Permanent Advance

7-26. Permanent advance may be granted to officers who may have to make payments before they can place themselves in funds by drawing on the treasury. They are subject to the following rules :—

- ²(i) The amount of the advance will be fixed by the Finance Department.
- (ii) (a) As these advances involve the permanent retention of money outside the treasury they must not be larger than what is absolutely essential.
- (b) The advance should be based on the average monthly contingent expenditure of the office for the preceding twelve months.
- (c) Normally it should be assumed that the advance would be recouped at least twice a month, so that amount sanctioned should not exceed half the amount of the average monthly contingent expenditure.
- (d) These advances should not be multiplied unnecessarily. An officer's advance should meet the needs of every branch of his office. If he has subordinates who require petty sums, he should spare a small portion of his own advance for their use rather than apply for separate advances for them, taking acknowledgements from them in the same way, as he himself furnishes acknowledgements to the Accountant General and retaining them in his office.
- (e) The advance is intended to provide, on the responsibility of the officer entrusted with it, for emergent petty advances of all kinds though it is seldom that they will be needed for other, than contingent charges ; thus, if an inferior servant is required

1. Deleted vide F. D. Notification SRO-399 dated : 9-9-1981.

2. Recast vide F.D. Notification SRO-686 dated : 15-10-1976 with Corrigendum No. A/80 (63)-1351 dated : 24-9-1979.

to travel to a distant place his fare must sometimes necessarily be advanced from this amount.

- (f) The holder of a permanent advance is responsible for the safe custody of the money placed in his hands ; and he must at all times be ready to account for the total amount of the money.
- ¹(g) In the case of transfer of charge and yearly on 15th April, each officer, in whose favour the permanent advance is sanctioned shall send an acknowledgement of the amount due from and accountable for by himself as on 31st March preceding, to the authority which sanctioned the permanent advance and to the Accountant General. The sanctioning authority will maintain suitable record to watch receipt of such acknowledgements.
- (h) In respect of a newly created office in which case monthly average expenditure cannot possibly be known, permanent advance may be sanctioned on adhoc basis for one year subject to its regularisation after that period. At the time of regularisation the average expenditure of the office for the period of preceding year will be checked and the adhoc amount increased or reduced, as may be required under the prescribed norms. The amount of adhoc advance in such cases will be as under :—

(i) Officers up to Tehsil Level	...	Rs.	50.00
(ii) Officers at District Level	...	Rs.	150.00
(iii) Officers at Divisional Level	...	Rs.	200.00
(iv) Officers at State Level	...	Rs.	300.00

Adhoc advance will be sanctioned by the Finance Department and will be valid only for one year from the date of establishment of the newly created office.

(i) Applications for the revision of a permanent advance must be submitted to the Finance Department by the subordinate offices, through their Head of Department and by the latter through the Administrative Department. These should be accompanied by a statement showing month

1. Recast vide F.D. Notification SRO-344 dated : 27-7-1984

by month for the preceding twelve months and amount of the contingent expenditure incurred with classified details of items of expenditure.

7-27. When contingent expenditure is met from the permanent advance, and a White D. C. Bill is to be drawn to recoup the advance, the Contingent Register must be totalled and the amount drawn on the bill entered in red ink, so that (added to the balance in hand) the total amount of the permanent advance may be made up by the recouping bill.

7-28. Practices which lead the advances of money from permanent advance for which final vouchers cannot at once be obtained, and which, therefore, cannot be promptly recouped on a fully vouched bills, are irregular and must be avoided.

(viii) Inspecting Officer's Bills

7-29. 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 White D. C. Bills, in the ordinary form. In the case of countersigned contingent charges, one Red D. C. 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. But the amounts drawn must be taken as final payments and not as advances.

(ix) Inter Departmental Transfers

7-30. In the case of work done by a Government factory [(such as Jail or Workshop as also in other cases in which inter-departmental adjustments are permissible (see Appendix 3)] the officer incharge 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 officer served who, on approving the invoice, will countersign all and return one copy to the supplying officer, another copy he will file in his own office, and the third he will attach to his contingent bill for the current month, noting the amount in the statement of account at foot in order to work out the available balance of his grant, but not including it as a disbursement among the charges of his bill. Before despatching his monthly

bill, 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 the forward total with that shown in the statement of account of his contingent bills. In the register of the countersigning officer, where such a register is kept, the amount of such a bill must in like manner be separately entered. Such invoice shall never be retained by the countersigning officer.

(x) Responsibility of the Drawing Officer

7-31. The responsibility of drawing officers is determined by the provisions of rule 2-48. 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.

7-32. Where there is more than one gazetted Government servant attached to an office, the Head of the Office may delegate to a gazetted Government servant subordinate to him the immediate responsibility for the supervision of the contingent bills and registers and checking and cancelling the vouchers. The delegation of powers 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.

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.—The disbursing officers are responsible for checking expenditure in cases where an annual limit is imposed on their spending powers. In such cases the disbursing officer should furnish a certificate either on the bill itself or separately, whenever such a charge is sanctioned or incurred, that the total charges so far incurred during the year do not exceed the prescribed limit.

(xi) Responsibility of Controlling Officers

7-33. (a) The countersigning officer shall be responsible for seeing that the 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 are in order ; and that the calculations are correct ; and specially that the grants have not been exceeded, or are not likely to be exceeded and that the Audit Office 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 disbursing officer, and insist on its being checked.

(b) It should however, be remembered that the appropriation under any unit of appropriation may be intended to cover expenditure on a number of distinct and individually important objects or classes of expenditure e. g. 'purchase and repairs of bicycles' and 'Stationery local purchases', 'Hot and cold weather charges', 'Office expenses', etc. A controlling officer cannot control the expenditure under such a unit effectively nor will he be in a position to forecast the future needs with accuracy unless the more important details or items grouped under the unit are individually controlled and this is particularly true in the case of charges like contingencies which are fluctuating and not fixed . Further, as contingent expenditure may ordinarily be incurred within an allotment without higher sanction, viz, countersignature, and as it is only in certain specified cases that a higher sanction, viz, countersignature, scales of expenditure etc, have been prescribed, there are no means of seeing, in the majority of cases, that the expenditure is necessary, is economical and so on. It, therefore, follows that one effective way by which waste can be kept down is to regulate the important individual details under a unit by distributing the appropriation among each of them, the less important items being lumped together. The spending officers should be required to confine expenditure to this distribution.

(c) The Contingent Register prescribed in rule 7-15 is designed, among others, for this purpose and affords the means by which expenditure on important items of details under any unit can be separately watched. A controlling officer should arrange to get monthly statements of progressive expenditure compared with allotments under the details or items for which a specific appropriation or allotment has been made by him. If the

expenditure is progressing too rapidly, he should instruct the disbursing officers to curtail it to the extent necessary.

(d) The duty of controlling expenditure under the details subordinate to a unit of appropriation rests entirely on departmental officers.

(e) In the case of contingent charges which are subject to countersignature, the countersigning or the controlling officer, besides exercising the checks described above is in a position to scrutinise the charges in further details and should see that the charges in the detailed bills are necessary and economical ; that prior sanction for any item wherever necessary is attached ; that the requisite vouchers are all received and are in order and that the calculations are correct.

(f) As regards contingent charges which do not come up for countersignature, the controlling officer should, besides exercising the control contemplated in sub-paragraphs (a) to (d) above, scrutinise, during local inspections the Contingent Registers maintained in the offices under his control and satisfy himself generally, as regards the necessity for the correctness of rates, competency of sanction, etc.

(xii) Special Rules relating to certain Types of Contingencies

7-34. This part contains special orders relating to certain item of contingent expenditure. The special powers delegated to the various classes of officers to incur such expenditure are given in the J&K Book of Financial Powers.

1. Advertisements

7-35. (a) Except where otherwise provided by any general or special order of Government in the Information Department in any particular case, the Information Office of the Government will be the Central Office for the issue of all official advertisements and it will secure standing contracts for advertisements space in the various newspapers approved by Government from time to time.

(b) The Head of Departments, Secretaries to Government and all other officers desiring to have official advertisements published, will send their advertisements to the Director of Information or any other officer of his Department nominated by him in this behalf.

(c) No payment should be made direct to the papers on account of advertisements published in them except on bills certified by the officer concerned of the Information Department. Such bills should be supported by the newspapers cuttings containing the advertisement.

¹Exception I.—The Public Service Commission may get advertisements in newspapers outside the State published and paid for directly without a reference to the Information Department.

²Exception II.—The Director, Institute of Medical Sciences may release advertisements to the Press directly without routing through the agency of Director Information Department.

2. Allowances to Jurors or Assessors

7-36. This is regulated by rule 14, Chapter XXI of the General Criminal Rules for the guidance of Courts, according to which a fee up to Rs.8 per diem each is allowed to assessors for attending Courts in session cases by debit to 2014-Administration of Justice, Civil and Sessions Courts—Other Charges—Witness Expenses.¹ Provided that where the trial is likely to last for more than three months, the Government may enhance the amount of subsistence allowance to a sum not exceeding rupees twelve per diem. A payment made by a Court should be supported by a certificate attached to the contingent bill, that it is in accordance with the scales and conditions prescribed in the rules and orders of the High Court.

Note.—The enhanced rate up to Rs. 12 per diem will be allowed from the commencement of the trial subject to orders of the Government in each case.

1. Inserted vide F. D. Notification SRO-519 dated : 27-12-1965.

2. Inserted vide F. D. Notification SRO-406 dated : 28-7-1979.

3. Anti-Rabic Treatment

7-37. For rules relating to anti-rabic treatment see Appendix (4) of this Code.

4. Bicycles

7-38. Bicycles for use in Government offices will be purchased from the dealers approved by Government in the Stationery and Supplies Department which will also lay down the particular make or makes of the bicycles to be purchased during a particular period and the life period for each such type of bicycle. The payment should be made to the approved dealer only after getting the bicycle examined by the Stationery and Printing Department with the approved sample stocked there and after getting the firm's bill verified by that Department.

The Head of an Office may have a bicycle supplied to his office, repaired locally or at the nearest repairing centre. If repairs required to the frame of a bicycle including transit charges would cost so much that in his opinion it would be more economical to purchase a new bicycle, he should immediately take steps for its condemnation with the sanction of Government in the Stationery and Printing Department. The purchase of a fresh bicycle should also be made from an approved dealer.

5. Camp Equipment

7-39. Departments in which the Executive Officers have to tour in out of the way places where there are no means of shelter such as rest house and dak bungalows, should make their own arrangements for supply of tent equipment. Government in the Department concerned will specify the officers entitled to camp equipment and the scale for each. No camp equipment shall be issued for tours in illaqs where rest houses and dak bungalows or similar other accommodation is available for shelter.

6. Carpets

7-40. Carpets can only be purchased with the sanction of the Government for use in the offices or residences of Ministers, Deputy Ministers, Presiding Officers and High Government Officials only but purchase of costly woollen carpets should be allowed only in very rare and exceptional cases.

7. Conveyance Hire to Non-Gazetted or Inferior Government Servants

7-41. For rules under this head see explanation under article 331 Jammu and Kashmir Civil Service Regulations.

8. Dak—Carriage of

7-42. (a) (1) It is irregular to send dak regularly through an agency other than the post office. There is, however, no objection to (i) sending of individual urgent communications from one place to another by special messenger, and (ii) sending letters by orderlies from one office to another in the same station.

(2) When office dak is sent to an office in another station of at a considerable distance in the same station through an orderly or messenger instead of by post, charges on account of conveyance if any, may be paid and charged to the contingent grant of the office concerned, provided the head of office certifies that the expenditure was actually incurred, was unavoidable and is within the scheduled scale of charges for the conveyance used.

(3) Where office dak is carried by a special messenger, transmission of summons and letters addressed to various persons for delivery, in bags containing office files is inadmissible.

(b) In offices where special means of conveyance such as motor cycles or scooters are provided for carrying of urgent and important dak, the use of the conveyance will be made on really urgent occasions and in the most economical manner, proper record being maintained of the dak delivered through the motor cycle orderly and proper account being kept of the maintenance and running charges of the conveyance.

9. Decoration of Government Buildings

7-43. Expenditure incurred from State revenues on the decoration of Government buildings, etc., on ceremonial occasions and the like, as for instance on the visit of a distinguished personage, Independence Day, Republic Day, may be charged to the contingent grant of the office incurring it.

10. Electric Installations.

7-44. State P. W. residential buildings will be wired at the cost of P. W. D. and the fittings treated as part and parcel of furniture. Recoveries on account of rental of fittings will be made by the P. W. D. along with the sanctioned rent of the building at 15% of the capital cost of the fittings in the case of buildings let out to private individuals and at 8% of the aforesaid cost for those occupied by Government servants other than those enjoying the concession of a rent-free house (see article 55-B Jammu and Kashmir Civil Service Regulations). All charges for the renewals, repairs of fair, wear and tear and additions will also be borne by P. W. D.

Note 1.—The right of purchase conferred by rule 24 of the Jammu and Kashmir Electricity Rules S. 1995 does not apply to installations in State residential buildings.

Note 2.—Non-residential buildings are wired with the sanction of Government in the Department concerned.

11. Freight and Demurrage.

7-45. The sanction of competent authority for the purchase of any article carries with it sanction for incurring the necessary freight charges also, provided that the cost of the articles including freight is within the sanctioning power of the authority that sanctions the purchase.

Charges for demurrage should not ordinarily arise. If in any case the Head of the Department is satisfied that the amount payable is unavoidable, he may sanction payment up to Rs.50 in each case.

12. Furniture

7-46. (1) Furniture for Government Offices or Institutions will be purchased only with the sanction of competent authority and subject to the rules laid down in Chapter VIII (Stores). It will be the duty of the Head of the Department to see that no extra furniture than is absolutely necessary in an office or institution under his control is purchased and that no furniture is utilised by any Government servant for his private use. Government may lay down the scales, design and quality of furniture for the various officers or classes of officers and subordinate staff, generally

or in a particular case, in respect of articles like tables, chairs, screens, dressing almirahs, durries, clocks and time-pieces, electric heaters and table-fans etc., and no deviation from such scales will be made except with the sanction of the Head of the Department who will accord his sanction on the merits of each case and when the necessity for such extra articles is established.

(2) Every new building constructed by the Public Works Department is (if estimated for) provided by that Department with fixture including, when necessary, record racks, shelves, fans or Pankhas etc., but the repairs of these fixture, except in the general repair of the building, are not chargeable to the Public Works grant. Consequently such special repairs, together with the purchase and repair of furniture not comprehended in the preceding fixtures, should be paid for by the department concerned, and be charged in the contingent bill. The repair of furniture where supplied by the Public Works Department for new office buildings under the orders of the competent authority will be similarly charged.

(3) (a) The Chief Secretary to Government or such other officer as may be specified in this behalf by the Government will be responsible to stock, purchase, issue and execute repairs, to the furniture articles of the various branches of the Civil Secretariat of the Government. This responsibility will be discharged through the Estates Officer who is directly incharge of Central Furniture Stores. The stocks of the Secretariat already transferred to the Estates Officers by the various branches of the Secretariat will be entered and recorded in a register to show the articles so received and their disposal and other necessary details.

(b) The Central Furniture Stores will also arrange furniture for such offices located in the old and new Secretariat premises or even outside those premises as may be specified by Government in this behalf and it will be laid down in the order whether the purchase and issue of such articles will be done by the Central Furniture Stores in the same manner as that for the Civil Secretariat or whether such offices will make payments for the furniture so supplied to them and any repairs thereto, in which case the Central Furniture Stores will have the same role as that of a private supplier.

(c) The Estates Officer, as incharge Central Furniture Stores will maintain a proper and complete record of the articles purchased for the

stores or manufactured therein and their issue, disposal etc.

(4) In the case of the Civil Secretariat and offices for which the purchase and issue of and repairs to furniture is centralised in the Central Furniture Stores, the Head of the office concerned cannot incur any expenditure for such purchases or repairs and any such expenditure incurred will be treated as unauthorised.

Note.—The Chief Secretary to Government will be the Head of the Department for the Central Furniture Stores.

13. Government Gazette—Subscription to

7-47. (i) Subscription to Government Gazette by Offices and Institutions can only be made with the sanction of Government in the Administrative Department concerned where such sanction has been given fresh sanction for continuing contributions from year to year will not be necessary.

(ii) The following procedure should be followed in subscribing to and making payments for the Gazette :—

(1) The Government Gazette will be supplied to all Government Offices and private subscribers alike against payment ;

(2) The annual subscription for one copy of the Government Gazette will be Rs. 63 (including binding but excluding postage charges);

(3) The Gazette will be printed and priced by parts in the manner detailed in the Annexure A to this Chapter which also gives the price schedule and the subscribers will have option to subscribe to the Government Gazette as a whole or by parts ;

(4) Government offices subscribing to the Government Gazette will pay their annual subscription out of their office contingent grants and maintain a proper record of the receipt and disposal of Gazettes in the Register of Gazettes—Form F. C. 44.

(iii) The expenditure on the printing of the Government Gazette will be met from the funds provided for the purpose in the Stationery and Printing Department and the receipts realised by way of subscription should be credited to the account head 0058 Stationery and Printing, Sale of Gazette and other Government publications'.

14. Jeeps and Vehicles

7-48. Rules regulating the use of jeeps and vehicles by Government servants in different departments of the State are regulated by the orders of the Government passed in this behalf from time to time (see rule 18-23 and Appendix 13).

15. Medical Officer Fees etc.

7-49. Medical Officers may, for post mortem and medicolegal examinations be allowed fees as below irrespective of whether or not they are required to give evidence in a Court in connection with such examination. Such fees are admissible only in cases in which the State is not a party but are referred to for such examination by the Police or a Court at the request of a party and are payable by such party at the following rates. When the examination is conducted by the Medical Officer during the time which would otherwise be employed in the service of the Government, or when any such examination is conducted by him beyond the hours of his duty in a Government hospital, or laboratory, the total fee should first be paid into the Government Treasury, but the authority having power to sanction the appointment may grant to the Medical Officer concerned such portion of the fee realised as it may deem suitable, provided that the fee credited to the Government shall not be less than 60% of the amount realised. The share of the Medical Officer will be subsequently drawn on a refund bill :—

Superintendent Civil Hospitals, District
Medical Officers and Medical Officers
of like rank

...Rs. 50 per examination.

Assistant Surgeons

...Rs. 16 per examination.

Provided that when such Medical Officer is subsequently required to give evidence in a Court of Law stationed at the headquarters of the Medical Officer in connection with any such examination he or she shall not be entitled to any remuneration in addition to the fee mentioned above. If he is required to proceed more than 13 K.Ms. beyond the limits of his station travelling allowance, if any, admissible under note 3 to article 358 Jammu and Kashmir Civil Service Regulations should be paid.

16. Postage and Telegrams

7-50. (I) (a) Payments for postal commission on money orders and value payable parcels can be passed as ordinary contingent charges, unless, in any case, the Accountant General considers sanction of the Government necessary.

(b) No charges shall be entered in any contingent bill for any postage stamps required for letters or other articles to be sent to foreign countries other than British possessions. Receipt from the post office will not be necessary for the service postage stamps used. A proper receipt should, however, always be obtained from the treasury for the service postage stamps which are purchased.

Note.—See also rule 2-56 of this Code.

(c) Whenever the cost of an establishment is divided between two heads, the charges for service postage stamp, shall be divided in the same proportion.

Telegram Charges

(II) (a) 'State telegrams should be booked at combined offices (offices which do postal as well as telegraph business) or at a Departmental Telegraph Office (offices which do not do postal work) and the telegraph charges paid in cash. State Government offices may, if they so desire for convenience sake, open credit accounts with the Central Telegraph Office or such other combined offices which are authorised in this behalf by the posts and Telegraphs Department. Under this system the telegrams can be handed in without any pre-payment and accounts adjusted with the telegraph office of the combined offices as the case may be on preferring the bills by the later fortnightly.

Confirmatory copies of phonograms when forwarded by the Posts and Telegraphs Department along with their charges due on them shall be paid in cash except at stations where such charges are collected through Trunk call bills.

(b) The following accounting procedure in respect of cash payment of telegraph charges should be adopted :—

(i) The Office Nazir or the Cashier, as the case may be, will advance on proper receipt out of the permanent advance money with him, such an amount to the despatcher as may be necessary for a week's needs for such cash payments. The despatcher will maintain in the register Form F. C. 29 a proper account of cash payments made by him for telegrams issued, close the same at the end of each week or earlier, if so necessary and get the advance recouped from the Office Nazir/Cashier after the register is checked carefully, as in case of other cash vouchers by a responsible officer not below the rank of an Office Superintendent/Head Clerk, with the receipt furnished by the Posts and Telegraphs Department.

(ii) The Office Nazir/Cashier will record such cash payments in the contingent register under the column meant for sub-head 'Postage and Telegraphs', as also in the cash book when he will enter cash book item No. in column 7 of the register with the despatcher Form F. C. 29. He will then number the vouchers as in case of other cash vouchers.

(iii) The procedure for reimbursement of such charges from the treasuries will be the same as is laid down in section V of this Chapter (rules 7-15 to 7-25).

¹(iv) The accounting procedure as indicated above shall also apply to such offices as open, credit accounts referred to above except that no cash shall be advanced to the office despatcher. In such cases the register will be maintained by the despatcher and after receipt of the bills from the Central Telegraph Office or the combined offices as the case may be, these shall be verified with the entries in the register and the telegram receipts and payment made in usual course by drawing the amount on contingent bills debiting the same to sub-head "Postage and Telegraphs".

1. Inserted vide F. D. Notification SRO-162 dated : 14-4-1966.

(v) As there is every apprehension of fraudulent use of these cash receipts any time, the drawing and disbursing officers should be careful to see that these vouchers are, as in the case of all other vouchers below Rs. 10 entered in a separate register maintained for the purpose, and the words "Destroyed by me" recorded by him in the register below such vouchers, every time he signs a bill in which such transaction appear. He will simultaneously destroy or deface the vouchers in a manner that they cannot be used again.

(c) State messages may be classed as 'express' or 'ordinary' at the discretion of the sender. The following general principles are prescribed for the guidance of Government servants, who should also bear in mind the necessity for keeping expenditure on telegrams as low as possible :—

(i) A telegram should not be sent where a letter would serve the same purpose equally well.

(ii) State telegrams should, as a rule, be sent in the 'ordinary' class.

(iii) Messages should be classed as 'express' only in cases of great emergency and in cases where the despatching Government servant knows that the line is blocked and considers his message sufficiently important to take precedence of ordinary traffic.

(d) State telegrams should, except when extreme precession is important, be expressed in as few words as possible ; and mere auxiliary or connective words which can obviously be filled in by the receiver should be omitted.

(e) Books of telegram form required for official use may be obtained on payment from any principal telegraph office.

(f) Foreign State telegrams can be issued only by Government servants who have been specially authorised to do so. A list of such Government servants is given in the Indian Telegraph Guide.

(g) If a Government servant not entitled to send a Foreign State telegram finds it necessary in the interests of the public service to do so, he should send the message through some higher authority empowered to issue such telegrams.

17. Printing

7-51. No Government printing work should be entrusted to private presses unless the Government presses express their inability to undertake the work concerned. A certificate to this effect shall be obtained by the officer concerned from the Head of the Stationery and Printing Department before the work is got executed through a private press and after obtaining competitive rates as a result of invitation of tenders. The certificate of the Head of the Stationery and Printing Department shall be attached to the bill for payment of the cost of printing of the work at a private press.

This rule may, however, be relaxed in any particular case by Government in the Printing Department where it is satisfied that the material to be printed is of such a character as cannot be properly printed at a Government Press or its printing at a private press will be conducive to more efficiency and promptness. Such permission may, for example, be given in case of Offices and Institutions located outside the State or in the case of big Industrial and Commercial concerns, where quality and speed are very essential from the point of view of the efficiency of such concerns.

Note 1.—The Principals of Government Colleges are authorised to get the House Examination Papers printed at presses outside the State.

Note 2.—The Assistant Director Research and Publication may assign printing and binding work to private presses and binders only in case :—

- (i) Government presses cannot undertake execution of this work ; or
- (ii) they cannot guarantee timely delivery ; or
- (iii) the rates charged by them are higher than those of private presses.

In cases in which the work is entrusted to private presses, the rates determined and obtained on the basis of competitive tenders will be approved by the Director of Education, in consultation with the Head of the Stationery and Printing Department.

¹*Note 3.*—Secretary State Board of Technical Education shall be competent to undertake the printing of question papers from any press outside or inside the State ²(xxxxxxx) without inviting tenders.

This shall be deemed to have come into effect retrospectively from the date of creation of the Board.]

³*Note 4.*—The Chairman of the Public Service Commission, or any other member or the Secretary nominated by him may get question papers, for different examinations (conducted by the Commission) printed without calling for tenders.

18. Publications

7-52. (1) Supply of copies of proceed official publications of the Central Government to the State Government and *vice versa* ;

(i) ⁴ Unless otherwise provided in these rules State Government publications shall be supplied to the Government of India and their publications obtained through the Secretary to Government, General Department (Pol. Section) at a 25% discount by book debit instead of cash payment on reciprocal basis. On the same reciprocal basis no debit will be raised, by either Government if the amount of a single book debit voucher does not exceed Re. 0. 25 P. This arrangement shall not, however, apply to those publications for which an annual subscription is fixed or when a fixed deposit is entertained annually.

⁴*Exception.*—State Government Publications shall be supplied to the A. G. J & K free of cost according to his actual requirements.

1 Inserted vide F. D. Notification SRO-235 dated : 18-5-1970.

2 Deleted vide F. D. Notification SRO-178 dated : 12-5-1971.

3 Inserted vide F. D. Notification SRO-523 dated : 6-10-1980.

4 Inserted vide F. D. Notification SRO-238 dated : 30-5-1966.

(ii) The following further procedure shall be adopted in obtaining Government of India publications :—

(a) Supply shall be made by the Manager of Publications, Government of India Publications Branch, Civil Lines, Delhi, on indents from officers of the State Government received by him through the Secretary to Government, General Department (Political Section) who will be the Co-ordinating Authority for indenting of Government of India publications.

(b) All indents in the form given below should be passed on through the Secretary to Government, General Department, viz., the Co-ordinating Authority, to the Manager of Publications, Indents which are not received through that authority shall not be complied with.

(c) Every indent shall state prominently :—

'To be supplied on Book Debit'

Form of Indent for Publications

(N. B.—This space is reserved for use by the Publications Branch).

Department against whose Monetary
allotment the cost is debitable.....

Account No.....

Station.....Indent No.Dated.....

To
The Manager of Publications,
Civil Lines, Delhi- 6.

(Through.....)

Sir,

Please arrange for the supply of the priced publications noted
on the reverse to.. ..

(a) The charges may be debited against the monetary allotment of this Ministry Department.

or

*(b) Necessary debit may be raised against this Ministry/Department by book adjustment through the.....(name of Accounts Officer) under the head :—

Yours faithfully.

(d) A Book Debit voucher in duplicate specimen overleaf shall accompany each supply. One copy of the voucher duly accepted, shall be sent to the Accountant General. The adjustments shall be carried out by the Manager of Publications through the pay and Accounts Officer, Ministry of Works, Housing and Supply, New Delhi, with the Accountant General.

*For paying departments only.

(e) Central Government Publications indented for by the State Government may, if unused and in good condition, be returned to the Central Publication Branch which will give credit for their value.

(f) In respect of recurring publications, new requisitions for the supply of such publications, which is considered desirable to continue, shall be forwarded by the Indenting Government servant direct or through the Co-ordinating Authority, as the case may be, so as to enable the Publication Department to consider whether any restrictions in the number of publications is necessary.

(g) Only Class I Officers are authorised to purchase non-recurring publications of the Central Government for official use on a commission of 25 per cent where allowed. Payment for all such publications will be made by book adjustment by debit to the concerned grants of the respective departments.

(iii) Supply of Survey of India Maps.

(a) These rules do not apply to maps supplied by the Survey Department for which there is a set of rules issued by the Surveyor General.

(b) Indents for these maps should after countersignature by the Head of the Department concerned, be sent to the Map Record and issue Office, Survey of India, Calcutta, direct and the cost of the maps charged to the contingent grant of the indenting officer.

II. Non-Official Publications.—(a) Books and newspapers or other periodical publications whether published in or out of India shall not be purchased, or subscribed for, at the public expense by any Government servant without the previous sanction of the competent authority.

Note 1.—Inspector General of Police can subscribe to two copies of appropriate newspapers.

Note 2.—District Magistrates Jammu and Kashmir can also be supplied appropriate newspapers with the approval of the Inspector General of Police.

(b) The Government, all Heads of Departments and all Government servants to whom the power to purchase books and newspapers or other publications has been delegated should make their own arrangements direct with agents or publishers for the supply of such newspapers, periodicals and books as may be required for their use and for the use of Government servants subordinate to them. The purchase of publications published in Europe should, if they are not available from the Indian Branches, if any, of the publishing firms, be made through the High Commissioner for India as far as possible, as this will lead to substantial economy.

(c) Officers to whom such powers are delegated may make advance payments of subscriptions, for the purchase of magazines and periodicals on a long term basis, either because of the rebate available on such purchases or for other administrative reasons.

(d) In cases where such advance payments are made it should be ensured that the payees are reputable individuals/concerns and that there is no risk of any loss to Government. No special agreement need however, be entered into, if in the judgement of the administrative authorities, the formality of executing an agreement is not necessary.

19. REMITTANCE OF MONEY FOR STATE REQUIREMENTS/ REQUIREMENTS WITHIN AND OUTSIDE THE STATE

(i) Outside India

7-53. (a) Payments outside India will be made as under :—

(i) For imports of supplies and stores by direct order from private firms and individuals in the United Kingdom and United States of America payments will be arranged through the Accountant General. The office desiring to make such a payment shall as soon as all the checks necessary in connection with the receipt, inspection and verification of the articles have been applied, forward the firm's bill in original to the Accountant General for audit and payment duly

supported with necessary documents, e. g., sanctions obtained from the Government of India, Ministry of Finance, Department of Economic Affairs in respect of foreign exchange import licence etc.

(ii) Payments for direct purchases made in a foreign country other than U. K. and U. S. A. may be made direct to the suppliers by the purchasing agency (not below the rank of a Head of Department) by means of establishment of letters of credit through State Bank of India.

(iii) Whenever purchases are made from countries where Indian Missions exist the advice of the Head of the Mission should be obtained and as far as possible negotiations for contracts conducted through him.

(iv) In case of payments made through Indian Missions abroad instructions contained in Government of India, Ministry of External Affairs, O. M. dated : 20-1-1959 as contained in Annexure B to this Chapter, should be followed.

(ii) In India outside the State

(b) Payments outside the State but within India exceeding Rs.100 in each case will be made by departmental officers through their respective Heads of the Departments to whom they will forward White D. C. Bill/Cheques, which will include the bank commission too payable at places where the Heads of Departments are headquartered, duly complete in all respects. Drawing Officers headquartered in Muffasils or at places other than the headquarters of the Head of the Department will prepare white D. C. Bills/Cheques and present them at their headquarter treasury and obtain Hundies on Srinagar/Jammu Treasury where the headquarter of the Head of the Department may be and forward these to their Heads of Departments. While forwarding the white D. C. Bills/Cheques/Hundies to their Heads of Departments, the departmental officers shall take care to communicate full particulars of payments and the payees to whom the remittance is to be made, and indicate the amounts representing the bank commission and the amount of demand draft distinctly.

The Heads of the Departments will encash the bills/cheques/hundies and purchase demand drafts from the State Bank of India, Srinagar/Jammu in favour of the persons or the firms concerned and forward these to the respective payees under intimation to the concerned departmental officer, making it obligatory upon the payees to forward their receipts direct to the departmental officers under intimation to the Head of the Department.

Note 1.—These rules will apply to all Civil, Forest and P. W. Offices and charges incurred by any officer on remittance of money in contravention of the above rules will be disallowed by the Accountant General.

Note 2.—The rates of commission which the State Bank will charge will be notified by the Accountant General from time to time.

Note 3.—These instructions will apply equally to the Heads of Departments when such payments are made by them.

Note 4.—Payments of sums up to Rs. 100 within India may be made direct by departmental officers either by money order or by bank drafts or any other convenient means.

(iii) Within the State

For remittance of money within the State see rules 15-5 and 15-6 of Chapter 15.

20. REWARDS

7-54. (a) For rules relating to the grant of rewards to Government servants of various departments and to persons unconnected with Public Service, see Appendix (5) of this Code, and Chapters 4-4 and 5 of Jammu and Kashmir Book of Financial Powers.

(b) Rewards, not provided for in the said Appendix may be granted by the competent authority in such cases, to such extent and subject to such conditions, as may be prescribed for any particular class of reward.

21. SECRET SERVICE EXPENDITURE

7-55. When in paying rewards to informers, or in any other case, it is not desirable to disclose the names of payees, a certificate in the handwriting of the disbursing officer to the effect that the reward has been duly paid should be forwarded to the Accountant General in support of the payment, in lieu of the payee's receipt ordinarily required.

The following supplementary rules are also prescribed for incurring Secret Service Expenditure :—

(1) When an allotment is placed at the disposal of an officer for secret services, the officer concerned will maintain a contingent register in the prescribed form in which the date and amount of each contingent bill will be entered with a note of the progressive expenditure. Within the allotment, the officer may draw bills for such sums as may be necessary. Such bills will not be supported by vouchers.

(2) The general control of expenditure incurred against allotment will be vested in the officer, aforesaid, who will be responsible that accounts are duly maintained and payments properly made for the purpose for which the appropriation has been made.

(3) The Officer aforesaid will maintain in the form of a cash book a secret record of the expenditure and receipts (if any) connected with the allotment. This record should contain the amount and the date of each payment and such indication of its nature as the officer mentioned in para (4) below may consider necessary in order to enable him to discharge the responsibility placed upon him by that para. The amounts drawn from the treasury on contingent bills will be entered in the cash book on the receipt side, the number and date of bill being noted against the entry.

(4) In respect of each officer authorised to incur secret service expenditure, Government will nominate a Controlling Officer who should conduct at least once in every financial year, a sufficiently

real administrative audit of the expenditure incurred and furnish a certificate to the Accountant General in the following form not later than the 31st August following the year to which it relates :—

'I hereby certify that the amount actually expended by me or under my authority for secret service in the year ending the 31st March, was Rs. that the balance in hand on the said 31st March, was Rs. and that this balance was surrendered by short-drawing in the First bill presented during the year, and I declare that the interests of the public service required that the above payments should be made out of secret service funds and that they were properly so made'.

(5) The accounts of secret service expenditure will not be audited by the Accountant General.

22. SECTION WRITING AND COPYING

7-56. (a) The sanction to section writing and copying charges should specify the number of men, the number of words to be copied per rupee, and the rate for tabular work. The sanction may be given to the expenditure of a specified maximum sum in a fixed period, and the bills must state the number of persons paid and the amount of matter.

(b) No person in receipt of pay from Government can be remunerated for section writing, save with the special sanction of the competent authority, and non-periodical allowance may be charged as section writing.

23. SERVICE POSTAGE STAMPS

7-57. The following procedure should be adopted by Government officers for obtaining Service Postage Stamps from treasuries for adjustment of their value :—

(1) Government servants who draw money from the Treasury on contingent bills, should prepare White D. C. Bill in Form F. C. 28 when they require service postage stamps. The bill will contain the acknowledgement of the drawing officer of the receipt of the stamps

indented for and will in other respects be treated in the same way as a contingent bill for drawing cash from the treasury. The Treasury Officer should pass the bill for 'payment by transfer' have the stamps issued and enter the amount in the list of payments, crediting the value of the stamps in the same manner as if cash were realised. A voucher in support of the entry in the bill will not be required, as cash is not paid into the treasury.

(II) Government servants who draw money by cheques from Treasuries. Cheques to be presented in payment of the value of service stamps should be drawn in favour of the Government servant (official designation without name), who supplies the stamps, whether they are drawn by the Government servants who indent for the stamps, or by a departmental indenting Government servant on the indenting officer's requisition. Cheques drawn on bank may be accepted and the stamps issued without insisting on the cheques being deposited first in the bank.

24. STATIONERY

7-58. (I) All stationery (which term shall be deemed to include all articles detailed in the standard list of stationery articles issued by the Stationery Depot from time to time) shall be purchased by the Stationery Depot by debit to '2058-Stationery and Printing' and supplied to Government Departments to the extent of funds provided in the Budget under this head for each Department. Rules for preparation of stationery indents, issue of articles from the Stationery Depot and consumption of such articles in Government offices are contained in Stationery and Printing Manual and or by the instructions as issued by the Stationery and Printing Department from time to time.

¹(II) "Superintendents of Stationery Depots, Srinagar/Jammu shall on receiving the consignments of Stationery articles from various sources have these surveyed by the Survey Committee,

1. Recast vide F. D. Notification SRO-331 dated : 10-8-1983.

constituted by the competent authority for the purpose, and after the Committee certifies that the goods supplied conform to the approved samples and specifications as laid down in the supply order, payment to the suppliers shall be made by the concerned Superintendents of Stationery Depots, after observing the required formalities. Countersignature of the Director Stationery Supplies will not be required. Instead the Director will exercise alternative checks, as per the guidelines to be issued by the Administrative Department in this behalf.

(III) A competent authority, may permit local purchase of such articles of stationery as are not either available in the Depot or are not usually stocked by it. In the former case a certificate from the Stationery Department will be necessary before local purchase is made.

(IV) All articles ordinarily supplied by the Stationery Depot, but purchased locally because of their non-availability will be charged to the stationery grant, while those which are not usually stored by the Depot will be charged to the contingencies of the office or institution concerned.

Note 1.—Bills for local purchase of stationery articles chargeable to 2058—'Stationery and Printing' will be subject to the countersignature of the Controller, Stationery and Printing before their presentation at the treasury. This will enable him to keep watch over the grant.

Note 2.—The articles not stored in the Depot are those articles only as not conveniently available in or are not due to be supplied by the Stationery Depot.

Note 3.—Tourist Assistants outside the State are supplied stationery by the Stationery Depot.

Exceptions

1. The Trade Commissioner, New Delhi and the Trade Agencies are exempt from the operation of this rule.

2. A competent authority may permit any payment in cash to any of its employees for the purchase of stationery articles and such expenditure will be debited to contingencies of the office or institution concerned in which the employee is serving. The payment which will be termed as 'Stationery Allowance' will be made monthly, subject to a certificate being recorded that the allowance has been paid to the Government servant concerned for actual days of duty only.

Note.—For Stationery Allowance paid to Forest Employees see departmental regulations.

25. STORES

7-59. For rules relating to the purchase of stores and stock and their issue and the maintenance of their account see Chapter VIII (Stores) of this Code.

26. STOVES AND FUEL FOR WINTER

7-60. (i) Firewood or lignite for consumption in stoves in Government offices and institutions should be indented upon Government Firewood Depots wherever they exist, and the Department-in-charge Lignite respectively up to the quantities laid down in the orders of Government. The balance of firewood, if any, not supplied by the Government Depot or the firewood to be purchased in lieu of lignite not available, should only be purchased in the open market, after obtaining a non-availability certificate from the Depot or the Department-in-charge lignite.

(ii) The consumption of fuel should be regulated according to the conditions of weather and should not in any case exceed 15 seers of firewood per day or 9 maunds of lignite for the whole season for a stove of average size.

(iii) The supply of fuel (firewood and lignite) should be made for three and a half months only during any period between 15th November to 15th March.

27. TAXES

7-61. (a) As a general rule, Municipal rates and taxes on non-residential buildings paid by or passed on to a department occupying whole, or part of the building are debited to the contingencies of the department concerned. Where, however, the whole or part of the tax is paid by the Public Works Department, or by a Civil Department, as the Department in administrative control of the building, the payments may be charged to the maintenance estimate of the buildings concerned.

(b) Taxes on non-residential buildings occupied by departments, if paid by a department nominated by Government in this behalf and not passed on to the occupying department are charged to 'Miscellaneous—Rents, Rates and Taxes.'

(c) Municipal and other taxes (in the nature of house or property tax or otherwise), when payable by Government in respect of buildings occupied as residence, will be adjusted as part of the cost of maintenance of the building. Where however, the whole or any portion of the taxes, which by local rule or custom are ordinarily leviable from the tenant, is paid by a department other than the department in administrative control of the building, the charge may be treated as contingent expenditure of the paying department.

28. TELEGRAPHIC ADDRESSES

7-62. Telegraphic address can only be registered with the sanction of Government in the Administrative Department in charge 'Services'.

29. TELEPHONIC CHARGES

7-63. (a) No new telephone connection either in a Government office or at the residence of a Government servant, may be sanctioned, except with the previous sanction of the competent authority. Fixation

of extra plug or plugs would likewise require the sanction of competent authority. The number and date of the order sanctioning a new connection should be quoted on the bill, on which the charges for it are claimed.

Note.—'Competent authority' referred to in rule above means Administrative Department incharge 'Services'.

(b) In the payment of rent of telephones (except in temporary connections required for a part of the year) advantage should be taken of the yearly rate of payment in all cases in which telephone is retained throughout the year so as to avoid loss of Government on this account.

(c) The prescribed rent may be met out of the contingent grant. All Government subscribers should accept in full the bills preferred against them by the Telephone Accounts Officer concerned, even if some of the items pertain to the private business of a Government servant. The department concerned should make its own arrangements for recovery from its officials of the value of the private calls made and for accounting for such items in its own office accounts. Recovery thus made should be taken in deduction of expenditure and not credited as Revenue receipts.

Note.—A proper Register of Trunk calls should be maintained in Form F. C. 30 to verify the bills of the Telephone Department and watch recovery in respect of private calls.

(d) Expenditure for shifting telephones from one place to another place within the office and in cases where there has been a change in the residence of the officer entitled to telephone connections, may be incurred out of the contingent grant of the office concerned.

(e) When a Government servant having a telephone connection at his residence at the expense of Government is transferred to some other post, the authority ordering the transfer should simultaneously inform the telephone authorities of the transfer, requesting, if necessary, for the shifting of the telephone to the residence of the successor Government servant. Intimation of the change should simultaneously be sent to the Administrative Department incharge 'Services'.

(f) A Government servant having an official telephone connection at his residence will retain such connection during leave on full pay not exceeding three months provided there is likelihood of the Government servant returning to duty on the post from which he preceeded on leave. His locumtenens may have, if necessary, a temporary connection for the period in question.

(g) Where an office which has a telephone connection is abolished, the telephone authorities should immediately be informed by the Head of the Office so abolished for immediate disconnection of the telephone, under simultaneous intimation to his controlling officer and to the administrative departments, incharge 'Services'.

(h) Payments of telephone bills should be made in cash or by book adjustment in accordance with the procedure laid down in this behalf by the Indian Posts and Telegraphs Department and debited to contingencies. For each telephone No. a separate page should be allotted in the register and payment made only after verification from this register. Calls other than ordinary and urgent can be made only by officers who are entitled to make them under the authority of Government.

¹Government Instructions.—Payment of telephone bills shall be made ²as under :—

The W. D. C. bills representing telephone charges including rent will be endorsed to the concerned Post and Telegraph Unit and notwithstanding the provisions of note below rule 7.2 such bills shall be entertained at the treasuries regardless of their being presented in the month other than the one in which the bill has been prepared and signed by drawing and disbursing officer. The treasuries shall not entertain any W. D. C. bill for payment of telephone charges in cash to the Post and Telegraphs Department.

30. TYPEWRITERS, CALCULATING MACHINES, DUPLICATORS AND CYCLOSTYLE MACHINES

7-64. The number and type of such machines for an office or an institution will be laid down by Government in the Stationery Department and the purchase of such machines will be made through

1. Inserted vide F. D. Notification SRO-90 dated : 17-3-1981

2. Recast vide Corrigendum No. A/44 (80)-1193 dated : 12-9-1981.

the Head of the Stationery and Printing Department, in accordance with the prescribed rules and procedure. Repair charges of the machines should be debited to the contingencies of the office concerned. These machines should be got repaired by the mechanics of the Stationery and Printing Department and if in any case the mechanic is unable to execute the repair, the charges incurred on this account should be debited to the contingent grant of the office concerned.

Note.—Such machines may, if the circumstances so warrant and in very emergent cases be obtained on hire for reasonable periods of time with the sanction of the Administrative Department concerned in consultation with the Stationery and Printing Department.

31. UNDER-TRIAL PRISONERS—DIET OF

7-65. (a) Officers incharge of police stations shall arrange for the dieting of accused prisoners arrested by the police who do not provide their own diet when the investigation is made meromotu.

(b) Such diet expenses shall be up to Rs. 1 and with the previous approval of the Additional District Magistrate in special cases up to Rs. 4.50 per diem per head. The police shall provide for dieting on and from the date of arrest to and for the date on which the accused is placed in the Magisterial lock-up.

(c) The amount of money expended in dieting shall be entered in road certificate and shall be recovered from the Court by the Inspector or other officer presenting the charge sheet and remitted to the police station in question.

¹(d) The under trial prisoners placed in judicial lock-up and under-trial detainees shall be classified in three categories viz. A, B, and C and allowed Rs. 3.50, Rs. 2.50 and Rs. 1.50 per diem respectively for diet expenses.

1. Recast vide F. D. Notification SRO-233 dated : 18-5-1970.

(e) If an under-trial prisoner belongs to such a class of life that the Jail diet is reasonably uncongenial to him or in any case if the Medical Officer considers it necessary, arrangements shall be made for supply to him in the former case at his own expense and in the latter at the public cost, articles of extra diet as permitted by the Jail authorities.

32. UNIFORMS, BELTS AND BADGES

7-66. Detailed rules regulating the purchase and issue of uniforms to different classes of Government servants are given in Appendix (6) of this Code.

33. WITNESS—DIET AND T. A. OF

7-67. (a) Diet and travelling expenses (1) of witnesses called for attending identification parades during police investigation, (2) of witnesses who go to another district or to the jurisdiction of another police station for the purposes of recovery of stolen property or the identification of accused persons and have to undertake long journeys either by rail or by road, and (3) of witnesses who accompany a dead body to identify it before a Medical Officer when disbursed by police officers to the actual payees should be debited to police grant and when disbursed by Magistrates to '2014-Administration of Justice.' Feeding charges of cattle in connection with Police cases should also be similarly classified.

(b) Expenses are allowed in criminal cases to witnesses summoned by the Courts and not at the request of the complainants, under rules prescribed in Appendix (7) of this Code.

¹34. DECRETAL AMOUNTS-PAYMENTS OF

7-68. Expenditure of any sums required to satisfy any judgment, decree or award of any court or arbitral tribunal as per

1. Inserted vide F. D. Notification SRO-662 dated : 20-12-1969.

section 79(3) (e) of the Constitution of Jammu and Kashmir shall be expenditure "charged" on the Consolidated Fund of the State.

When the Government files an appeal to a higher court against a judgement, decree or award of a subordinate court and prays for the stay of execution thereof and, pending the decision of the appeal, it is ordered by the appellate court to deposit the decretal amount as a condition precedent to the grant of a stay order, the payment made in pursuance of the said order is only a deposit and cannot be said to have been made in satisfaction of the decree passed by the lower court. The fact that the court may allow the decree holder to withdraw the amount so deposited by the Government does not alter this position. Consequently the provision of section 79(3)(e) of the Constitution would not be attracted to such cases. The amount, being in the nature of the deposit in the court, would not constitute expenditure of the Government and should be classified under the Head "Section-T-Deposits and Advances-Part VI—Suspense-Suspense Account" in the Public Account of the State, the debit under the suspense Head being cleared after the amount is recovered as and when the appeal is decided in favour of Government. Where, however, the appeal is dismissed and the decree becomes final, the amount deposited in the court would thereupon constitute payment made to satisfy the decree and consequently, the debit under the suspense Head, should then be cleared, by transfer to the final head as "charged" expenditure, and covered by appropriate provision of funds, or in anticipation thereof, by an advance from the Contingency Fund of the State, as may be necessary.

ANNEXURE "A"

[Referred to in rule 7-47]

PRICE SCHEDULE GOVERNMENT GAZETTE

S. No.	Part No.	Particulars of Content	Cost per annum including binding charges but excluding postage charges
			Rs.
1.	I-A	Appointments, Promotions, Transfers sanctioned by the Governor, Government, Ministers and the High Court	3.25
2.	I-B	Notifications and General Orders by the Government, Ministers and the High Court	4.25
3.	II-A	Appointments, Promotions and Transfers sanctioned by the Heads of Departments	4.25
4.	II-B	Notifications, Notices, and Orders by Heads of Departments, Provincial Heads, Magistrates and other Officers entitled to issue public notices under any Law or Rule	4.25
5.	III	Laws, and Regulations and Rules passed thereunder	5.25
6.	IV	Reprints from the Government of India Gazette or Gazettes of other Governments	10.25
7.	V	(a) Rates and Prices of various commodities in the State and wages etc. ... (b) Crop Reports ... (c) Weather Observations ... (d) Other Vital Statistics ...	2.25

S. No.	Part No.	Particulars of Content	Cost per annum including binding charges but excluding postage charges
			Rs.
8.	Supplement A	Monthly Imports and Exports from the State	... 1.25
9.	Supplement B	Police Orders	... 2.25
10.	Supplement C	(Advertisements):	
		(a) English advertisement in regard to appointment in Government or Private Services	... 3.25
		(b) English advertisements in regard to Contracts, Auctions or Sale Notices etc.	19.25
		(c) Urdu Notices and Notification	... 3.25
		Total cost per annum complete copy of Government Gazette	... 63.00

Note.— This includes binding charges but excludes postage charges which comes to Rs. 3.18 approximately for the whole year whether for one part or for the whole Gazette. Postage charges are subject to variation from time to time. Postage charges will not, however, be paid by subscribers from Srinagar City during 6 months of Summer and from Jammu City during 6 months of Winter.

All subscribers should intimate their requirements, either in part or in full as they choose, to the Superintendent, Government Press, accompanied by the amount of subscription for full year. Gazette issues will not be made for a part of a year.

ANNEXURE "B"

[Referred to in rule 7-53-A (iii)]

BASIC PRINCIPLES REGULATING PAYMENTS BY INDIAN MISSIONS ON BEHALF OF OTHERS

(i) No payment on behalf of State Government and the Ministry of the Government of India (other than the Ministry of External Affairs) will ordinarily be made by the Indian Missions without any authority from the Accountant General, Central Revenues, New Delhi as they would not otherwise be in a position to ensure that the payment in question is covered by foreign exchange control regulations or import licences with exchange control copies, which constitute a valid foreign exchange sanction. Accordingly, permission from foreign exchange angle to the payment in the country concerned through an Indian Mission, should in the first instance be obtained from the authority concerned of the Government of India, Ministry of Finance (Department of Economic Affairs).

(ii) On receipt of the requisite foreign exchange sanction, the authority concerned should request their Accounts Officer to approach the Accountant General Central Revenues, New Delhi for the issue of an audit authorisation in favour of the Indian Mission concerned for payment in question. A copy of the expenditure sanction issued by them should also be endorsed to the Ministry of External Affairs, the Mission concerned and the Accountant General, Central Revenues, New Delhi, stating *inter alia* that the necessary foreign exchange sanction has been obtained.

(iii) The Accountant General, Central Revenues, New Delhi on receipt of the request through the Accounts Officer of the authority requiring payment on their behalf by the Indian Mission will issue necessary authorisation to the Mission concerned, under intimation to the Ministry of External Affairs, the authority and their Accounts Officer.

Exception.—In the case of payments to be made in London through the High Commissioner for India, London, on authorisation from the Accountant General, Central Revenues, New Delhi, is not necessary and the Accounts Officer concerned may send the requisition direct to the High Commissioner, London.

(iv) On receipt of the authority from the Accountant General, Central Revenues, New Delhi, the Mission will make payment in accordance with the directions contained therein, and the payments so made will be shown in their cash account to be supported by a schedule. A copy of the debit schedule will be sent with a forwarding letter to the authority on whose behalf the payment has been made, their Accounts Officer, the Accountant General, Central Revenues, and the Ministry of External Affairs.

Note.—The Indian Missions are precluded from holding cash balance in excess of their six weeks requirements. In case, the magnitude of the payment involved warrants augmentation on the Mission's cash balance, for which the Ministry of External Affairs may be consulted, if necessary, the authority requiring payment should also arrange remittance through the Accountant General, Central Revenues, the expenditure on such remittances, bank charges, loss by exchange, etc. should be borne by the authority concerned. The remittance will be accounted in the books of the Mission at the exchange rate sanctioned by the Ministry of External Affairs from time to time for purpose of preparation of accounts.

2. PAYMENTS BY INDIAN MISSIONS IN SPECIAL CASES

The mechanism of the payment procedure pattern are conditioned by the nature and class of transactions undertaken by the Mission on behalf of others, within the general frame-work described above. The extent to which particular procedure are punctuated by variants to suit the requirements of each case is stated below :—

(a) Payments in the case of supply of maps, periodicals, publications, etc.

(i) Procedure for payment in the case of supply of maps, periodicals, publications, etc. costing less than Rs. 100.—The administrative Ministries of the Government of India, and State Government will first obtain sanction of the Ministry of Finance (Department of Economic Affairs) from foreign exchange angle to payment to be made through the Indian Missions. Thereafter they will indent upon the Indian Missions directly for the supply of maps, publications, periodicals etc. the cost of which does not exceed Rs. 100 at any one time, without routing their request through the Accountant General, Central Revenues, New Delhi. The fact of such a foreign exchange sanction having been obtained, will be clearly mentioned on the indents in question to enable the Indian Mission to ensure that necessary foreign exchange sanction to the payment exists. A copy of the indent should also be endorsed to the Accountant General, Central Revenues, New Delhi in advance so that he may remain in touch with payments made on this account by the Indian Missions abroad.

(ii) Procedure for payments in case of supply of maps, periodicals, publications, etc. costing more than Rs. 100.—The permission of the Ministry of Finance will first be obtained by State Governments and the Ministries of the Government of India whenever any payment is desired to be made by them through the Indian Missions abroad. Thereafter requests for payments in excess of Rs. 100 in each case will be conveyed by them to the Accountant General, Central Revenues, New Delhi either direct or through their Accounts Officers. The Accountant General, Central Revenues will authorise the Mission concerned to make the payment and also keep the Ministry of External Affairs informed of all such authorisations. Their requests will *inter alia* indicate clearly that necessary foreign exchange sanction for the payment has been duly obtained so that the authority from the Accountant General, Central Revenues may not be delayed until he obtains information on this point.

(b) Procedure for payments of cost of seeds, planting material etc. imported from abroad.—Requests are usually made by the Indian Council of Agriculture Research on behalf of the State Governments etc. to Indian Missions abroad for making payments towards the cost and

transportation charges of seeds and planting material etc. with a view to avoid the loss of availability of such material, payments will be made by Indian Missions without specific authority from the Accountant General, Central Revenues, provided foreign exchange sanction exists and this fact is mentioned in the indents.

(d) Payment of pay and Allowance to officials on deputation abroad.—Officers whose period of the deputation does not exceed more than one month.

Direct Sanction for payment of pay and allowances (i. e. order for payments without waiting for a last pay certificate and other subsequent authority from the Accountant General) may be issued to the Mission concerned. In issuing such a sanction, due regard should be paid to the Pay and Allowances that the officer would have drawn but for his deputation abroad and to foreign exchange restrictions imposed from time to time. It should also be indicated in the sanction that the Finance Ministry have agreed to the sanction being regarded as an authority for payment and have accorded their approval from the foreign exchange angle.

(ii) Officers whose period of deputation exceeds one month :—
In this case, the officer concerned should carry with him his last pay certificate from the Accountant General in India, in para 6 of which a reference to Government of India's letter containing the terms sanctioned for the deputation should be given. This will constitute an authority for payment abroad by the Indian Mission. The sanction to the deputation should indicate that foreign exchange sanction has been obtained.

Note.—(i) In all cases (i.e. of short and long term deputation) in which the above formalities have been duly complied with, payments will be made by the Missions without waiting for an authority from the Accountant General, Central Revenues, payments so made will also be indicated by the Mission in the Last Pay Certificate when the officer returns to India.

(ii) In case where necessary formalities are not finalised prior to their proceeding on deputation abroad, necessary authority should be expedited by the officer himself on reaching the new station telegraphically through the Indian Mission at the cost of the sponsoring authority.

(iii) Unless otherwise specified, the period of one month includes, the entire period of deputation and not merely to one country and is also inclusive of transit time.

CHAPTER VIII—STORES

I. GENERAL RULES

(i) INTRODUCTORY

8-1. This chapter contains the general rules applicable to all departments, regarding stores required for use in public service and in the maintenance of their accounts and other matters ancillary thereto. Detailed rules and instructions relating to various departments e. g., Public Works, Forest, Jail and Central Purchases and Stores or other departments responsible for or concerned in large purchases, manufactures or consumption of stores, are contained in the departmental regulations relating to the departments concerned.

The term 'stores' used in this chapter applies generally to all articles and materials purchased or otherwise acquired for the use of Department including not only expendable or issueable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant, machinery, motor vehicles, instruments, furniture, equipment, fixtures etc.

(ii) AUTHORITIES COMPETENT TO PURCHASE STORES

8-2. (a) Expenditure on stores is included under contingent expenditure (except when it is treated otherwise, e. g., stores relating to works expenditure) and, therefore, subject generally to the rules contained in Chapter VII of this Code which govern such expenditure. Subject to those rules and the rules given in this chapter an officer who is competent to incur contingent expenditure may subject to the usual restriction of the existence of necessary appropriation, purchase such stores as he requires for use by himself or his subordinates. The financial powers of an Administrative Department of Government or an officer in the matter of purchase of stores ordinary extent to the limit and the conditions subject to which he is empowered under this Code or the J&K Book of Financial Powers or any departmental rules to incur expenditure under the head to which charges on account of stores etc. are debitable. Where it is necessary to enter into a formal

contract for the purchase of stores such contract should only be entered into by a person directed or authorised by the Governor under the provisions of section 122 of the Constitution of Jammu and Kashmir, to make such a contract.

Note.—Purchase orders should not be split up so as to avoid necessity for obtaining sanction of higher authority required with reference to the total amount of the orders.

(b) Government may, if it so desires, set up a Central Purchasing Committee or any number of such committees for purchase of any stores required by Government Departments generally or by any Departments particularly. The functions and powers of such a committee and the conditions and limits subject to which it would be competent to make purchases will be laid down in the orders constituting it and no authority subordinate to Government will make any purchases of any stores entrusted to such a committee except to the extent specifically authorised by Government.

(c) In big Departments such as the Police, Medical, Animal Husbandry, Agriculture, Public Works (all branches), Stationery and Printing, Industries etc., where large purchases of stores are to be made for use by the various constituent units of the department, it would always be desirable to entrust the purchase of such stores to departmental committees consisting of two or more senior officers of the Department of high technical ability, sound experience and known integrity, and the sanctioning authority will take into due consideration the recommendations of such a committee while sanctioning any purchase or granting any contract and in case of any departure therefrom record its reasons for doing so.

8-3. Departures from the rules, in cases in which the departure is in the public interest, will be sanctioned by the Administrative Department of the Government after previous consultation with the Finance Department. Orders in these cases should be communicated to the Accountant General through the Finance Department.

(iii) FORECAST OF REQUIREMENTS FOR TIME OF PURCHASE

8-4. A Government servant who has to purchase stores for the public service should ensure that these are made in most economical manner and in accordance with the definite requirements of the public service and estimate his requirements for the year so far as they can be foreseen and as far as possible, lay in a sufficient stock during the cheapest season avoiding purchases in small quantities. When necessary, he should apply for advice as to the best time for making purchases and assistance in obtaining tenders to the departmental officers of other Departments who are in close touch with the market for the articles required and know the usual course of their price. For example it is usually advantageous to buy the supplies of foodgrains required for rations just after the harvest, and the Revenue Department is likely to be able to give useful advice and assistance in regard to such purchase. Articles which are likely to depreciate or deteriorate during storage should not, however, be bought long in advance of requirements. It should also be remembered that the purchase of any articles in advance of requirements involves the locking up of Government money and is therefore not desirable unless it is reasonably likely to prove advantageous in regard to price.

Note.—Where scales of consumption or limits of stores have been laid down by competent authority, the officer ordering a supply should certify on the purchase order that the prescribed scales or limits are not exceeded.

(iv) RULES AND INSTRUCTIONS GOVERNING THE PURCHASE AND ACQUIRING OF STORES

8-5. All Government servants should strictly observe the following rules and instructions when buying stores for use in the public service. These rules and instructions also apply to the purchase of stores by Government servants on behalf of local bodies and of local funds administered by the Government, unless the local body or fund concerned decides otherwise.

I. When the conditions regarding quality and price are equal preference in making purchases should be given in the following order :—

Firstly, to articles which are produced in India in the form of raw materials, or are manufactured in India from raw materials produced in India, provided that the quality is sufficiently good for the purpose. Further preference should be given to articles produced in Jammu and Kashmir.

Secondly, to articles wholly or partially manufactured in India from imported materials, provided that the quality is sufficiently good for the purpose. Further preference should be given to articles produced in Jammu and Kashmir.

Thirdly, to articles of foreign manufacture held in stock in India provided they are of suitable type and requisite quality.

Fourthly, to articles manufactured abroad which need to be specially imported.

A purchasing officer specially authorised in this behalf may, when satisfied that such a measure is justified, allow a limited degree of preference in respect of price to articles produced or manufactured in India either wholly or in part. Preference so allowed shall not, however, exceed 5 per cent of the price at which article of similar quality not so produced or manufactured in India can be obtained, provided that such excess also does not exceed Rs. 200 in any one case.

II. Save as provided in sub-rule VIII, all articles required for use in the public service shall be purchased on the condition that delivery shall be made in India for payment in rupees in India.

INSTRUCTIONS

1. A purchasing officer who invites tenders for the supply of stores may exercise full discretion regarding the place of delivery to be specified in the invitation to tender. He may stipulate for

delivery c.i. f. or f. o. r. at an Indian port, or f.o. r. at the place of despatch in India, or for free delivery at the receiving station in India. When tenders are invited for supplying plant and equipment and the successful tenderer is to erect the plant at the site, appropriate conditions in regard to delivery at the site should be included in the invitation to tender or in the general specification and due provision made for replacement by the supplier of stores lost or damaged in transit or recoupment of cost thereof.

2. The conditions specified as to the place of delivery should as far as possible be such as to give all tenderers equal opportunities of tendering at their lowest rates. For instance, tenderers abroad may often be unable to tender on the basis of delivery f. o. r. at an Indian port or free delivery at the receiving station in India and may only be able to tender on the basis of delivery c. i. f. at an Indian port with payment in rupees in India partially against shipping documents and partially after delivery has been taken in India. Such tenders should be considered as coming within the meaning of sub-rule II and should be accepted if satisfactory in other respects. Except in special cases, however, full payment should not be made for any stores against shipping documents and payment should be completed only after the receiving officer has taken delivery of the stores and found them to be satisfactory in every respect.

III. Tenders shall be invited in India and when considered desirable also abroad for the supply of all articles which are purchased under rules I to IV and VI, unless the value of the order to be placed is small or sufficient reasons, (to be recorded) exist which indicate that it is not in the public interest to call for tenders. No tender which fails to comply with the conditions as to delivery and payment prescribed in rule II shall be accepted.

INSTRUCTIONS

1. When tenders are invited from abroad, instructions (a) to (e) below should be observed :

(a) It should be considered if the tender notice should not be sent to the Director General, India Stores Department, London and in case it is decided to do so, a sufficient supply of tender forms with the relevant documents, specifications and drawings should be sent to him as soon as possible through the usual channel. The Director General will give such publicity to the invitation to tender as he may consider to be most suitable for the purpose either by advertisement in the newspapers or otherwise. As a rule the Director General will advertise the invitation to tender in the newspapers only if the value of the articles required is estimated at Rs. 20,000 or more. He will at the same time instruct the tenderers to submit their tenders direct to the purchasing officer in India and not to the India Store Department London. The purchasing officer in India will place order direct with the successful tenderer.

(b) In (a) above when it is desired to have the recommendation of the technical advisers of the India Store Department, London, on the tenders before the order is placed, the purchasing officer should stipulate in the invitation to tender that a complete duplicate of the tender should be delivered to the Director General, India Stores Department, London, on the same date as that fixed for the receipt of the tenders in India. The Director General will then arrange for the examination of the tenders by the appropriate technical authority and telegraph its recommendations to the purchasing officer in India. For the work connected with the examination of tenders, the Director General will make the usual charges prescribed by him in this behalf.

(c) The purchasing officer should make it clear in every tender form that the articles concerned must be delivered in India, that payment will be made in India in rupees, and that any tender which does not comply with these conditions will not be considered. Tenderers abroad should also be required to specify their agents in India through whom delivery will be arranged and payment received and who, when so required, will arrange for the erection of the plant at the site and for the carrying out of such tests on completion as may be specified in the contract.

(d) No account adjustment should be made between the High Commissioner's office and purchasing department in India for the

value of tender forms sent to London and for the expenditure on advertisement, postage, etc. in the High Commissioner's office.

(e) It is important that purchasing officers in India should bear in mind when considering the desirability of calling for tenders abroad the need for allowing sufficient time for the receipt and publications invitations to tender, the receipt of the tender forms by tenderers, and the preparation and despatch of the tenders to India. The following is an approximate estimate of the time required :—

Time required for sending the forms from India to London :

By Ordinary Mail about 18 days.

By Parcel Mail about 27 days.

By Air Mail about 8 days.

Time taken in London in advertising and issuing forms :

Of tender say 10 days.

Time required by tenderers to prepare and despatch tenders :

Average say 14 days.

Time required for forwarding the tenders to India :

By Ordinary Mail about 18 days.

By Parcel Mail about 27 days.

By Air Mail about 8 days.

If American tenders have to be awaited about three weeks will require to be added to the above figures and in cases of complicated engineering schemes it will be necessary to allow a larger time to tenderers for the preparation of their tenders.

2. Tenders should be obtained :—

(1) by advertisement ('open tender');

(2) by direct invitation to a limited number of firms ('limited tender'); or

(3) Sub-rule III does not preclude the use of limited or single tenders. The 'open tender' system, i. e. invitation to tender by public advertisement should, however, be used as general rule and must be adopted, subject to the exceptions mentioned in instruction 8 under this rule, whenever the estimated value of the order to be placed is Rs. 500 or over. When the 'open tender' system is used the purchasing officer should arrange for the necessary public advertisement and may at his discretion, insert advertisements in one or more of the principal newspapers published in India.

Circular communications should also be sent when necessary, to reputed dealers and contractors who are likely to tender. The advertisement should invite tenders in sealed covers and state the place where, and the date and time by which the tenders should be submitted, and the time at which they will be opened. If the invitation to tenders relates to a large contract, at least one month's time from the date of advertisement should be allowed for the submission of tenders. The tenders should be opened by a responsible officer and not by a subordinate.

(4) The 'limited tender' system should ordinarily be adopted whenever the estimated value of the order to be given is less than Rs. 500.

(5) For the purposes of the limited tender and single tender procedure, the purchasing officer should maintain a list of firms, both Indian and foreign, of known reliability which have satisfied him that they possess the necessary equipment and facilities for the supply of the stores which they offer to supply. The list should be examined and revised periodically, and any application from a firm for inclusion in the list should be considered on receipt. Before adding the name of a firm to the list, purchasing officer should make such enquiries as he thinks necessary in order to ascertain whether the firm will be able to execute contracts satisfactorily. The names of the firms to be invited to tender should be selected from this list whenever the necessity arises. The Director General of Supplies and Disposals, New Delhi maintains a list of this kind, and he will, on request, furnish purchasing officers, with such information as he possesses regarding the capability and standing of any firm approved by him.

(6) The 'single tender' system may be adopted in the case of a small order, or when the articles required are of a proprietary character and competition is not considered necessary. For this purpose a small order means an order the value of which does not exceed Rs. 100/- or if more than one kind of article is ordered at one time, an order the total value of which does not exceed Rs. 200/-

(7) A purchasing officer may, however when he considers it advantageous purchase articles from any firm with which the Director General of Supplies and Disposals has already entered into a rate or running contract for the supply of such articles without calling for tenders or may himself enter into rate and running contracts after calling for tenders.

(8) The 'limited tender' system may be adopted in the following cases instead of the 'open tender' system when the estimated value of the order to be given is Rs. 500/- or over but is less than Rs. 1000/- :—

(a) When there are sufficient reasons for holding that it is not in the public interest to call for tenders by advertisement. In every such case the purchasing officer must record the reasons and communicate them to the Accountant General confidentially if necessary.

(b) When the indenting officer certifies that the demand is so urgent that any additional expenditure involved in the elimination of open competition must be incurred in order to avoid delay. In every such case the indenting officer must place on record the nature of the urgency and the reasons why the demand could not be anticipated.

(c) When tenders are invited by public advertisement, the issue of the tender forms need not be restricted to firms whose names are on the list of approved contractors. Firms not on the list should, on enquiry, be informed that they are at liberty on payment of the prescribed fee, to tender for the Advertised requirements. When a tender which appears to be satisfactory is received from an unknown firm, steps should be taken, before any order is placed, to ascertain whether firm is capable of executing the work in a proper manner.

If the enquiries prove satisfactory, the order, or a portion of it, may be placed with the firm. If the order or portion thereof is satisfactorily executed, the name of the firm should be added to the list of approved contractors.

Note.—The Financial patronage at the disposal of the Government viz., grant of contracts, orders for supplies and services, grant of permits, licences quotas and priorities, etc., should not be given unless the individuals concerned produce the income-tax verification certificates in the prescribed form from the income-tax officer of the circle, ward or district where they are assessed or assessable to income-tax.

(9) If the response to any invitation to tender indicates that owing to inadequate publicity or some other reasons, no satisfactory tender is received in response to an invitation to tender, fresh tenders should be invited and the invitation to tender should be specially brought to the notice of all possible tenderers.

(10) A tenderer should be required to furnish a cash deposit as earnest money. The amount should be nominal, but it should be fixed with reference to the value of the order to be given and status of the person who is likely to tender. The Head of a Department may by general or special orders dispense with cash deposits as earnest money in the base of firms of established repute.

¹Exception.—The Jammu and Kashmir Agro Industries Development Corporation is exempted from furnishing of earnest money with tenders which they may give to Government Department for supply of stores or services etc.

IV. All articles, whether manufactured in India or abroad, shall be subject to inspection before acceptance, and articles for which specifications and/or tests have been prescribed by a competent authority shall be required to conform to such specifications and/or to satisfy the prescribed test or tests, which may be carried out during manufacture or before or after despatch from the suppliers' premises.

1. Inserted vide F. D. Notification SRO-484 dated : 28-10-1981.

V. In the case of important construction works let out on contract, articles required for the constructions of such works may be supplied by the contracting firm provided that when specifications and/or tests have been prescribed for such articles they shall conform to such specification and/or shall satisfy such tests.

INSTRUCTIONS

1. The object of sub-rule IV and V is to emphasise the importance of ensuring that articles purchased for use in the public service conform to the specifications which may be prescribed by a competent authority, and the necessity for careful inspection of all stores before acceptance. The appropriate specifications should be annexed to or quoted in the invitations to tender and it should be stipulated in the conditions of the contract that the articles supplied, will be subject to inspection and/or to the tests prescribed in the specifications before acceptance.

2. When inviting tenders for an important construction work, the Government servant concerned should stipulate in the invitation to tender that the articles required for the construction of the work must comply with the specifications prescribed for such articles. The articles should be inspected and/or tested in accordance with the provisions of the specifications before acceptance.

3. All purchasing officer should pay special attention to these points, and ensure that adequate arrangements are made for inspection in each case.

4. When articles are obtained from abroad which require inspection and or test during manufacture and before shipment, the purchasing officer should arrange for such inspection and/or tests to be carried out preferably by the Indian Store Department, London. The Purchasing Officer should arrange for any further inspections and/or test considered to be necessary or desirable after the receipt of the articles in India and may utilize the services of the Indian Supplies and Disposals Department for such inspection and tests in India, if he thinks it desirable.

5. As soon as a contract for articles which require inspection and/or test during manufacture or before shipment from abroad has been awarded, four complete copies of the accepted tender with specifications drawings, conditions of the contract, and all other relevant documents, should be sent to the India Store Department, London, with complete instructions for inspection and the full address of the manufacturer. The purchasing officer should inform the contractor that the inspection and/or tests during manufacture or before shipment will be carried out by the India Store Department, London, and should ask him to instruct his representatives in the country of the manufacture to communicate direct with that officer.

6. With regard to articles obtained or manufactured in India the purchasing officer may, if he thinks it desirable, utilize the services of the Supplies and Disposals Department for any inspection and/or test that may be required during manufacture and before despatch.

7. When an order is placed for plant or machinery, whether purchase in India or abroad, which is to be erected and tested at the site of the work, the purchasing officer may, if he thinks it desirable, utilize the services of the Supplies and Disposals Department for the necessary tests at the site.

VI. Important plant, machinery and iron and steel work shall be obtained only from firms approved by the Director General of Supplies and Disposals Department, New Delhi, and specified in the lists issued by him from time to time.

INSTRUCTIONS

1. The intention of sub-rule VI is to ensure that plant, machinery and other engineering equipment e. g. bridge girders and roof trusses, which form important components of a project shall be obtained only from firms possessing workshop and appliances capable of turning out work of the desired standard.

2. The lists referred to in sub-rule VI will be issued from time to time to all purchasing departments by the Chief Controller of Stores, Indian Stores Department, New Delhi. They will include the names

of firm in India and abroad which have been approved for the supply of important plant, machinery and iron and steel work.

3. A firm which desires to be included in the lists mentioned in this rule should apply direct to the Director General of Supplies and Disposals Department and furnish a full statement of its reasons for thinking that its inclusion would be justified.

4. If a tender is received from a firm not included in the list of approved firms and is *prima facie* satisfactory, it should not be summarily rejected. A reference should be made to the Director General of Supplies and Disposals, who will, if he considers it necessary make enquiries as to the capability and standing of the firm and intimate the result to the purchasing officer.

VII. Nothing in these rules shall be deemed to prohibit the purchase of articles by one department from another.

INSTRUCTIONS

(i) A purchasing officer should buy the articles which he requires from a Government Institution e. g., a Jail, the Forest Department or the Public Works Workshops, when there is any such institution which is able to supply articles of the quality required or suitable for the purpose in question, provided that any extra cost (including freight charges if any) involved is less than 5 per cent of the market price of the articles at the place where they are required. Purchasing Officers should also give a similar preference to the products of industries started either by the Government or with Government support and of institutions run for the public benefits such as technological and industrial schools.

(ii) The principles in (i) above will be kept in view by the Government also when ordering that any particular kind of stores should necessarily be purchased from a particular Government Department or a Government or semi-Government concern, so that the payment of any higher price by a purchasing department compared

to the market price of articles of similar quality or approximately similar quality may not mean an indirect subsidy to the supplying Government Department or concern at the cost of Department supplied.

2. Before orders are placed with private firms the surplus stock of the articles, if any, available with other departments of the Government should first be utilized, irrespective of the cost at which it is available. The following instructions should be observed in regard to the utilization of the surplus stores in the departments of the Government :—

(a) Each Head of a Department should circularise from time to time lists of all usable stores found surplus to the requirements of his department to other Heads of Departments as soon as the surplus are noticed.

(b) The authority competent to make purchases should see from the lists received by him under instruction (a) above, whether he can utilise the stores available with the other departments before he places, or allows his subordinates to place orders for the purchase of such stores in the open market or submits proposals to the Government for such purchase.

(c) In case where a list as received by him does not cover the particular article to be purchased, it should invariably be stated that the list was examined and the required articles were not covered by it.

VIII. Articles of a special or unusual character, may when suitable and economical purchases cannot be made in accordance with the preceding rules, be obtained without reference to those rules provided the value of the purchase amounts to Rs. 100 for any one article or a total of Rs. 500 for a number of articles purchased at the same time and the purchase is made in the most economical manner after ascertaining the prevalent market rates and the purchasing officer records his reasons for not effecting the purchase in accordance with the preceding rules.

¹IX. Petty purchases not exceeding Rs. 500/- (Rs. Five hundred) in each case or for a month as a whole may be made from Super Bazars without invitation of tenders.

In all other cases purchases from Super Bazars shall be made only on the basis of competitive tenders.

(v) ACCEPTANCE OF TENDERS

8-6. A Government servant who has to select a tender for acceptance should take into account the financial status of the tenderers. If other conditions are equal, the lowest tender should be accepted. When the lowest tender is not accepted, the reasons should be recorded, and all the relevant records made available to the Accountant General during his local inspection of the accounts of the disbursing officers. The acceptance or rejection of a tender is a matter entirely within the discretion of the Government servant responsible for the purchase of the materials, but a superior authority or the Accountant General may call on him to justify the manner in which he has used his discretion and to give his reasons for rejecting the tender. No tenderer has any right to be told the reasons for rejecting his tender and the reasons for rejection should not be communicated to any tenderer. No tender should be accepted from any person directly or indirectly connected with the Government service. If any collusion is detected between a tenderer and a Government servant, it should be dealt with severely.

Note.—For avoiding the possibility of the original tender documents being tampered the procedure laid down in Annexure “B” to this chapter should be adopted.

(vi) AGREEMENT FOR THE SUPPLY OF STORES

8-7. When a tender is accepted for the supply of stores, the successful tenderer should be required to execute an agreement in regard to the supply but long-term contracts should be avoided.

1. Inserted vide F. D. Notification SRO-238 dated : 9-6-1981.

A fixed price for cash article is essential, and no agreement should provide for a price fluctuating with the market price. Except when, in special cases, partial payment is to be made before delivery with reference to instruction 2 under sub-rule II of rule 8-9 the agreement should provide that payment will not be made until the stores have been received and examined.

No order should be given for any stores without obtaining at least a written agreement from the supplier as to the price, if not a formal written contract.

Agreements relating to the supply of stores are liable to stamp duty, but their registration is optional.

¹8-8. (a) Subject to the provisions of clause (b) of this rule whenever a private person or a firm makes a contract with the Government he or it should besides earnest money furnished by him with the tender be required to give security for the due fulfilment of the contract.

The following procedure should be observed in regard to the quantum as security deposit to be obtained from these contractors :-

(i) The actual amount of security deposit to be obtained may, subject to a minimum of 5% and a maximum of 10% of the amount of contract in each case decided by the contracting authority according to the circumstances of the case.

(ii) The security deposit may be demanded only in cases whereunder the term of contract, it is necessary to obtain such security.

(iii) The contracting authority may allow the amount of earnest money to be treated as part of the security deposit, and demand only so much of security as together with earnest money equals to the total of the required amount.

1. Recast vide F. D. Notification SRO-141 dated : 8-3-1978.

(b) The Head of a Department may, when he thinks it desirable exempt a firm of established repute from the obligation to furnish security in respect of all contracts, or a particular contract or class of contracts made with his department.

Such of the firms as are registered with the Directorate General Supplies and Disposals for supply of stores may be exempted from furnishing of security deposit subject to the following conditions :-

(i) The competent authority, before taking a decision to exempt a firm from furnishing security deposit, should satisfy himself that the firm is registered with the Directorate General of Supplies and Disposals for the particular store (s) proposed to be purchased.

(ii) That the value of stores to be supplied in each individual contract does not exceed the monetary limit (if any) fixed in their cases at the time of registration with the Directorate General of Supplies and Disposals for the particular store (s).

(iii) That it is not merely registered with the Directorate General of Supplies and Disposals, but continues to receive and execute contracts from the Directorate General of Supplies and Disposals.

In support of the above, the competent authority shall require the firm to submit to him documentary evidence to prove that it is registered with the Directorate General of Supplies and Disposals and continues to be so registered and that it has handled and continues to handle contracts from that Directorate General for the Store(s) for which it is registered. The competent authority shall also in addition take into account the performance of the firms against his own contracts, if any, awarded to them and may, if he considers necessary insist on the security deposit notwithstanding the fact that they are registered with the Directorate General of Supplies and Disposals.

(vii) PAYMENT FOR STORES SUPPLIED

8-9. As a general rule, stores should not be paid for until the receiving officer has taken delivery and checked the quantity and quality of the stores supplied, and found them satisfactory in every

respect. Provision for payment should be made accordingly in all contracts as a rule. In very exceptional cases when the application of this rule might cause hardship, as for example, when costly stores are ordered from a distant firm and delay in payment is anticipated, a part of the cost of the consignment may be paid in advance on receipt of the railway receipt given for the articles on despatch, provided that the contractor or firm is of well-known standing and that an agreement is taken from the contractor or firm before and so as to secure the Government against all risk of loss in the event of the articles supplied being found to be short or defective. As regards partial payment against shipping documents in respect of stores obtained from abroad, see Instructions under rule 8-5 (III).

Before the accounts are closed a certificate from the income-tax authorities that all income-tax payable up to the end of the previous accounts year has been duly paid should be produced by the firm or contractor

(viii) EXAMINATION OF CONTRACTS BY THE ACCOUNTANT GENERAL

8-10. The Accountant General in the exercise of his audit functions will examine contracts and report to the Government the facts of any case that come to his notice in which competitive tenders were not invited though they should have been under the rules, or a tender other than the lowest was accepted without sufficient justification, or any other material irregularity was committed in connection with a contract.

(ix) TENDER AND AGREEMENT FORM

8-11. Form F. C. 31-B is a general form for use by a tenderer in submitting a tender and by a purchasing officer in making an agreement with a successful tenderer. This form should be used in connection with every invitation to tender, when no other special form has been duly prescribed for the purpose.

**(x) CLAIMS IN RESPECT OF IMPORTED STORES
LOST OR DAMAGED**

8-12. (a) Government will not meet the cost of insurance during shipment of imported stores except when they do so by paying a purchase price that covers the cost, insurance and freight of the stores as delivered at the required port or station in the State. When any loss or damage is detected on taking delivery of any imported stores shipped, the receiving officer should see that a claim is promptly made against the supplier.

(b) Similarly Government will not take any responsibilities for any losses or damages in transit for goods despatched by suppliers from any place in India and the responsibility for any such losses or damages will fall on the suppliers, with whom a claim should be lodged as soon as any such loss or damage comes to notice.

II. CUSTODY AND ACCOUNTS OF STORES

(i) GENERAL

8-13. The Head of an Office or any other officer entrusted with stores of any kind should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, damage or deterioration, suitable accommodation should be provided more particularly for valuable and combustible stores. He should maintain suitable accounts and inventories and prepare correct returns in respect of the stores in his charge with a view to preventing losses through accident, fraud or otherwise and to make it possible at any time to check the actual balances with the book balance and the payments made to suppliers etc. For securing this object it is important that all quantities received in or issued from stores or entered in the stock account strictly in accordance with the rules and in the order of occurrence on the dates the transactions take place, so that it is possible at any time to check the actual balance with the book balance.

8-14. The form of stock accounts mentioned in the preceding rule should be determined with reference to the nature of the stores, the frequency of the transaction and the special requirements of each department or office in which they are used. Thus the accounts to be kept for consumable stores like dietary stores in a hospital or jail, of which there are numerous and varied transactions, differ very materially from those to be maintained of the articles of furniture in an office.

8-15. Dead stock and 'other stores' will be governed by the following rules. It is not intended that these rules should replace the detailed stores accounting rules which exist at present in some of the more important departments, which have large stores transactions, e. g., the public works, etc. They are intended to be merely model rules to be applied, with or without modifications, as the circumstances require at the discretion of the competent administrative authority, in any department, office or institution where no such rules exist at present or where the existing rules are defective.

Separate stock accounts or inventories should be kept of :—

(1) 'Dead Stock' such as plant, machinery, furniture, equipment and fixture : and

(2) 'Other Stores' which consist of consumable and perishable articles.

Note.— For the purpose of maintaining accounts it may be in some cases convenient to group articles of stores under different sub-heads such as, small stores, building materials, timber, metals, fuel, paints, stores, etc. Where such sub-heads have been prescribed each article should be shown in the accounts under the respective heads.

(ii) DEAD STOCK

8-16. An inventory of the dead stock should be maintained in all Government offices in a form prescribed by competent authority, showing the number received the number disposed of

(by transfer, sale, loss etc.) and the balance in hand for each kind of article. The instructions given below should be carefully observed by all concerned :—

(1) The inventory should be priced whenever the items have to enter into the block account maintained for a Government commercial undertaking or the value of the items is necessary in order to enable Government to calculate the charge to be levied upon private persons or bodies. As regards other items, a numerical inventory would suffice, except for articles costing above Rs. 25.

Note.—For the purpose of numerical inventory, articles of a similar description such as tables, durries, carpets, etc. should be put into separate categories each category comprising articles of the same measurement and value and manufactured with the same metal or wood or other material.

(2) The inventory should ordinarily be maintained at the site of the dead stock. Whether it is desirable, in any particular case, to depart from this general principal, or to maintain additional consolidated inventories elsewhere, should be decided on the merits of each case.

(3) The inventory should be checked by the Head of the Department once a year and a certificate of the result of check recorded.

(4) Articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be properly investigated and brought to account immediately so that the inventory may represent the true account.

Note.—The furniture in the official residence of the Governor should be verified in accordance with the regulations given in as Annexure “A” to this chapter.

(5) When articles of dead stock, e. g., tools and plants are lent to local bodies, contractors and others, the hire and other charges

as determined under rules prescribed by competent authority should be recovered regularly.

(6) Government libraries and museums should maintain up to date catalogues as well as prescribed stock accounts and inventories.

(iii) OTHER STORES

8-17. A reliable list inventory or account of all stores in the custody of Government servants should be maintained, in a form prescribed by the Head of the Department to enable a ready verification of stores and check of accounts at any time and transactions must be recorded in it as they occur.

8-18. Priced lists, recording both quantities and values, should be maintained in cases where the stores are indented to be converted into money, or where it is desired to distribute their cost over the works, items or objects on which they are actually used.

In such cases the expenditure on stores must be charged to a stores suspense head in the first instance.

8-19. Purely numerical inventories, i. e., recording quantities only, will suffice in cases when the articles are indented solely for the service of the department keeping them and it is not desired to distribute their cost. In such cases, the expenditure on stores must be charged off finally to the service head concerned.

Note—In some cases, it may be found necessary to show prices and measurements etc. vide note below rule 8-16 (i) against some articles say, when for facility of identification or other reasons, it is desirable to distinguish costly articles from cheap articles bearing the same general description otherwise. Such articles should not be treated as priced articles if the requirements of this rule are otherwise satisfied.

8-20. The lists, inventories or accounts of stores should in all cases, be subject to such internal check as may be prescribed by the Head of the Department, whether or not they are subject to any check by the Accountant General.

(iv) VALUATION OF STORES

8-21. Where a priced inventory is maintained, it is essential that the values recorded therein shall not be materially in excess of the market value of the stores. The Head of the Department concerned must issue instructions to govern :—

- (a) the fixation of prices with reasonable accuracy ;
- (b) the periodical review and revision of rates ; and
- (c) the agency to be employed in periodical valuation.

Note.—The 'market value' of an article, for this purpose means the cost per unit at which the articles or an article of a similar description can be procured at a given time at the stores godown from some suitable public market. It should be inclusive of carriage and incidental charges, and may even include a reasonable provision for wastage, breakage and depreciation, when these are inevitable.

8-22. (a) All profits and losses due to revaluation, stock taking or other causes should be duly recorded and adjusted where necessary. Formal sanction of the competent authority should be obtained in respect of losses, even though no formal correction or adjustment of account is involved.

(b) Losses due to depreciation should be analysed and recorded under the following heads, according as they are due to :—

- (1) normal fluctuation of market prices ;
- (2) fair wear and tear ;
- (3) lack of foresight in regulating purchases ; and
- (4) neglect after purchase.

(c) Losses not due to depreciation should be grouped under the following heads :—

- (1) Losses due to theft or fraud ;
- (2) Losses due to neglect on the part of Government servants ;
- (3) Losses due to an act of God and other calamities such as fire, enemy action, etc. ;
- (4) Anticipated losses on account of surplusage of obsolete stores or of purchases in excess of requirements ; and
- (5) Other losses due to damage , etc.

(v) RECEIPT AND DISPOSALS OF STORES**(a) Receipts**

8-23. (a) All material received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government servant who should see that the quantities are correct and their quality good, and record a certificate to this effect. The Government servant receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

(b) At the time of making payment it should be seen that the rates paid are not in excess of those entered in the contract or agreement made for the supply of stores and that suitable notes of payment are recorded against the indents and invoices concerned to prevent double payments.

8-24. Sales to private persons of stores other than those which are found to have become obsolete or unserviceable are regulated by special rules and orders applicable to particular departments. When stock materials are sold to the public or any other department or

authority at their full value, a suitable percentage as determined by competent authority should be added to the book value to cover charges on account of supervision, storage and contingencies. This addition may, however, be waived by the officer empowered to sanction the sale in the case of surplus stock which in his opinion would otherwise be unsaleable.

(b) ISSUE

8-25. When materials are issued from stock for departmental use, manufacture or sale, etc. the Government servant in charge of the stores should see that an indent in proper form has been made by a properly authorised person, examine it carefully with reference to the orders or instructions for the issue of stores and sign it, after making suitable alterations under his dated initials, in the description and quality of materials, if he is unable to comply with the requisition in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply actually made. The indent should be returned to the requisitioning Government servant for signature. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or despatched, or from his duly authorised agent. In case of the materials issued to a contractor the cost of which is recoverable from him the acknowledgement should give full particulars of the materials issued including the recovery rates and the total value chargeable to the contractor.

(c) TRANSFER OF CHARGE OF STORES

8-26. (i) Special attention should be paid by a Government servant in charge of stores to ensure that in cases of transfers the stores in his charge are made over correctly to his successor and a proper record taken from him.

This is necessary in order to fix responsibility for the loss of stores on the particular person. Accordingly when a Government servant, in direct charge of stores makes over charge to another Government servant a joint transfer report accompanied by the

relieving Government servant's receipt for the stores which have been in the custody of the relieved Government servant should be submitted to the next higher authority. If the relieving Government servant fails to bring to notice within a reasonable period any deficiency or defect in stores taken over from his predecessor he will be held responsible for the same both as to quantity and quality so far as he was in a position to ascertain it.

(ii) Every departmental officer is bound to take over charge of departmental stores which, from the death or departure of the person lately in charge or from any other cause, may be left at or near his station without adequate protection.

(vi) PERIODICAL INSPECTION OF STORES

8-27. Balances of stores should not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection should be made by a responsible Government servant, who must submit a report of surplus, unserviceable and obsolete stores to the authority competent to issue orders for their disposal. The inspection should unless there be good reasons to the contrary, be made six monthly in the case of perishable stores, and once a year in the case of other stores. Store remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

(vii) VERIFICATION OF STORES

8-28. (a) A physical verification of all stores must be made at least once in every year under rules prescribed by the Head of the Department, and subject to the condition that the verification is not entrusted to a person—(1) who is the custodian, the ledger-keeper or the accountant of the stores to be verified or who is a nominee of or is employed under the custodian, the ledger-keeper or the accountant ; or (2) who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.

(b) The verification must never be left to low paid subordinates and, in the case of large and important stores it should be as far as possible, entrusted to a responsible Government servant, who is independent of superior executive officer-in-charge of the stores. A certificate of verification of stores should be recorded whenever such a verification is carried out.

8-29. In making a physical verification, the following instructions must invariably be observed :—

(a) verification must always be made in the presence of the Government servant responsible for the custody of the stores or of a responsible person deputed by him ;

(b) all discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores ; and

(c) shortages and damages, as well as, unserviceable stores must be reported immediately to the authority competent to write off the loss.

Note.—Detailed instructions for conducting physical verification of stores are contained in Annexure “C” to this Chapter.

(viii) DISCREPANCIES FOUND ON VERIFICATION OF STORES

8-30. A deficiency detected during a verification of stores may be due to—

- (1) incorrect or careless accounting.
- (2) loss arising from fraud, theft or negligence, or
- (3) an unavoidable cause, e. g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the controlling authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The controlling authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the competent authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts, with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark “excess found on stock verification” No special orders are necessary for this.

(ix) SALE AND DISPOSAL OF STORES AND WRITE OFF OF LOSSES OF STORES

8-31. Competent authority may sanction the sale or disposal of stores which are reported to be surplus, obsolete or unserviceable or order the write off of losses of stores caused by deficiency and depreciation equivalent to their value.

Each order declaring stores as unserviceable should record the full reasons for condemning them and how the condemned stores are to be disposed of *i. e.*, whether by sale, public auction or otherwise. The head of office should record full particulars regarding all condemned stores in suitable lists from which their disposal can be watched.

Note 1.—The sale proceeds of unserviceable furniture in the official residences of Governor should be credited to the State Revenue and not to the grant for the maintenance and repairs of furniture in Government Houses.

Note 2.— Sales to private persons of stores other than those which are found to have become obsolete or unserviceable are regulated by special rules and orders applicable to particular departments. When stock materials are sold to a public or any other department or authority at their full value, a suitable percentage as determined by competent authority should be added to the book value to cover charges on account of supervision, storage and contingencies. This addition may, however, be waived by the officer empowered to sanction the sale in the case of surplus stock which in his opinion would otherwise be unsaleable.

III. AUDIT OF ACCOUNTS OF STORES AND STOCK

¹8-32. In terms of section 17 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 the Comptroller and Auditor General is vested with the powers to audit and report on the accounts and stores and stock kept in any department or office in accordance with the rules and regulations as may be prescribed by him in his behalf.

²8-33. Deleted.

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1. Recast vide F. D. Notification SRO-140 dated : 16-3-1977
 2. Rule 8.33 together with caption deleted vide SRO-140 dated : 16-3-1977.

ANNEXURE "A"

(Referred to in rule 8-16)

The administration of the furniture grants of the official residence of the Governor including the up-keep of a stock list and the purchase, repair and maintenance of furniture shall be conducted by the Secretary to Governor who would furnish the Accountant General, with an annual certificate of verification in the form given below, During the second and fourth year of the incumbency of the Governor and at least once in every three years the certificate of verification should be countersigned by a gazetted officer of the Public Works Department in token of his joint responsibility for the actual verifications.

FORM OF CERTIFICATE OF VERIFICATION

Certified that all furniture in has been inspected and checked with stock lists maintained. I am satisfied (i) that all new supplies up to date have been correctly brought on the stock lists, (ii) that the stock lists are correct in all respects, (iii) that the articles in stock agree with the stock lists, (iv) that the sale proceeds have been properly accounted for and (v) that sanction of competent authority exists for writing off all articles struck off the stock lists.

ANNEXURE "B"

(Referred to in Note below rule 8-6)

INSTRUCTIONS REGARDING THE CALLING FOR AND ACCEPTANCE OF TENDERS

(i) The officers opening the tenders should invariably date and initial corrections in the schedule of quantities. Schedule of materials to be issued and specifications and other essential parts of contract documents.

(ii) The officers concerned should mark all corrections and overwriting and number them and attest them in red ink. In case of a number of corrections in any rate, either in words or in figures or in both, the number of corrections marked should indicate the correction serially, that is to say, in case of, say, three corrections in rates of any one item, each of these three corrections should be allotted independent numbers serially and not one number to represent all the three corrections. In case of more than one correction where the correction is not legible, the rate should be written afresh in the hand of the officer opening the tenders.

(iii) The number of such corrections and overwritings must be clearly mentioned at the end of each page of the schedule attached to the tender paper and properly attested with date. Any omission observed should also be brought out clearly on each page of schedule.

(iv) The corrections and overwritings should be allotted separate numbers i. e. corrections should start from 1, 2, 3, etc. and overwritings should similarly start separately from 1, 2, 3, etc.

(v) Any ambiguities in rates quoted by tenderers, in words or figures must be clearly indicated on each page of the schedule attached to the tender to which it concerns.

(vi) In case where the contractor has quoted rate in rupees and no P. is mentioned, the word 'only' should invariably be added after the words rupees and the corrections should be initialled and dated with suitable remarks at the end.

(vii) Where the contractors have omitted to quote the rates in figures or in words, the omission should be recorded by the officer opening the tenders on each page of the schedule.

(viii) The tenders must be opened in the presence of all the tenderers and/or their authorised representatives.

ANNEXURE "C"

(Referred to in Note below rule 8-29)

INSTRUCTIONS REGARDING PHYSICAL VERIFICATION OF STORES .

(i) A physical verification of all stores should be conducted at least once a year. The work should be entrusted to a responsible officer other than the Store-keeper or the person responsible for the custody of the stores. The officer entrusted with the work of physical verification should be fully conversant with the classification, nomenclature or specification of the particular class of stores to be verified.

(ii) An essential pre-requisite for a successful store verification in the maintenance of store and stock books and other connected records up to date. Unless the books are written up and all transactions up to the date of verification recorded therein, it will be difficult to compare the book and ground balances and work out the surpluses or deficiencies.

(iii) While stock verification is in progress, all receipts/issue transactions in respect of items actually taken up for verification by the Stock Verifier will remain suspended until the process of counting of such items is completed.

(iv) The stock books, showing the book balances of stores to be verified should not be made available to the Stock Verifier. Instead, a complete list of stores held indicating the serial number, location, part No., nomenclature, etc. of each article (without giving the book balance) duly signed by the Store-keeper and his Head of Office, should be given to the Stock Verifier in triplicate. These lists will be called 'Stock Verification Sheets.' A specimen of the form of Stock Verification Sheet is given in Annexure to these instructions, and should be made use of, with suitable modifications, where necessary, depending on the nature of stores handled by a particular office/department. The Stock Verifier will record the quantity, weight

or number, as the case may be, as physically verified by him, against each article in column 5 of the Stock Verification Sheet. Separate Stock Verification Sheets should be prepared for each category and make of stores.

(v) The stores should be physically verified by the Stock Verifier in the presence of the store-keeper or his representative by actual count, weighment or measurement, as the case may be, and the result of verification recorded in the stock sheet, when stores of the same description are kept at more than one place physical verification of such stores should be arranged at the same time by deputing more than one Stock Verifier. At the conclusion of each day's verification the Stock Verifier will record the date of verification in the Stock Verification sheet which will be signed by him. The Store-keeper or his representative will also sign the Stock Verification Sheet in token of his acceptance of the ground balances as recorded therein.

(vi) If the Store-keeper or his representative has any doubt about the result of count, he should ask for a recount before the ground balances are accepted. This should be done within two days of the completion of the stock verification of the make/category. This recount should be carried out by the Stock Verifier in the presence of Storekeeper or his representative. The recounted figures if different from the previous figure should be boldly written above the original figure which should be encircled under the attestation of the Store Verifier and the Store-keeper.

Over-writing or erasing of figures of ground balances in the stock sheet will not be permitted. If corrections are necessary, the original figures will be scored out and correct figures written and attested by the Stock Verifier.

(vii) When the verification is completed two copies of the Stock Verification Sheet should be forwarded by him (Stock Verifier) to the Store-keeper who should enter therein the book balances as recorded in his books and the excesses or shortages, as the case may be. The book balances as recorded by the Store-keeper on the Stock Verification

Sheet will be checked by the Stock Verifier who will record therein a certificate in the following form :—

“Certified that the book balances as recorded in column 6 have been checked by me with the stock registers and found correct.”

One copy after action as indicated above is completed should be forwarded by the Store-keeper to the Head of the Office/ Department within 2 days of the date of completion of the stock-taking.

(viii) While verifying the physical balances, the Stock Verifier should give a distinct note, against all store articles which are broken, defective, or unserviceable and the Store-keeper, while forwarding the verified sheet to the Head of the Office/Department, should indicate action proposed to be taken in regard to such broken, defective and unserviceable articles.

(ix) The Stock Verifier will post the ground balances as verified by him in the stock books. He will draw a red line below the last entry in the stock register after leaving 4 lines blank. The ground balance will be recorded just below the red line. Cross reference to the serial number and page number of the stock sheet along with the date of stock verification should be noted against the ground balance, which will be attested by the Stock Verifier. Further transactions in the stock book will be recorded with reference to the ground balance as posted in the stock books.

(x) Excesses that come to notice as a result of verification should be promptly brought on charge on a credit voucher. In the case of shortages the reasons therefor should be fully investigated and if responsibility can be fixed the value of shortages should be recovered from the person at fault, otherwise the same should be written off with the sanction of the competent authority. The adjustment of excesses/shortages should be recorded in the stock book in the blank space above the red line, giving reference to the credit voucher or recovery loss statements, as the case may be. In the case of Public Works Department, where both quantity and value accounts

are kept, the value of stores found surplus or short, will be adjusted in accounts as per the procedure laid down in the State Public Works Accounts Code.

(xi) The Stock Verifier should, on completion of the verification of the stock, render a certificate to the Head of Office/Department in the following form :—

‘Certified that all the items of stores located in different store houses in this Office/Department have actually been verified by me.’

(xii) The Head of the Office will forward a copy of this certificate to the Administrative/Head of the Department. Within a period of three months from the completion of the stock verification he will also render a certificate to the Head of the Department that action as required under the rules/order has been taken in the case of excess/shortages (as the case may be), which came to notice as a result of stock verification.

ANNEXURE

(Referred to in Annexure C)

SPECIMEN FORM OF STOCK VERIFICATION SHEET

S. No.	Location	Part No.	Nomenclature	Ground balance quantity/weight/ No. (as the case may be)	Book balance Qty./weight/ No. (as the case may be)	Excess (col. 5 minus col. 6)	Shortage (col. 6 minus col. 5)	Remarks
1	2	3	4	5	6	7	8	9

ANNEXURE "D"

(Referred to in rule 8-33)

CHAPTER IX-WORKS

(i) INTRODUCTORY

9-1. For purposes of administration and control, buildings and other works are divided broadly into the following classes :—

(a) Public Works i. e. Civil Works and Irrigation, Navigation, Embankment and Drainage Works under the administrative control of the Public Works Department, and

(b) Buildings and other works under the administrative control of departments using or requiring them. These comprise *inter alia*.

(1) All works pertaining to the Quasi-Commercial Departments and Undertakings ;

(2) Any other works or class of works allotted under orders of Government to the department using or requiring them.

Note.-Subject to any general or special rule of Government to the contrary, the term 'administrative control' as applied to works implies *inter alia* the assumption of full responsibility for the construction, maintenance and upkeep of buildings and other works and the provision of funds for the execution of those functions.

The responsibility is not diminished if the execution of the work is entrusted to a different agency. Thus works, the administration of which is not transferred from the Public Works Department may by mutual arrangement be executed by the Military Engineering Services or by any other Civil Department, but charges in connection with them shall nevertheless be classified as Public Works expenditure. On the other hand a Civil Department to which the administration of a building has been transferred may involve the aid of Public Works Department for technical advice or execution, but the charges relating

thereto shall be debited to the Department concerned. The functions of the Military Engineering Services in the former case and that of the Public Works Department in the latter is merely that of the contractor and the administration and the control of the expenditure rests with the Public Works Department in the former case and with the Administrative Department concerned in the latter. The agency by which the work is executed shall not thus be the deciding factor in determining the question of classification.

(c) Where the buildings, etc., are under the administrative control of the Public Works Department, it is open to Government to prescribe that expenditure on construction and repairs connected with those buildings etc., upto a money limit fixed by the Government shall be debited as expenditure of the Civil Department carrying out the works.

(d) All works expenditure debitable to Civil Departments shall be classified under the minor head 'works' subordinate to the relevant departmental major head, unless Government by rule or order prescribes that such expenditure up to a money limit fixed by it shall be debited as expenditure of the department concerned.

(ii) GENERAL RULES

9-2. Subject to the observance of the following general rules, the initiation, authorisation and execution of works allotted to particular department, should be regulated by detailed rules and orders contained in the respective departmental regulations and by other special orders applicable to them.

9-3. (i) Except in cases covered by any special rules or orders of Government no work should be commenced or liability incurred in connection with it until :-

(i) administrative approval has been obtained from the authority appropriate in each case ;

(ii) sanction, either special or general, of competent authority has been obtained authorising the expenditure ;

(iii) a properly detailed design and estimate has been sanctioned ; and

(iv) funds to cover the charge during the year have been provided by competent authority.

If in any case, whether on grounds of urgency or otherwise, an executive officer is required by superior authority to carry out a work or incur a liability which involves an infringement of these fundamental rules, the orders of such authority should be conveyed in writing. On receipt of such written orders or in case of emergency, on his own responsibility, the officer may proceed to carry out the necessary work subject to the condition that he immediately intimates to Accountant General concerned that he is incurring an authorised liability and states approximately the amount of the liability which he is likely to incur.

(2) The powers delegated to various subordinate authorities to accord administrative approval and to sanction expenditure upon and to appropriate and re-appropriate funds for works are regulated by the orders contained in the Book of Financial Powers and other special orders contained in the respective departmental regulations.

¹(3) For purposes of approval and sanction, sub-items/sub-heads of a work/project shall form separate works provided such sub-items and sub-heads are distinctly spelled out in the estimates to which Administrative approval is accorded.

Note.—While no officer may sanction any estimate for a work which cannot be fully efficient unless other works are also sanctioned if the cost of all such works collectively exceed his powers of sanction it is not the intention that two or more works should be regarded as forming part of a group of works merely because they are of the same nature, if they are otherwise mutually independent.

9-4. The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

9-5. Any development of a project thought necessary while a work is in progress which is not fairly contingent on the proper execution of the work as first sanctioned, should be covered by a supplementary estimate.

9-6. To facilitate the preparation of estimates, as also to serve as a guide in settling rates in connection with contract agreements, a schedule of rates for each kind of work commonly executed should be maintained for each locality and kept up-to-date. The rates entered in the estimate should generally agree with the scheduled rates but where from any cause, these are considered insufficient, or in excess or where an item in the estimate is not covered by the sanctioned schedule of rates a detailed statement must be given in the report accompanying the estimate, showing the manner in which the rates used in the estimate are arrived at.

9-7. When works are given out on contract, the general principles laid down in Chapter 18 should be carefully borne in mind.

(iii) WORKS UNDER THE ADMINISTRATIVE CONTROL OF THE PUBLIC WORKS DEPARTMENT

9-8. Subject as provided in rule 9-1, provisions for expenditure on all buildings, communications and other works required by Civil Departments which Government has not specifically allotted to such departments should be included in the Grant for Civil Works to be administered and accounted for by the Public Works Department. No such work may be financed partly from funds provided in a departmental budget and partly from the budget for Civil Works.

The term 'Civil Works' used in this rule embraces all works chargeable to the heads '2059—Public Works' and '4059—Capital Outlay on Public Works.'

Note 1.—Separate grants are obtained for expenditure on irrigation, navigation, embankment and drainage works in charge of the Public Works Department.

Note 2.—Save when the Government may otherwise direct in any special case, all works and repairs in connection with water supply and electric installations to Government buildings should be carried out by or through the agency of Water Works and Electric Department respectively. Installation of Sanitary fittings is done by the Public Works Department.

9-9. The rules and instructions contained in the Public Works Code should be strictly observed by all authorities responsible for the preparation of budget estimates and administration of funds allotted for State Public Works.

9-10. (i) The Chief Engineer, P. W. D. may, in special cases where there is no staff of the Public Works Department available or where it will be costly and inconvenient to send technical staff, authorise the execution departmentally by a Civil Department of any minor work or repairs on the requisition of the Head of the Department concerned accompanied by a proper estimate showing the approximate cost of the work. In such cases funds will after the estimate has been checked be provided by the P. W. D. out of the provision in Budget under '2059—Public Works'. The Chief Engineer will authorise the Executive Engineer concerned to advance from time to time such sums against the estimated amount as may be deemed necessary.

A fresh advance will only be made when the previous one has been accounted for.

(ii) The advances so made out of P. W. D. funds will be adjusted in the office of the Executive Engineer concerned on receipt of accounts supported by contractor's bills if the work is done through

a contractor or of accounts of daily labour (both skilled and unskilled) and other paid bills for purchases made, if the work is done on Amani basis. The accounts of the advances drawn by the Department against their own funds will be adjusted as usual by submission of Red D. C. Bill to the Accountant General. In both cases a detailed bill and a completion certificate by the gazetted officer in charge of the concerned department as required by the rules of the Public Works Department would be necessary.

Note.—The advances by the P. W. D. will be treated as 'imprest' and regulated according to Para 78 of P. W. D. Accounts Code.

9-11. Save where any particular department is authorised by Government to execute all or specified classes of departmental works without reference to the P. W. D. all Government construction works shall be executed through the agency of the P. W. D.

For specified classes of departmental works execution whereof has been authorised departmentally refer to Annexure B.

9-12. In the case of departments authorised to execute the class of works departmentally as specified in Annexure B, the following further instructions should be complied with :—

(a) Formal sanction of the authority having the power to sanction the expenditure should be communicated to the Accountant General. The amounts sanctioned should be entered by the officer entrusted with the work in a separate register to be maintained for the purpose. Only such sums as are needed from time to time should be drawn from the treasury against the sanctioned amount as indicated below, on separate contingent bills in which the No. and date of the letter/order according the sanction should invariably be cited.

Note.—Estimates should be prepared in all cases and recorded in the departmental office after sanction.

(b) When a work is executed departmentally, muster rolls should be maintained for the workmen on which thumb impressions or acknowledgements of the labourers should be taken in token of

their having received their wages. The cost of materials obtained departmentally should be drawn on contingent bill supported by sub-vouchers necessary.

(c) Serviceable materials if any obtained from a dismantled structure or part of a structure should be utilised as far as possible in the new construction or repairs and credit thereof afforded by deduction in the estimate. Such serviceable materials as cannot be utilised as also the materials found surplus after completion of a work should be disposed of by public auction in consultation with the Executive Engineer of the area.

(d) When a work is done through a contractor a deed of contract on an approved standard form or on specifically approved form should be executed laying down the conditions, rates etc. advances given to contractors should be sums 'on account' only *i. e.* they should not exceed 75 per cent of the value of the work done or of material supplied or brought to site and the bill for an advance should contain a certificate from the drawing officer to the above effect.

(e) Detailed measurements should be recorded in the work register while making 'to account' payments which should be checked by the officer-in-charge of the Department who will record his check certificate on the bill. These details may not be submitted along with the 'to account' bill, but a final bill should be submitted for the total amount payable supported by full details in the prescribed Public Works Department bill form. The amount payable on this bill will be the net amount after deduction of the payments 'on account' made previously, from the total value of the work done the details of which should be given consecutively in the final bill.

Note.—On completion of the work, its final measurements should be taken and the final bill prepared, and a completion certificate signed by the gazetted officer-in-charge after full verification.

(f) It must be clearly understood that no money withdrawn for purposes of works of construction and repairs should be retained in

hand after the 31st March. Amounts drawn and remaining unexpended on that date must be refunded into the treasury.

(g) Money sanctioned for a particular work should not be spent on any other work.

(h) Accounts of receipts and issues of tools and plant purchased by or belonging to the departmental officer should be prepared in accordance with P.W. Account Code.

9-13. When works allotted to a civil department other than the P. W. D. are executed departmentally, whether direct or through contractors, the form and procedure relating to expenditure on such works should be prescribed by departmental regulations framed in consultation with the Accountant General generally on the principles underlying the financial and accounting rules prescribed for similar works carried out by the P. W. D. The guiding principles are laid down in Annexure 'A' to this Chapter.

(iv) MISCELLANEOUS RULES

9-14. The acquisition of a building by purchase, even though the purchase of the required accommodation may have been sanctioned by competent authority is prohibited except with the specific sanction of the Government. In all such cases, a survey and valuation report by the P. W. Divisional Officer should be submitted to the Government.

9-15. No public building, which is not a purely temporary structure, may be sold or dismantled without the sanction, previously obtained of Government.

9-16. In respect of buildings available for occupation as residences, capital and revenue accounts are prepared periodically by the Accountant General in accordance with the directions given in the Account Code Volume IV issued by the Comptroller and Auditor General and any further orders that Government may issue in this behalf.

All officers concerned should furnish the Accountant General annually with the necessary data in respect of such buildings in such form as may be prescribed by the Accountant General

9-17. Expenditure on ceremonies connected with the inauguration of important public works, e. g., the laying of foundation stones of public buildings, the opening of canals, and bridges, will be subject to the sanction of the Government.

Note.—The expenditure on such functions should normally be restricted to a maximum amount of Rs 1,000 in each case.

9-18. The preparatory stages of a major work may take anything from three months to a year and attempts to expedite the execution of works contrary to Code Rules lead to bad estimating and computing and, to actual losses of money. These unfortunate results may be commented upon adversely by the Finance Department/Public Accounts Committee. It is therefore, desirable that the tendency to rush the preparatory stages for works should be checked. The Chief Engineer and his subordinate officers should accordingly take, in all cases, such time as it considered necessary, for the preparation of proper estimates, the grant of technical sanction and the invitation and examination of tenders and refrain from entertaining requests from administrative departments for special treatment. In emergent case, however, where, circumstances warrant a departure from methods laid down by the Codes, the Public Works Department may issue special instructions on a reference received from the administrative department concerned.

ANNEXURE "A"

**GUIDING PRINCIPLES FOR EXECUTION OF WORKS
DEPARTMENTALLY BY CIVIL DEPARTMENTS
OTHER THAN P. W. D.**

(Referred to in rule 9-13)

1. Adequate accounting arrangements should be made in respect of all big projects before they are started. Failure to make such arrangement may result in financial loss and discredit to Government. It is, therefore, of the utmost importance that whenever proposals for big projects, or for commercial or quasi-commercial undertaking are made, suitable provisions should be made therein for the accounting and procedure for internal check to be observed. Departments initiating such projects and schemes should consult the Accountant General at a very early stage, regarding the arrangements necessary for proper accounting and internal check and include suitable proposals as integral parts of the proposed schemes and projects. The Finance Department should also be associated in the formulation of the arrangements necessary for the proper accounting and audit.

2. For every work there should be a duly sanctioned detailed estimate, copies of sanctions to estimates being communicated to the Accountant General by the sanctioning authority as soon as a sanction is accorded. If, however, the number of works sanctioned is large, such sanction may conveniently be communicated through a monthly statement. Copies of sanctions to contracts, establishment charged to works or any other financial sanctions should be communicated to the Accountant General individually.

3. Payments for all works done by contract or materials purchased should be made on the basis of measurements recorded in measurement books. A muster roll should be prepared for works done by daily labour. It is desirable that the prescribed forms should be used for payment to contractors. If any establishment is entertained on monthly wages whose pay is chargeable to a work, form of the P. W. D. prescribed for payment of such charges may be used for payment

of their wages. The rules regarding the preparation and check of these documents will be found in Public Works Accounts Code.

4. Separate contingent bills should be prepared for expenditure relating to Works' duly supported by sub-vouchers. The name of work as given on the sanctioned estimate should be noted conspicuously on each sub-voucher as well as in the bill itself.

5. At the end of a month every disbursing officer will render to the Accountant General the following monthly accounts so as to reach him between 7th and 10th of the month following that to which it relates :—

- (i) Schedule of works expenditure showing expenditure incurred during the month and total charges up to date in respect of every work in progress. All payments pertaining to a work during a month and voucher number and date will be posted in the relevant columns of the form and all works in progress will be shown in this schedule.
- (ii) Contractors' ledger.—This account need only be prepared in accordance with P. W. Accounts Code, if any intermediate payment on running account is made to a contractor. It is not required in cases where every payment to contractors is final.
- (iii) Account of receipts and issues of Tools and Plant purchased by or belonging to the departmental office to be prepared in accordance with the provisions of Public Works Account Code.

6. In respect of articles of Tools and Plant purchased in connection with Works' an Annual Register to show receipts, issue and balances will have to be maintained in accordance with the provisions of Public Works Accounts Code. The register may be annually closed as soon after the month of September as possible,

the book balance being physically verified and certified and sent to the Accountant General by the officer concerned so as to reach him on or before the 15th of November every year.

7. A copy of the register of buildings in charge of every disbursing officer should be sent to the Accountant General in the prescribed form, annually.

Note.—As far as possible the same forms as are in use in Public Works Department should be used.

ANNEXURE "B"

(Referred to in rule 9-11)

DEPARTMENTS AUTHORISED TO EXECUTE WORKS OF SPECIFIC NATURE DEPARTMENTALLY

(a) Additional Police

Bunkers at Additional Police piquets will be constructed departmentally.

(b) Jail Department

All minor and repair works up to a limit of Rs. 1,500 in each case will be executed departmentally and funds on this account will be placed by the Public Works Department at the disposal of the Superintendent Jail concerned—Departmental execution of the works will be subject to the following procedure :—

(1) It is laid down in the Public Works Accounts Code that estimates for works on which it is intended to use prison labour will, as in the case of free labour, provide for the full market value of the work to be done but a note of the reduction to be effected by the employment of convicts will be made on the abstracts of the estimates.

(2) When a sanctioned Jail work is to be executed by prison labour, the Superintendent will apply to the Executive Engineer for all tools, plant and materials required for the work. Such tools and materials shall be devoted solely to the purposes sanctioned in the estimates.

(3) The Superintendent will also engage such paid skilled labour and supervision as is considered necessary in consultation with the Executive Engineer. This will be paid for by the Superintendent and charged in the estimate.

(4) The work to be done shall be laid down by the Executive Engineer or by his subordinate deputed for the purpose and no deviation from the sanctioned plan shall be permitted without formal sanction.

(5) It is the duty of the Executive Engineer to point out to the Superintendent when progress on a work on which convict labour is employed is considered unsatisfactory, to assist the Superintendent in framing the table of task work and to instruct his subordinate to report daily those convicts who have not completed their task or who have been otherwise negligent at their work.

(6) Estimates for these works are to be prepared by the officers of the P. W. D. as usual subject to reduction of the amount on account of convict labour vide sub-para (I) above.

(7) In case the Superintendent of Jail has no mistry or skilled workmen at his disposal to put in charge of such works, the Executive Engineer of the P. W. D. concerned should either lend him one from his own staff, if he has one available, or should see that the estimate provides for payment of one charged to work. If in any particular case, the Superintendent of the Jail expresses his inability to carry out a work which the Executive Engineer has not objected to, as unsuitable to Jail labour, the Executive Engineer should of course carry it out for him. The matter is one that should be arranged between the Superintendent of the Jail and the Executive Engineer. But it should be borne in mind that whenever the Executive Engineer can aid the Superintendent to carry out the work, by supplying technical staff, it will be preferable to do so rather than to undertake it himself.

(8) The Executive Engineer of each P. W. Division should, as far as possible, direct one of his subordinates to inspect the works made over to the Superintendents of Jails for execution while they are in progress. When they are of such a nature that some degree of professional supervision would be desirable, the Chief Engineer will also during tour examine them as has been heretofore customary.

(9) In carrying out Jail Works the Superintendents of the Jails will act as an agent of the P. W. D. and as such it will be his duty to see that the money provided for one work is not diverted to another and no deviation from drawings or specifications is allowed.

Note 1.—The amounts advanced to the Superintendent Jail will remain outstanding against him till the account on completion of works are submitted to the Executive Engineer, and adjusted by him.

Note 2.—Requisition for all materials and tools and plant required for such annual repair works shall be submitted by the Superintendent Jail for the whole year in a consolidated form to the Executive Engineer concerned so that necessary arrangements for supply hereof are made by him.

(c) **Agriculture, Animal Husbandry, Sheep Husbandry, Horticulture and Parks and Gardens Departments.**

Petty original works including essential repairs of buildings whether these are on the books of PWD or the concerned Departments may be done departmentally by the following Heads of the Departments up to a limit of Rs. 10,000 in respect of each work subject to a ceiling of Rs. 50,000 per annum in each department by debit to provisions in the departmental budget. The works shall be checked technically by the Assistant Engineer in the office of Assistant Agriculture Production Commissioner of the area in which the work is executed :—

- (a) Director Agriculture,
- (b) Director Animal Husbandry,
- (c) Director Sheep Husbandry,
- (d) Director Parks and Gardens,
- (e) Director Horticulture.

The execution of works and maintenance of their accounts shall be done strictly in accordance with the instructions contained in rules 9-11 to 9-13 of these rules and Annexure "A" thereto.

(d) Exhibitions

Petty urgent works up to the limit and under the condition laid down in Chapter 5-8 of the Jammu and Kashmir Book of Financial Powers will be got executed departmentally.

(e) Excise and Taxation Department

Works relating to construction of and repairs to Kachha Kothas will be executed departmentally up to the limit laid down in Chapter 5-6 of the Jammu and Kashmir Book of Financial Powers subject to the following procedure :—

- (i) The Officer Incharge of the Range/Division should inspect the Kachha Kothas in need of repairs and prepare an estimate, on the basis of details, of the amount required. The estimate

will be forwarded by him to the Provincial Superintendent, Excise and Taxation, who will either make allotment of funds from the budget grant.

- (ii) If the estimated amount exceeds Rs. 50, tenders shall be called before the repairs are executed and most favourable tender accepted.
- (iii) When the repairs have been executed the concerned officer will satisfy himself that the repairs have been executed according to the sanctioned estimate and submit a completion certificate along with the detailed accounts to the Superintendent, Excise and Taxation, who will either inspect the repairs executed during his tours or where the concerned Officer Incharge Range/Division is not a Gazetted Officer to satisfy himself that the amount sanctioned has been properly spent.
- (iv) Accounts in respect of such repairs in a financial year should be consolidated in the provincial office and forwarded to the Accountant General, along with a Red D. C. Bill.
- (v) The procedure laid down in respect of repairs will apply also to construction of new Kachha Kothas.
- (f) Revenue Department.

Construction of Patwar Khanas and their repairs, road cess works, revenue irrigation works, chargeable to 2029 :- Land Revenue, to the extent indicated in Chapter 5-8 of the Jammu and Kashmir Book of Financial Powers.

- (g) Fisheries Department.

Constructional works of the Fisheries Department to the extent of Rs. 25,000 in each case, chargeable to 4059 :- Capital Outlay on Public Works, to be executed departmentally by the Director Fisheries as indicated below :—

- (i) up to Rs. 20,000 in each case with the special sanction of Administrative Department and subject to check by the Public Works Department, and

- (ii) beyond Rs. 20,000 to Rs. 25,000 after the estimates are got checked by the Public Works Department and approved by the Administrative Department.

Execution of all works by the Department will be subject to check by Public Works Department. The Director Fisheries shall arrange the check of all such works by the Executive Engineer of the concerned Public Works Department's Division or any of his representative not below the rank of an Assistant Engineer. In support of their technical check the officers of the Public Works Department will record necessary check certificate on the measurement book, bill and other related documents of the work.

- (h) Consumer Affairs and Public Distribution Department.

Repairs of Godowns of the Consumer Affairs and Public Distribution Department up to Rs. 1,000 in each case and subject to a maximum of Rs. 10,000 in a year to be executed by the Director, Consumer Affairs and Public Distribution Department Jammu/Srinagar departmentally.

CHAPTER X-MISCELLANEOUS EXPENDITURE

I. GENERAL

10-1. The term 'miscellaneous expenditure' applies generally to all expenditure in the civil departments, which does not fall under the category of pay and allowances of Government servants, pensions, contingencies, grants-in-aid, contributions, stores or works.

The powers delegated to subordinate authorities to sanction items of miscellaneous expenditure as defined above, for which no special power, scale or limit has been prescribed by an Act, rule, code or order, are specified in the Jammu and Kashmir Book of Financial Powers.

Note.—Grants-in-aid and contributions have been dealt with in this chapter for the sake of convenience.

10-2. Miscellaneous expenditure is subject generally to the rules of procedure which apply to contingent expenditure, except in so far as it may be governed by any special rules or orders made by competent authority.

II. REFUNDS OF REVENUE

10-3.— Refunds of revenue are broadly classified as.—

- (i) refunds to which the claimants are legally entitled ;
- (ii) refunds which are made ex-gratia, Government being under no legal obligation to make them.

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

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

10-4. (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 voucher itself or quoted in it, a certified copy being attached when such orders are not separately communicated to the Accountant General.

(b) Except as hereinafter provided, or unless some other form has been prescribed by departmental regulations for any particular class of refunds, bills for drawing money from the treasury on account of refunds of revenue shall be prepared in Form F. C. 32. The officer who received the original amount shall fill in columns 1 to 5 of the form and sign the certificate at foot, while the Treasury Officer shall verify the credit by means of the particulars in columns 4 and 5 and affix his signature in column 6 in token of his having done so.

10-5. No check can be exercised over refunds of revenue by the Audit 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. Before a refund of any kind admissible under some general or special order of government and otherwise in order, is allowed the original demand or realisation, as the case may be, must be traced and a reference to the refund should be so recorded against the original entry in the cash book or other documents as to make the entertainment 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.

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 Form F. C. 33. 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 Deputy Commissioner or other Government servant concerned should on passing an order of refund at once issue to the payee a refund order combined with a notice inviting the person to whom the refund is to be made to receive payment at the treasury.

10-6. Subject to the provisions of rule 10-8, refunds of revenue can be drawn only on the demand and on the receipt of the person entitled to receive them after production of proper authority; on no account may they be drawn on the receipt of a departmental officer and lodged in a deposit account pending demand.

Every refund shall be noted against the original credit in the departmental accounts or other documents in which the moneys received are entered in detail, and a certificate of such a note having been made must be given in all vouchers for refunds. A certificate should also be recorded in all such cases by the Drawing Officer that the amount was actually deposited into the treasury and has not been drawn before.

10-7. In cases where verification is not complete and satisfactory the claimant shall be required to execute a bond agreeing to make good the loss to Government, should the payment turn out to be irregular at a later stage.

10-8. The following provisions shall apply to refunds of revenue credited (other than taxes on income), where the amount involved does not exceed Rs. 100.

(i) On receipt of a refund order passed by the Deputy Commissioner or other officer concerned, the Treasury Officer may at his discretion issue a note (a) inviting the person to whom the refund is to be made to receive payment at the treasury, and (b) intimating that on failure to comply with the invitation within one month (or such longer period as may appear necessary) the amount of the refund will be remitted to the payee by postal money order at his expense.

(ii) When the payee appears in person at the treasury, the Treasury Officer should see that no avoidable delay occurs in getting the voucher

for the refund signed by the payee who may then receive the payment personally or by a duly authorised agent or by money order at his own expense. When the whole or part of the amount of a bill is remitted by postal money order, the Treasury Officer, shall if the bill is in order pass it and remit the amount to the payee after deduction of money order commission and check the same with the receipt of the Postal Department.

(iii) On receipt of the money order acknowledgement duly signed by the payee, it should be attached to the refund voucher in which the full amount of the refund and the deduction made therefrom on account of the money order commission should be clearly shown, the voucher should then be disposed off in the usual way. The Accountant General will accept such voucher with the money order acknowledgement as a valid receipt for the full amount of the refund entered therein.

10-9. The following further provisions shall apply to various kinds of refunds mentioned below :—

(i) Refunds of Land Revenue or other receipts of the Revenue Department except revenue fines are paid on the authority of the Commissioner of the Province or in the case of Leh and Kargil District on the authority of the Deputy Commissioner of the District.

¹(ii) Refunds of receipts of the Excise and ²Taxation Department shall be made by the authority competent to make such refunds under the provisions of the relevant Acts and the rules thereunder.

(iii) Judicial and Revenue fines may be refunded on the order of the Court, which inflicted the fine, or of the Appellate Court. Unclaimed property receipts may also be similarly refunded on the authority of the Court. The refund will be noted against the original credit in the Accounts Office.

(iv) In the case of Stamp Duty, whether realised in cash or stamps (in filing a case in a Court) the refund will be made on the authority and certificate of the Court or Appellate Court having power to hear the case, while in the case of spoilt stamps the refunds will be admitted on the

¹ Recast vide F. D. Notification SRO-75 dated 22-2-1971.

² Substituted for "Sales Tax" vide F. D. Notification SRO-444 dated 29-6-1972.

authority of the Deputy Commissioner of the District, provided the spoilt stamps are attached in support of the charge and are sent to the Accountant General for cancellation. Twelve paise per rupee will be deducted from the face value of the stamps in making refunds for spoilt stamps.

(v) If the amount of an examination fee, originally deposited in the treasury or any part of it, is to be refunded a certificate will be endorsed upon the original receipt by the Secretary, Jammu and Kashmir Public Service Commission, or the appropriate authority concerned, specifying the amount to be refunded; and the amount so authorised may be paid on presentation of the original receipt endorsed as above, the recipient giving his receipt below the endorsement.

(vi) The Director Sher-i-Kashmir Institute of Medical Sciences, Srinagar shall be competent to authorise refund of any part or whole sum of money deposited by a patient in advance for investigation charges or as diet money, if the service for which the sum may have been deposited may not have been rendered in full or in part for one or the other reason. Similarly bus fare deposited by the employees in the cash or by deduction from their salaries may also be refunded by the Director, where an employee (s) may not have utilised the facility.

The refund shall be authorised only after proper verification of the receipt and with the recommendations of the concerned Head of the Unit.

10-10. All other refunds not covered by any general or special orders of the Government require preaudit by the Accountant General.

III. DISCOUNT ON STAMPS

10-11. (a) Discount on stamps is allowed at prescribed rates to certain class of vendors under rules contained in J&K Treasury Code and is given by deduction from the purchase money. The full value of stamps is credited to "0030 :- Stamps and Registration Fee— Other Receipts— Sale of Stamps" and the discount debited to "2030 :- Stamps and Registration—Expenses on Sale of Stamps."

(b) For Rules regarding the custody, supply and sale of stamps and refund and renewal thereof, see J&K Treasury Code.

1. Inserted vide F. D. Notification SRO-86 dated 8-3-1985

IV. FEES TO REGISTRARS AND SUB-REGISTRARS

10-12. For fees to Registrars and Sub-Registrars see note 2 to article 50 Jammu and Kashmir Civil Service Regulations.

V. FEES TO PLEADERS

10-13. (a) Unless otherwise provided by any general or special orders of the Government, all cases of engagement of counsels to defend State cases in Courts shall require Government sanction.

(b) In cases occurring in Muffasil Courts where the Public Prosecutor cannot be present, in case of emergency, counsels may be engaged in anticipation of formal approval of the competent authority. Such approval to the engagement and fees to be paid shall subsequently be obtained and furnished to the Audit Office.

Note.—For delegation in this behalf reference may be made to Chapter 4-6 and 5-10 of Jammu and Kashmir Book of Financial Powers.

VI. SCHOLARSHIPS AND STIPENDS

10-14. (a) The payment of Government scholarships and stipends in Government and non-government institutions is regulated by the general or special orders on this subject which the Government may issue from time to time.

(b) Educational scholarships and stipends sanctioned by a competent authority may be disbursed by the Treasury Officer without specific authority from the Accountant General.

(c) Bills for educational scholarships, stipends etc. shall be presented in Form F. C. 41, or in such other form as may be prescribed by the Head of the Department after consultation with the Accountant General. In the case of payments to institutions under private management, such bill shall be prepared and vouched for by the authorities of the institutions concerned and countersigned by such Government official as may be nominated in this behalf by the Head of the Department. The orders sanctioning the payment must be quoted in each case.

(d) If any conditions are attached to the payment of scholarships or stipends, the bill must bear a certificate of the countersigning officer that he is satisfied that the prescribed conditions have been fulfilled.

VI-A NATIONAL AND NATIONAL LOAN SCHOLARSHIPS

10-14-A. The following procedure will be followed in regulating payment of National and National Loan Scholarships :—

(i) In the beginning of each financial year the Government of India will place necessary funds for payment to the scholars under the scheme of National and National Loan Scholarships at the disposal of the State Government.

(ii) The Secretary to Government, Education Department will be the Officer Incharge to operate the scheme.

(iii) The Secretary to Government, Education Department will draw the money required for disbursement of Scholarships through one or more bills and obtain Hundies/Bank drafts in favour of the heads of the institutions concerned.

(iv) The payment to the institutions will be made in advance in two instalments, the first covering disbursement to be made to scholars during the first nine months of the year and the second covering the disbursement to be made during the remaining three months. The payment of the second instalment will be made on receipt of the accounts of actual disbursement to scholars out of the first instalment as indicated in (v) below.

(v) On the administrative sanction of the Education Department the Accountant General will authorise each institution to open a personal deposit account in its name at the local treasury and the amount paid in advance will be credited by the institution to its personal deposit account. The head of the institution will draw his requirements for each month from the personal deposit account by cheques and send a certificate of disbursement made to the scholars with such other details as may be needed for the maintenance of records by the Secretary to Government, Education Department.

(vi) After the expiry of six months, the head of the institution will send an account of the disbursement made, the balance with him and the liabilities to be met. Based on this account the Secretary to Government, Education Department will in the 9th month make further advance to cover the payment for the remaining three months.

(vii) A treasury Officer will not permit any overdrawing of funds against the personal deposit account. In order to enable the Secretary to Government, Education Department, to keep a watch on drawals from the personal deposit accounts by the head of the institution, the treasury will send him monthly a simple Memo indicating the opening balance, disbursement and closing balance in each personal deposit account. The Secretary to Government, Education Department will scrutinise them and arrange for a test check of the accounts of the institution whenever considered necessary.

(viii) An account of such payments made to an institution during a year (both the first and second instalments) will be rendered by the head of the institution to the Secretary to Government, Education Department before the end of the last month of the year and any unspent balance will be refunded either by adjustment from the next years advance or by actual repayments.

(ix) The Education Department will exercise necessary check on the concerned institutions in order to ascertain that the heads of the institutions have actually disbursed the amount correctly and regularly to the scholars and that their disbursement certificates and the accounts rendered are correct.

(x) The same procedure will be followed in the case of Government institutions. In the case of such institutions, it will be subject to the condition that the personal deposit account will be closed on 31st March, transferring the unspent balance to the Consolidated fund of the State and reopening of the account on first April vide rule 13-23. The Head of the each Institution will have to render the account supported with relevant vouchers to the Accountant General monthly for audit in addition to sending the statement of scholarship disbursed to the Secretary to Government, Education Department.

(xi) In case of loan scholarships, the Secretary to Government, Education Department will be responsible for the maintenance of suitable accounts for watching their recovery.

VII. EXPENSES ON SPECIAL OCCASIONS

10-15. Expenses on special occasions such as Kashmir Festivals etc. require special grants and previous sanction to the details to the estimate by the Government. As the expenditure is generally entrusted to more than one Disbursing Officer, the following rules sanctioned by the Government should be observed for immediate record and submission of the accounts for the expenditure : —

(i) The order in this behalf shall indicate the name and designation of each officer entrusted with the special expenditure and the extent to which each such officer is to be placed in funds by the Accountant General. Sums out of that amount should be drawn from the Treasury as and when required.

(ii) A cash book in the form prescribed should be kept up showing clearly and fully all cash transactions that take place day by day. Amounts drawn from the treasury should be entered in the cash book on the receipt side and disbursements on the opposite side in the order of their occurrence, and the cash book should be closed and balanced at the end of each day, the closing balance of one month being carried forward as the opening balance of the next month. Sale proceeds of stores etc. should be credited into the treasury and not taken as receipts in their cash accounts and refund of subsidiary advance should be credited by reducing the expenditure (original debit of advance) and not as fresh receipts. At the end of each month an extract from the cash book showing the receipts and charges of the month and opening and closing balance should with all necessary vouchers be submitted to the Controlling Authority for onward transmission to the Accountant General.

(iii) Vouchers should be furnished for all items of expenditure exceeding Rs. 50. Every voucher or bill accompanying the cash account should contain the prescribed certificates printed on the Detailed Contingent Bill Form. The voucher should be numbered consecutively from the

beginning to the end of the special event in connection with which the expenditure is being incurred and their number should be quoted against the charge both in the cash book and its extract submitted to the Accountant General through the Controlling Authority. Vouchers in languages other than English, Hindi and Urdu should always be accompanied by a translation in one of these languages.

(iv) A supply of detailed contingent and travelling allowance forms should be obtained from the Manager Press and all charges should be drawn on them.

(v) When several officers are entrusted with expenditure on account of the same special event, each one will maintain his account separately in the prescribed cash book form and will send his monthly account to the Accountant General through the Controlling Officer who will consolidate the accounts at the close of the special event and send a copy of the consolidated account to the Accountant General countersigned by him in token of acceptance.

(vi) Under these rules each officer entrusted with the disbursement of public money will be responsible for the punctual submission of proper accounts which will be audited in detail on receipt, and objections communicated at once, any special feature or items, will be brought to the notice of the Controlling Officer for necessary action by him.

(vii) After the last account has been received and audited, a consolidated account will be prepared and brief report bringing to light any extraordinary or special features in the accounts will be prepared by the Controlling Authority on the basis of his own records and the objection statements issued by the Accountant General for the information of Government.

VIII. AID ON OCCASIONS OF NATURAL CALAMITIES

10-16. People who have suffered from natural calamities may be granted relief to the extent necessary in each case with the sanction of the competent authority as laid down in the Jammu and Kashmir Book of Financial Powers (Chapter 4-2 and 5-11).

IX. COMPENSATION FOR LAND

10-17 The procedure to be observed for the payment of compensation for land taken up for public purposes is regulated by the rules in Appendix (8) of this Code.

X. DISCRETIONARY GRANTS

10-18. Expenditure out of allotment for discretionary grants placed at the disposal of Governor, Chief Minister, Minister-in-charge Education, Minister for Ladakh Affairs and Deputy Commissioner, Leh and Kargil will be regulated in accordance with the rules given in Appendix (9) of this Code.

XI. GRANTS-IN-AID

10-19. Grants-in-aid or contributions to Educational, Medical and other Institutions, Local Bodies and Co-operative Societies are regulated by the detailed rules made by the Government. The following instructions are issued for the guidance of the sanctioning authorities in the matter of according sanctions to grants-in-aid, contributions etc. :—

1. Unless in any case Government directs otherwise, every order sanctioning a grant should indicate whether it is recurring or non-recurring in nature and specify clearly the object for which it is given and the conditions, if any, attached to the grant. These should be made available, as far as possible, on the basis of specific schemes drawn up in sufficient detail and duly approved by Government. 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.

¹Government Instructions (1).—Before sanctioning grant-in-aid to private institutions, the sanctioning authority should examine that the institutions have the experience and managerial ability to carry out the purposes assigned to them. The sanctioning authority should also ensure an effective and constant check to see that the money is utilised fruitfully and applied to the purposes intended.

1. Inserted vide F. D. Notification SRO-191 dated : 15-5-1967.

¹Government Instructions (2).—Grants-in-aid may be sanctioned to meet the expenditure already incurred not earlier than a year prior to the date of issue of the sanction.

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 buildings, 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 grant-in-aid should see that money is not drawn in advances of requirements. There should be no occasion for a rush of payment of these grants in the month of March.

²Note.—The following principles should be kept in view by the sanctioning authorities while sanctioning buildings grants to institutions, organisations etc. :—

- (i) it should be ensured that the building grant is sanctioned for the minimum area required for the purpose of the grantee institution ; and
- (ii) the order sanctioning the grant should embody such other conditions as may be considered necessary for ensuring to Government the right to claim a share of the rent where the buildings are used for purposes other than those for which the grants were made.

In order to ensure that the above conditions can in the event of their breach be enforced through a court of law, an agreement bond similar to that referred to in sub-rule 3-A should be got executed by the grantee institution.

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 grantee 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 Indian Audit Department

1. Inserted vide F. D. Notification SRO-166 dated : 11-4-1970.

2. Inserted vide F. D. Notification SRO-241 dated : 01-7-1968.

and it will be sufficient therefore, if the accounts are certified as correct by the registered Accountant or by other recognised body of auditors or auditors recognised as such by the Government for the purpose. In the case of Medical and Educational Institutions this certificate will be given by the inspecting authorities of the State Medical and Education Departments respectively at the time of their inspection of the accounts of the Institution. 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.

13-A. Where there are conditions attached to a grant-in-aid the countersigning authority should see that before the grant is released, the grantee should be required to execute a bond in Form F. C. 53 with two sureties to the Governor of Jammu and Kashmir, that he will abide by the conditions of the grant by the target dates if any specified therein and in the event of his failing to comply with the conditions or committing breach of the bond, the grantee and the sureties individually and jointly will be liable to refund to the Governor of Jammu and Kashmir, the entire amount of the grant with interest thereon or the sum specified under the bond. In special cases in which such a bond is not found feasible and/or, on due consideration, the Administrative Department decide not to insist upon a bond on the above lines, it would be necessary to work out alternative arrangements in consultation with the Law Department and the Finance Department for ensuring that the interests of Government are safeguarded effectively. These instructions will not, however, apply to grants-in-aid paid to quasi-Government or Government aided organisations and local bodies.

For purposes of these rules the following types of institutions or organisations may be treated as quasi-Government and Government aided organisation :—

(i) Quasi-Government Institutions.—Institutions or organisations set up by Government as autonomous bodies either under a statute or as a society registered under the Societies Registration Act, 1998 or otherwise.

(ii) Government aided bodies.—Institutions or organisations which receive financial assistance from the Government on a regular basis (either wholly or on a fixed per cent basis) and/or ;

(i) Whose annual budget is approved by the Government, or

1. Inserted vide F. D. Notification SRO-241 dated 01-7-1968.

(ii) Government is adequately represented and associated with the Boards of Management or Committees of Management of the Institutions.

Note 1.—While obtaining the prescribed Bond, where it is necessary the requirement of furnishing two sureties in addition, need not be insisted on if the grantee institution or organisation is a society registered under the Jammu and Kashmir Societies Registration Act, 1998 or is a Co-operative Society, or is institution of standing in whose case such sureties are not considered necessary by the Administrative Department concerned.

Note 2.—To enable the audit to verify that the condition laid down above (para 3-A), has been fulfilled, a certificate to the effect that the grantee has executed the requisite bond or has been exempted from doing so after working out alternative arrangements in consultation with the Law Department and the Finance Department should be furnished along with the grant-in-aid bill duly countersigned by the officer on whose signature or countersignature the grant-in-aid bill is drawn.

4. (a) 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 1.—This order applies both to non-official institutions and to semi-official ones such as Public Clubs etc.

Note 2.—All sanctions should be so worded that there is a specific direction for the payment of a specified sum whenever necessary, instead of merely conveying an approval.

(b) In cases in which conditions are attached to the utilisation of a grant in the form of a specification of a particular object of expenditure or the time within which the money must be spent, or, otherwise, the departmental officer on whose signatures 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 attached to the grant, unless there is any special rule or order to the contrary.

¹The certificate shall be furnished within 18 months from the date of sanction of the grant in such form as may be agreed between the Accountant General and the Head of 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 in order to check whether there have been any variations or unauthorised diversion of funds. 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 these conditions.

²Note 1.—The utilisation certificates, as indicated above, shall not be furnished to the Accountant General in so far as different forms of maintenance grants, which include block grant, staff grant and hostel grant are concerned, as these grants are in the nature of re-imbursement of expenditure already incurred and cannot exceed three-fourths of the excess of expenditure over income. The Accountant General shall, however, during the course of audit, through his Outside Audit Department, of the accounts of the institutions receiving the grant-in-aid see that the maintenance grant has been calculated in the manner prescribed in the rules and that the grant-in-aid sanctioned is correct with reference to the records of the institution.

³Note 2.—Utilisation certificates need not be furnished in cases where the grants-in-aid are sanctioned subject to the fulfilment of certain prerequisite conditions and are in the nature of re-imbursement of expenditure already incurred. In such cases the sanction letters should specify clearly that the utilisation certificates will not be necessary.

⁴Note 3.—The utilisation certificate shall be furnished in the form "Pro-forma III" contained in annexure hereto.

1. Recast vide F. D. Notification SRO-74 dated : 22-2-1971.
2. Inserted vide F. D. Notification SRO-242 dated : 9-7-1965.
3. Inserted vide F. D. Notification SRO-166 dated : 11-4-1970.
4. Inserted vide F. D. Notification SRO-522 dated : 6-10-1980.

(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 objective within a reasonable time, if no time limit has been fixed by the sanctioning authority.

Explanation 1.—In actual practice 'reasonable time' should ordinarily be interpreted to mean one year from the date of the issue of the letter sanctioning the grant. This grant may be sanctioned to meet the requirements of a year, even extending beyond the financial year. Immediately on the expiry of period of one year from the date of sanction any unspent balance should be duly surrendered to Government.

¹[In respect of sanctions which require the grant to be utilised during a financial year the unspent balance thereof should nevertheless be duly surrendered to Government at the end of the financial year or may be adjusted by the sanctioning authority against the next year's grant, if any.

When recurring grants-in-aid are sanctioned to the same institution for the same purpose, a certificate to the effect that the unspent balance of the previous grant has either been surrendered to Government or has been taken into account in sanctioning the subsequent grant should be incorporated in the sanction letter in such cases.]

Explanation 2.—Only so much of the grant should be paid during the financial year as is likely to be expended during that year.

(ii) When, however, there is a specific provision in a sanction for any fresh charge that the expenditure would be met from the budget provision of a specified financial year sanction will lapse on the expiry of the specified financial year.

(iii) In the case of the small institutions which are entirely or mainly fed by recurring grant-in-aid from Government, recurring grants-in-aid to such institutions may be paid during the financial year if necessary in three

1. Inserted vide F. D. Notification SRO-166 dated : 11-4-1970.

instalments in the manner indicated below :—

1. The first instalment may be paid in the month of April, itself. Since in the beginning of the financial year 1/12th of the Budget is replaced at the disposal of the Administrative Departments "on account" the first instalment of the grant may be sanctioned in April to enable the institutions to meet their expenses for the month of April.

2. The second instalment may be paid in the month of May, June, August or September, after the Budget has been sanctioned by the Legislature to cover the expenses for the five months (May to September).

3. The final instalment may be sanctioned in the month of October or later to cover the expenses of the rest of the financial year.

(iv) The requirements of obtaining audited statements of accounts need not be insisted upon for sanctioning the first two instalments, if the statements are not ready. However, such statements of accounts in respect of the previous financial year, unless the institution concerned has been specifically exempted from furnishing them, should be obtained before sanctioning the final instalment.

Explanation.—The procedure outlined above will apply only to the institutions which are entirely/mainly fed by recurring grants-in-aid from Government. Where any other procedure is laid down with proper sanction and is working satisfactorily, the above procedure need not be invoked.

(v) That grants-in-aid in excess of Rs. 10,000 per annum recurring and Rs. 25,000 non-recurring shall be sanctioned by the competent authority with a specific mention in the sanction whether a grant is recurring or non-recurring and on the express condition laid down in the sanctioning order that the accounts of the institution receiving the grant shall be open for a test check by the Accountant General at his discretion to be undertaken by him in consultation with the Administrative Department concerned who will make the necessary arrangements with the institution for the conduct of such audit.

(vi) That the monetary limits prescribed above shall not, however, be treated as in any way fettering the discretion of the Accountant General in approaching Government, if in any, very special case, he considers that an audit of the recipients books, even when the amount is less, is called for.

(vii) Government at its own initiation have the accounts of the recipient body audited by the Accountant General even in respect of unconditional grants-in-aid, if and when occasion demands, to satisfy themselves generally regarding the manner in which the affairs of the recipient body are being managed.

Note.— For detailed rules for grants-in-aid to aided schools, colleges and medical institutions etc. (see separate rules governing such grants).

(d) Every grant will be operative for one year and this should be calculated from the date of the issue of sanction vide explanation under c (i) above. The sanction should be considered to have been acted upon if payment in whole or in part has been made in pursuance of the sanction within 12 months from the date of its issue. Where, however, there is a specific provision in a sanction for any fresh charge to be met from the budget provision of a specified financial year, such sanction will lapse on the expiry of the specified financial year vide c(ii) above.

(e) The following further instructions should be observed in connection with the sanction and payment of grants-in-aid to Public Bodies and Institutions :

1. Once a grant-in-aid has been sanctioned, it is the responsibility of the grantee to prepare and submit the bill to the countersigning authority for signature and Treasury Officer for payment. In no case, therefore, should the office of sanctioning authority do this work on behalf of the grantee. There should, however, be no objection to the grantee being guided in the preparation of the bill.
2. Before a bill is accepted, it should particularly be seen that the conditions, if any, attached to the grant have been accepted by the grantee without any reservation.

(f) A register of grants containing the following columns should be maintained :—

- (i) Serial Number ;
- (ii) Number and date of sanction letter ;
- (iii) Purpose of grant ;
- (iv) Conditions, if any, attached to the grant ;
- (v) Amount sanctioned ;
- (vi) Date of receipt of the bill from the grantee and its amount ;
- (vii) Whether conditions attached to the grant have been accepted by the grantee without reservation ;
- (viii) Dated initials of the countersigning authority.

1. The register should be maintained by the sanctioning authority, if the bill is to be countersigned by the same authority. If, however, the powers of countersignature of grants will have been vested with an authority other than sanctioning authority, the register should be maintained by the countersigning authority and not the sanctioning authority.

2. Columns (i) to (v) of the register should be filled in simultaneously with the issue of the order sanctioning each grant if the register is being maintained by the sanctioning authority. In those cases in which the register is to be maintained by the countersigning authority, these columns should be filled in by the countersigning authority, on receipt of his copy of sanction from the sanctioning authority. These columns should be attested by a Gazetted Officer nominated for the purpose by the countersigning authorities. The serial number should be recorded on the body of the sanction letter at the time the item is entered in the register as under :—

‘Noted at Serial No. in the Register of Grants’

3. Such a record will guard against the possibility of double payment, columns (vi) and (vii) should be filled in and attested by the Gazetted Officer concerned as soon as the bill has been received from the grantee. The bill should then be submitted to the countersigning authority with the register for countersigning the bill and for giving his dated initials in column (viii) of the register. It should also be the duty of the countersigning authority to verify that the conditions if any, attached to the grant have been duly accepted by the grantee without any reservation and that no other bill for the same purpose has already been countersigned before. Any bill received from a grantee should not be countersigned unless it has been noted in the register of grants against the relevant sanction. This would also facilitate watching of payments in instalments, if any, in the case of lump sum sanctions.

(g) In respect of grants to non-Government or quasi-Government bodies or institutions a condition may be laid down that the assets acquired out of Government grants should not without the prior sanction of Government, be disposed of, encumbered or utilised for purposes other than those for which the grants were sanctioned.

The following procedure should be followed in this regard :—

- (i) An undertaking should be obtained by the sanctioning authorities from the grantee institutions that they (the institutions) agree to be governed by the conditions of the grants which result in the creation or acquisition of permanent or semi-permanent assets.
- (ii) The grantee institutions should maintain a register in Proforma I (see Annexure to this Chapter) of permanent and semi-permanent assets acquired wholly or mainly out of Government grants. The register should be maintained by the grantee institutions separately in respect of each sanctioning authority and a copy thereof furnished to the respective sanctioning authorities annually.
- (iii) The sanctioning authorities should also maintain block accounts in Proforma II (see Annexure to this Chapter) of permanent and semi-permanent assets acquired wholly or mainly out of

Government grants. This record should be of a permanent nature and should be posted from the annual returns furnished by the grantee institutions under (ii) above.

- (iv) The register of assets and the block accounts maintained by the grantee institutions and the sanctioning authorities respectively should be available for open scrutiny by audit.

Note.—The term 'assets' used above shall mean :

- (i) immovable property ; and
- (ii) movable property of a capital nature where the value exceeds Rs. 1,000.

¹Government Instructions.—It has been decided that the library books and articles of furniture need not be taken as falling within the definition of the term "assets". It is not, therefore, necessary to include such items in the Proforma I referred to in sub-clause (g) (ii) above. An inventory of such articles should, nevertheless be maintained by the authorities and produced at the time of audit.

10-20. (1) Grants-in-aid contributions, etc., sanctioned by the Government shall not be disbursed at the treasury except under the authority of the Accountant General, but when such expenditure is sanctioned by subordinate authorities under the powers delegated to them, the Treasury Officer may make disbursements without specific authority of the Accountant General.

(2) Save as hereinafter provided bills for grants-in-aid contributions, etc. shall be presented in Form F. C. 40 unless some alternative form is authorised by departmental regulations. The orders sanctioning the payment must be quoted in each case. Unless in any case the sanctioning authority directs otherwise, the bills shall be prepared and vouched for by the grantee ; and no such bill shall be paid by the Treasury Officer unless it bears the signature or countersignature of the sanctioning

authority or such other Government official as may be nominated by it in this behalf; provided that when the sanction of the Government communicated in the form of an express order to the Accountant General to make the payment, the Accountant General may authorise the payment of the bill without requiring the signature or countersignature of a Government official.

(3) In the Public Works Department, grants-in-aid may be included in the same bill as contingent charges, but the abstract of the bill should show the total amounts for each class separately.

1. Inserted vide F. D. Notification SRO-241 dated : 9-7-1968.

ANNEXURE TO CHAPTER X

(Referred to in Para 10-19)

PROFORMA I

Register of assets acquired wholly or substantially out of Government Grants
(To be maintained by Grantee Institutions)

Serial No.	Name of the Grantee Institution
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	

No. and date of sanction

Amount of the sanctioned grant.

Brief purpose of the grant.

Whether any condition regarding the right of ownership of Government in the property or other assets acquired out of the grant was incorporated in the grant-in-aid sanction.

Particulars of assets actually created or acquired.

Value of the assets as on.

Purpose for which utilised at present.

Encumbered or not.

Reasons, if encumbered.

Disposed of or not.

Reasons and authority, if any for disposal.

Amount realised on disposal.

Remarks.

Note 1-A separate proforma should be maintained in respect of each sanctioning authority.
Note 2-A copy of this proforma should be submitted annually to the sanctioning authority.

PROFORMA II

Block Account of assets acquired wholly or substantially out of Government Grants
(To be maintained by the sanctioning authorities)

S. No.	Name of sanctioning authority
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	

Name of the grantee institution.

No. and date of sanction.

Amount of the sanctioned grant.

Brief purpose of the grant.

Whether any condition regarding the right of ownership of Government in the property or other assets acquired out of the grant was incorporated on the grant-in-aid sanction.

Particulars of assets actually created or acquired.

Value of the assets as on.

Purpose for which utilised at present.

Encumbered or not.

Reasons, if encumbered.

Disposed of or not.

Reasons and authority if any, for disposal.

Amount realised on disposal.

Remarks.

ANNEXURE**PROFORMA III****Form of Utilisation Certificate**

S. No.	Letter No. and date	Amount	Certified that out of Rs. of grants-in-aid sanctioned during the year in favour of under this department letter No. given in the margin and Rs. on account of unspent balance of the previous year, a sum of Rs. has been utilised for the purpose of for which it was sanctioned and that the balance of Rs. remaining unutilised at the end of the year has been surrendered to Government (vide No. dated :) will be adjusted towards the grants-in-aid payable during the next year.....
--------	---------------------	--------	---

Certified that I have satisfied myself that the conditions on which the grant-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see the money was actually utilised for the purpose for which it was sanctioned.

Kinds of check exercised.

- 1.
- 2.
- 3.

Signature

Designation

Dated

CHAPTER XI-LOCAL FUNDS**I. INTRODUCTORY**

11-1. The expression 'Local Fund' denotes :-

(1) Revenue administered by bodies which by law or rule 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 appointments, the enactment of leave, pension or similar rules.

(2) The revenues of anybody which may be specially notified by Government, as such.

11-2. (1) The transactions of local funds, as defined in rule 11-1 above are not included as such in the Government Account, except in so far as their cash balances may be deposited with Government under rules and accounted for under the deposit head 'Deposits of Local Funds' in the 'Public Account'. The function of Government in regard to such deposits is that of a bank. The money being paid in and drawn out without specification of the nature of receipt or expenditure.

Note.—This rule does not apply if the charges of any local funds are, under any special orders, drawn from the treasury on detailed bills in which case gross amount will be charged by the Treasury Officer in the accounts, the deduction on account of income-tax, fund subscription etc., being credited by transfer in distinct entries.

(2) The main classes of local funds are :-

- (a) Municipal Funds.
- (b) Town and Bazar Funds.
- (c) Other Miscellaneous Funds.

Note.— The expression 'local body' as used in this Chapter means the authority legally entitled, or specially empowered by Government to administer a local fund as defined in rule 1-32.

II. GRANTS TO LOCAL BODIES

11-3. (a) The payment of the various classes of grants to local bodies will be governed by general instructions contained in rule 10-19 and by such special orders as may be issued by Government in regard to each class of grant.

(b) No local fund is allowed to overdraw the balance at its credit, without obtaining beforehand a loan or contribution to cover the over draft from the Government.

III. LOANS TO LOCAL BODIES

11-4. The detailed procedure to be followed in connection with the grant of loans to local bodies will be regulated by the provisions of any loans Act or any other such Act and the rules made thereunder.

IV. CHARGES RECOVERABLE FROM LOCAL BODIES

11-5. Unless any of the following arrangements has been authorised by the Government, a Local Fund is required to pay in advance the estimated amount of charges to be incurred or cost of services to be rendered by Government on account of the fund :-

(a) Payments as made by Government may be charged to the balances of the deposits of the Local Fund in Government books.

(b) Recovery from the Local Fund may be postponed till the time when Government has to make payment for the charges.

(c) Payments may be made as advances from Government funds in the first instance, pending recovery from the Local Fund:

11-6. Any amount due to Government by a local body including any amount overdue for payment in respect of a loan is subject to recovery by adjustment from any non-statutory grant sanctioned for payment to it. The authority signing or countersigning a bill for such a grant should see that this rule is observed as far as practicable.

V. POWERS OF INCURRING AND SANCTIONING EXPENDITURE

11-7. 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.

VI. MAINTENANCE OF ACCOUNTS AT THE TREASURIES

11-8. The transactions of all Local Funds, including Municipal Councils, Town Areas, Notified Areas etc. and Cantonment Funds, if any, should be recorded in the Forms T. A. 22 and 24, but should be kept quite distinct and should pass into the treasury accounts as deposits of Local Funds and not as personal deposits.

The transactions of each fund should be entered in a separate column in the Register Form T. A. 24 which should provide a separate column for every such fund in the district. Unless the funds are very few in number there should be registers and totals for Municipal and other funds, separate from those of others.

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 Government Account.

(2) Where the treasury business is conducted by the bank, accounts

of Local Funds are kept at the treasury, the bank receives and pays the amounts under rules and credits or debits them under their proper designation.

(3) Receipts in respect of Municipal Funds should be accepted even at a treasury or sub-treasury other than that with which the running account is kept.

(4) Unless it be expressly authorised by law proceeds of taxes, fines or other revenue levied or collected by the Government may not be appropriated direct to a Local Fund without passing them through the consolidated fund of the Government whether or not such taxes, fines etc. are earmarked from the start for the purposes of the fund.

(5) Subject to the provisions of relevant Act, and rules made thereunder, adjustments with local bodies in respect of revenue and other moneys raised or received by the Government in this behalf will be made in such manner and on such dates as may be authorised by general or special orders of Government.

11-9. No charges of any fund can be met out of the balance of another fund, and the payments of any fund must never be in excess of the balance at credit, of that fund.

VII. PLUS AND MINUS MEMORANDUM

11-10. A plus and minus memorandum should be appended to the monthly accounts showing for each local fund the balance at the beginning of the month, the amounts received and credited during the month, those paid out during the month and the resultant balance at the end of the month.

Note.—See also rule 7.92 of the J&K Treasury Code Vol. I.

VIII. VERIFICATION OF BALANCES

11-11. The balances at credit of each fund shall be verified at the end of the year by the Treasury Officer in communication with the Accountant

General on the one side, and the Government servant or committee administering the fund on the other. The balance on the Accountant General's books is the balance acknowledged by the Government and the Treasury Officer is required to follow it, and not the local accounts as his standard.

IX. ATTACHMENT ORDERS ISSUED BY CIVIL COURTS

11-12. Whenever an attachment order issued by a Civil Court against a local body is received for execution by the Treasury or Sub-Treasury Officer, the amount involved should forthwith be charged to the funds of that body and an intimation to that effect furnished to the local body concerned.

X. ADJUSTMENT OF CONTRIBUTIONS PAYABLE TO/BY LOCAL BODIES

11-13. All contributions (whether fixed or fluctuating) payable to or by such local bodies or Town and Village Area Committees as bank with Government Treasuries, are adjusted in the Account Office by book transfer credit or debit to the local bodies concerned.

11-14. Intimation of the book adjustment when made in the Account Office is given to the Treasury Officers as well as to the Presidents of the Local Bodies concerned with a view to suitable amendment of the subsidiary registers and plus and minus memoranda maintained in the treasury and for making the necessary record in the pass books of the Local Bodies affected. Whenever the balance of a Local Body is altered at the instance of the Accounts Office, necessary entries should invariably be made in the banking account in red ink so as to distinguish them from the entries relating to cash transactions and the Accounts Office letter intimating the adjustment should be quoted as authority in the banking account against the adjustment entries.

11-15. (a) Unless otherwise specified in the conditions governing the grants all fixed grants payable by Government shall be made to the Local Bodies at the beginnings of each financial year.

(b) A local body should prefer its claim for any amount which the competent authority has sanctioned for payment to it not later than the latest date specified by such authority for payment or if such authority has not specified any such date in respect of a particular payment or class of payments, within six months from the date on which the local body receives the orders, authorising the payments.

XI. MISCELLANEOUS

(a) OPENING OF NEW LOCAL FUNDS

11-16. No new fund should be opened in the Treasury Account without orders of the Accountant General.

(b) SERVICE POSTAGE STAMPS

11-17. Service stamps may not be used by a Local Fund servant or any Government servant acting in a capacity connected with a Local Fund (such as President or Secretary of a Local Fund Committee) but they may be used on the correspondence of a Public Servant acting as such even though the correspondence may relate to the affairs of a Local Fund.

Note.—Telegraphic messages the charges for which are to be borne by local funds, should be classified as Private and not 'State'.

(c) PASS BOOKS.

11-18. A pass book should be maintained for each local fund. 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.

XII. AUDIT OF ACCOUNTS

11-19. Subject to the provisions of any law or rule having the force of law, the accounts of local bodies will be audited by the Indian

Audit and Accounts Department under general agreement reached between Government, and the Comptroller and Auditor General. The agreement extends also to the accounts of other non-Government bodies or institutions, which, under any general or special order of Government, have to be audited through Government agency.

11-20. Audit fees on the basis of daily rates prescribed by Government from time to time will be charged for the audit by the Indian Audit and Accounts Department, of the accounts of local and other non-Government bodies or institutions excluding such bodies or institutions, for the audit of which the rates of fees recoverable are prescribed by law or by rules having the force of law.

Nothing contained in this paragraph shall be held to override any special instructions of Government exempting any particular local body or institution wholly or partially from the payment of audit fees.

CHAPTER XII—SERVICE FUNDS

I. GENERAL RULES

12-1. The subscriber to a Fund is responsible for seeing that proper deduction is made from his bills, though for his convenience, it has been provided that the responsibility for making the necessary deductions regularly and correctly devolves upon the drawers of the bills. Also see rule 6 of G. P. Fund Rules in case of officers on leave or in foreign employ.

12-2. When a subscriber to any Fund whose subscriptions are realised by deduction from pay bills is transferred to another office or audit-circle, the fact that he is subscribing to the Fund shall be certified on the last pay certificate by noting thereon the amount of his monthly subscription and the number of his account or policy.

12-3. When a subscriber to a Provident Fund is about to retire and under rules of the Fund, the money lying at his credit become payable to him, he should make an application to the Accountant General/Head of Office/Department, as the case may be, for final payment of balance in his G. P. Fund account in the form prescribed in sub-rule 6 of rule 8 of G. P. Fund Rules.

12-4. A detailed list of the subscriptions realised in cash on behalf of each fund showing the date and amount of each receipt and the name of the person on whose behalf it is paid in, will be submitted by the Treasury Officer with the cash account. This list will be a copy of a register maintained in the Treasury.

Note.—An important difference with regard to interest is made between subscription paid by deduction from pay bill and subscription paid in cash, no interest being allowed for the month of payment on cash subscription received after the 4th of the month, whereas subscription deduction from a bill bears interest as though it had been received on the 1st of the month.

12-5. Subscription to service and other funds not under Government management may not be received in cash or by deduction from pay bills except under special orders of Government.

12-6. The deposit accounts of funds on the Government books, will be credited with interest at such rates and such intervals as may be prescribed by Government in each case.

II. GENERAL AND CONTRIBUTORY PROVIDENT FUNDS

12-7. The detailed rules to these funds are given in Appendices XVI--A and XVI-B of the K. S. Rs. Vol. II.

Note. 1.—The following instructions should be carefully observed by Heads of Offices with a view to correct preparation of fund schedules :-

- (a) A register in the form prescribed in Annexure 'B' to Chapter IV *ibid* shall be maintained in each office in accordance with the instructions laid down therein.
- (b) Except where it is otherwise provided in the rules of the fund concerned, the rates of subscription may be increased once at anytime during a financial year.
- (c) When a subscriber dies, quits the service or is transferred to another office, full particulars should be duly recorded in the register.
- (d) In the case of the transfer of a subscriber to another office, the necessary note of transfer should be made in the registers of both the office.
- (e) From this register, the monthly scheduled to be appended to the bill should be prepared and agreed with the recoveries made before the submission of the bill to the treasury for payment.
- (f) No salary or establishment pay bill shall be entertained or passed for payment at a treasury or a divisional chest unless necessary schedules of fund recoveries showing account/policy numbers against each name correctly are appended thereto.

Note 2.—Money due to Government by a deceased Government servant on account of an advance of pay cannot legally be deducted from any amount standing to the credit of such Government servant in a Provident Fund.

Note 3.—Payment of temporary advances from Provident fund will be made from the treasury on Form F. C. 43 on the authority and responsibility of the officer sanctioning the advance, without the authorisation or preaudit by Accountant General. A copy of such sanction shall invariably be attached to such bill.

Note 4.—In the case of withdrawals from the fund for financing insurance policies, the withdrawals may be made in the manner laid down in Note 3 above, the particulars regarding the policy or policies on which premium is to be paid being noted on the bills. In all cases covered by Notes 3 and 4, the drawing officer will be responsible to see that the withdrawal is covered by the balance at credit of the Government servant.

III. STATE INSURANCE FUND

12-8. For detailed rules of the fund refer to Appendices XVII and XVII (A) of the K. S. Rs., Volume II. The following rules, however, describe the procedure that should be followed at the treasuries in matters connected with the fund.

(i) RECEIPTS

12-9. Premia may be paid either in cash or by deductions from pay or pension bills. Every sum received by a treasury on account of the J&K State Life Insurance Fund, whether it represents premium, penalty or other receipt should be credited to “Part III-Public Account-S-Unfunded Debt, other Accounts, J&K State Life Insurance Fund”. Full details as to the nature of the receipt, the name of the person insured the number of the policy and the month to which the premia relates, should be given by Sub-Treasury Officers in their daily accounts and by Saddar Treasury Officers in the schedule of receipts on account of Life Insurance (Form Nos. LI-85 and LI-3 should be used separately for cash credits and deductions from pay bills).

(ii) PAYMENT OF POLICIES

12-10. Life Insurance Policies are paid on the death of the insurant and Endowment Assurance Policies either at the death of the insurant or on his attaining the age specified in his policy whichever is earlier on the authority of the Finance Department (Insurance Branch) which before ordering a payment verifies from records that the premia due on the policy have all been paid or what arrear should be deducted from the amount of the policy.

12-11. On the receipt of the order from the Finance Department (Insurance Branch) the Treasury Officer will notify its arrival to the person to whom the amount of policy is payable. Payment will be made on the payee signing a stamped receipt for the payment on the back of the order. The amount paid will be charged in the accounts to ‘Part III —Public AccountS—Unfunded Debt Other AccountsJ&K State Life Insurance Fund’. Full details should be given in the schedule of payments on account of Life Insurance. The Finance Department’s order with the payee’s receipt on the back should be forwarded to the Audit Office in support of the charge.

(iii) PAYMENT OF SURRENDER VALUE

12.12. The amount paid should be charged in the accounts to ‘Part III—Public Account—S—Unfunded Debt, Other Accounts.....J & K State Life Insurance Fund’ full details being given in the schedule of payments on account of Life Insurance forwarding with it the payees receipt duly signed and stamped, where so necessary.

(iv) REFUND OF PREMIA

12-13. (a) An over deduction or an over payment of premium is generally adjusted by an abatement of the deduction from a subsequent bill or by a short payment of the ‘premium’ in the following month. No separate charges for refund are ordinarily required or allowed.

(b) In exceptional cases, not falling within the scope of the preceding clause, refunds of premia by cash payment are permissible. When this is done the advice issued by the Finance Department (Insurance

Branch), should be checked by the Treasury Officer with the refund order presented by the claimant and if these are in order the amount should be paid and charged in the schedule of payments on account of State Life Insurance, the refund order signed by the payee on the reverse and the advice being submitted to the Finance Department (Insurance Branch) through the Audit Office in support of the charge.

Note.—All refund orders for cash payments are issued by the Finance Department (Insurance Branch) for the gross amount. The Disbursing Officer should, however, deduct from the amount to be refunded the amount of income-tax if abatement was allowed on the amount of refund when it was originally paid and note the amount deducted on the reverse of the refund order to be signed by the payee as his receipt for the amount refunded.

CHAPTER XIII—DEPOSITS

I—INTRODUCTORY

13-1. In connection with the transactions of public business, the Government receive moneys deposited with them for various purposes by or on behalf of various public bodies and members of the public, and afterwards account for them by payment or otherwise. Any department of the Government may receive such deposits; a large number of them relates to the revenue administration or the administration of justice. In relation to certain classes of deposits, e. g. deposits of Local Funds, the Government's function is merely that of a banker; in connection with certain other classes, e. g. Civil Deposits, they also control the administration of the moneys.

The transactions relating to moneys of the kinds described above are accounted for in the 'Deposit Section' of the Government accounts.

This Chapter deals with 'Civil Deposits' which include the classes of deposits closely connected with the administration of various Government Departments and controlled by the Government. These are classified according to the Department through which they are received. The usual classes are given in Section II below.

II—CLASSIFICATION OF CIVIL DEPOSITS

- 13-2
- (i) Revenue Deposits.
 - (ii) Civil Court's Deposits.
 - (iii) Criminal Court's Deposits.
 - (iv) Personal Deposits.
 - (v) Public Works Deposits.
 - (vi) Trust Interest Funds.
 - (vii) Deposits for work done for public bodies or private individuals.

- (viii) Unclaimed Provident Fund Deposits.
- (ix) Deposits of Educational Institutions.
- (x) Deposits in connection with Elections.

Note 1.—Other classes of deposits may be added under the special orders of the Government in consultation with the Accountant General.

Note 2.—Separate Registers must be kept for each class of deposits in accordance with the directions contained in this behalf in the J&K Treasury Code or under special instructions of the Accountant General.

Note 3.—In Districts and Tehsils where all branches of the Civil Administration i.e., revenue, criminal and civil are under the same officer, the system may be adopted of including all deposits of the district and subordinate courts in one register as revenue deposits.

Note 4.—All deposits must be separately paid into the treasury with challans or other documents setting forth all the particulars necessary for the entries to be made in the register of deposit receipts. Each item of receipt must be recorded in the register of receipts and each entry must be checked and initialled by the Treasury Officer.

13-3. These rules do not apply to departments which are not under the audit control of the Accountant General. Whatever sums are paid into a treasury by Government Servants of these departments or on their account must be carried to the credit of the Department concerned in the accounts.

III—REVENUE DEPOSITS

13-4. The following items may be kept in revenue deposits :—

- (a) Decree money.

- (b) Witness expenses.
- (c) Security money.
- (d) Diet expenses of Civil Prisoners for subsequent credit to Jail receipts or refund to the depositor.
- (e) Private money of Jail Prisoners.
- (f) Earnest money.

Note.—In addition to the above, Earnest Money Deposits made by intending tenderers of the Forest Department should also be credited to the Revenue Deposits. No previous authority of a Departmental Officer is necessary, but the depositor must state the designation of the officer in whose favour he makes the deposit and the designation must be stated on the receipt given by the treasury.

Explanation—For the revenue deposits the Treasury Officer keeps up detailed registers and exercises detailed checks, while for the Judicial Deposits he maintains only a Banking Account and watches that lump payments against it are not made in excess of the lump balance as its credit.

IV—CIVIL AND CRIMINAL COURTS DEPOSTS

¹[13-5. (i) The detailed registers for Civil and Criminal Courts Deposits are kept by the concerned Courts. They draw out and pay in lump sum to the Treasury and keep small balances in the custody of the Nazir of the Court.]

(ii) The methods in which the accounts of Civil and Criminal Courts Deposits are maintained is that such Civil and Criminal Courts merely bank with the treasury remitting without detail their gross deposit receipts for credit in a personal ledger, and making repayments by letters on the treasury which are taken to debit of the same personal account. These personal ledgers and the corresponding accounts and returns must, be kept by the Treasury Officers in the form prescribed for personal deposits, but quite separate from those of personal deposits proper and

¹ Recast vide F. D. Notification SRO-573 dated : 11-12-1970.

they will be designated as Civil Courts or Criminal Courts deposits.

(iii) The object and effect of this arrangement is simply to relieve the Treasury Officers, of responsibility for the details of the deposit transactions, not to abolish detailed record, but to confine it to the departmental office in which registers of receipts and payments must be kept up in the same form ; and be worked on the same principle as above prescribed for the Treasury Officer's Accounts of Revenue Deposits. [The Civil and Criminal Court in this case is responsible for the submission of the statement of lapses to the Accountant General vide rule 13-20.]

Note 1.—The Treasury Officer, in sending his vouchers as the paid orders of the Civil Courts, should attach them to a covering list showing the number and amount of each.

Note 2.—Each transaction of receipt or payment of Civil and Criminal Courts deposit must be initialled by :—

- (a) In the case of High Court or District Magistrate's Court by any Gazetted Officer of the Court ; and
- (b) In the case of other Courts, by the Presiding Officer of the concerned Court.

Note 3.—Plus and Minus memorandum of the balances of the deposits should be recorded by the Judge or the Magistrate concerned upon the register of receipts.

Note 4.—[The Civil Court or Magistrate will incorporate in his own accounts and returns the deposit items of his subordinate Courts. Some subordinate Courts may keep independent accounts. Small Causes Courts will, however, keep separate accounts.]

Note 5.—In Civil Courts where numerous petty sums are received from suiters for immediate disbursement in full (as for diet, postage etc.) the detailed control may, with the approval of the Chief Judicial Authority concerned, be left with the receiving court.

Note 6.—The detailed procedure for the record of these petty deposits may be prescribed, whenever the system is permitted by the Chief Judicial Authority concerned after consultation with the Accountant General.

V—PERSONAL DEPOSITS

13-6. Special banking accounts are sometimes kept for certain classes of Deposits transactions of 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 account. These accounts are called Personal Deposits Accounts.

Where the Government transactions are conducted through the operation of Personal Deposit Accounts it is imperative for the Administrator of the personal ledger account to compile a detailed account of the transactions each month and to forward the same to the Audit Office duly supported by vouchers so as to enable that office to incorporate the transactions in regular accounts after audit.

13-7. Save as provided therein, 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 account is not unnecessarily multiplied and shall further see that those cases, where the moneys can conveniently be credited to a final head of account are not referred to the Accountant General.

Note 1.—In connection with the opening of a personal ledger account for departmental purposes at a treasury the following information should invariably be furnished to the Finance Department with the proposal for communication to the Accountant General :-

- (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.

Note 2.—The personal ledger account already opened at one treasury may not be transferred to another treasury or a sub-treasury except which the approval of the Finance Department-cum-Audit Department.

Note 3.—With the approval of the Education Department, the Accountant General will authorise the non-Government educational institutions receiving money under the scheme of National and National Loan Scholarships to open personal deposit accounts in the name of each institution at the local treasury concerned. For detailed procedure see Rule 10-14(A).

13-8. Withdrawals are made only on repayment vouchers signed by the officer at whose instance the deposit is held. Withdrawals shall on no account be allowed to exceed the balance at credit on the deposit account.

VI—PUBLIC WORKS DEPOSITS

13-9. For rules relating to the P. W. Deposits see Chapter XV of the J&K P. W. Account Code.

VII—TRUST INTEREST FUNDS

13-10. Transactions relating to interest on securities held by the Government are recorded under this head.

VIII—DEPOSITS FOR WORK DONE FOR PUBLIC BODIES OR PRIVATE INDIVIDUALS

13-11. (a) These deposits are made with the Government by Municipalities, District Boards and other Local Bodies financially independent of the Government to cover the payment of compensation for land which the Government propose to acquire on their behalf under the Land Acquisition Act. These shall be received at the treasury in accordance with the procedure laid down in para 17 of Appendix 8 referred to in Rule 10-17.

(b) The number and date of the award statement as well as the date on which the deposit was credited in the treasury accounts shall be noted on all orders and vouchers on which payments are made out of the deposit account.

(c) Deposits for works to be done on behalf of Local Bodies and other parties may be received and dealt with by the Public Works and other Departments carrying out the works, in accordance with departmental regulations.

Note.—When under departmental regulations the Local Bodies or the party concerned is authorised to pay the deposits direct in the treasury, the accompanying challan should state clearly the name of the Department to which the amount is creditable and the division and the work to which the deposit relates.

DEPOSITS OF FEES

(d) Fees received from non-Government bodies or private persons for work done for them by Government servants shall be dealt with as follows :—

(i) In cases where a Government servant is permitted to retain the whole of a fee, he should collect it himself and the Government will not be concerned with the transaction.

(ii) In cases where the fees are divisible between the Government and the Government servant concerned:—

- (a) If the exact amount of the fees and the distribution of shares between the Government and the Government servant are known beforehand, the share due to the Government should be credited as miscellaneous receipts of the department to which the Government servant belongs, and the rest should be collected by the Government servant 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 beforehand, all the fees should in the first instance be paid into the treasury to the credit of the Government, as far as possible, by the body or person paying the fees. The recoveries should be credited to the appropriate deposit head, pending final settlement, when the share due to the Government should be credited as miscellaneous receipt of the department to which the Government servant belongs, and the rest should remain under the deposit head for disbursement to the Government servant in accordance with the procedure set out below :—

The Government servant himself, if he holds a gazetted post, or the head of office on behalf of a non-gazetted Government servant, must claim the amount due to him on a bill in ordinary pay bill form specifying therein the authority sanctioning the payment of fees, and forward the bill to be Accountant General

through the Treasury Officer concerned, who will furnish necessary details of the credit in the treasury accounts. The Accountant General will after verifying the credits, authorise the payment and return the bill to the Treasury Officer, who will pay it by debit to the deposit head concerned.

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 servant doing work for non-Government 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 servant 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 the latter cases the fees realised are adjustable as departmental receipts and the disbursements to the Government servants as departmental expenditure.

IX—UNCLAIMED PROVIDENT FUND DEPOSITS

13-12. Unclaimed amounts standing at the credit of subscribers in Provident Funds under the control of the Government are transferred to this head. These deposits should thereafter be dealt with in accordance with the rules governing them.

(a) DEPOSIT OF LOCAL FUNDS

13-13. Save where it is expressly provided by any law or rule having the force of law, moneys pertaining to a Local Fund may not be received for deposit at a treasury without some general or special order of the Government. The accounts of these funds at a treasury shall be kept as a pure banking account in terms of provisions of Chapter XI of this Code.

(b) OTHER DEPOSIT ACCOUNTS

13-14. Moneys appertaining to special deposit accounts which

do not strictly fall under any of the separate classes specified above may be paid into or drawn out of the public account in accordance with such general or special directions as may be given by the Government.

X—LIMITATIONS

13-15. No moneys shall be received for deposit in the Government 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. Every sum of money thus paid into the treasury for the purpose of safe custody and subsequent repayment must be credited at once in the books to some head of deposit and it should not be kept in a separate bag or box.

13-16. It is the business of the Treasury Officer to see that no item is credited as a deposit save under formal orders of competent authority and also, if the amount could be credited to some known head in the Government account, to make representations to the Court or authority ordering its acceptance. No sums are to be credited in any deposit register which can be carried to any other head of account; for example, revenue paid to Government on account of a demand not yet due should at once be finally carried to the proper Budget head, and may not be placed in deposit.

Note.—No transactions other than cash transactions may be accounted for in the deposit section of the Government account. Security deposits received from contractors, Government servants, etc. in forms of Government promissory notes or other property received for safe custody and return in kind should be brought on to the special register prescribed for the purposes. They should not be credited as revenue or brought on to the deposit register, even though their value is stated in money.

13-17. The treatment of the following items as deposits is prohibited :—

(a) No pay, pension or other allowance should be placed in deposit on the ground of the absence of the payee or for any other reasons.

Note.—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.

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

Note.—Fines payable to local bodies under any law, or ordered by courts to be distributed as rewards to Government servants or private persons, should not be paid at once, but kept under 'Criminal Court Deposits' till the period allowed for appeal has elapsed or if an appeal is presented, till it is decided.

(c) Refunds, whether of stamps or of other receipts, can be drawn only on the appearance and on the receipt of the person entitled to them, after production of due authority. On no account may they be charged on the receipt of an official and lodged in deposit pending demand.

13-18. (a) The net sale proceeds of unclaimed impounded cattle are to be kept in deposit for three months and if no claim be made within that time, are to be credited to the proper account.

(b) The sale proceeds of unclaimed property will be placed in deposit for two years vide section 28 Police Regulations II of 1983. The property itself will, however, be kept for six months vide section 27 (i) *ibid*. Exceptions 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 law.

Note. 1.—If unclaimed property be perishable and be sold because it cannot be kept, its proceeds should be held in deposit for the period specified in sub-para (b) above. The circumstances necessitating the sale before the expiry of six months should, however, clearly be stated in the column 'Nature of Deposit'.

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. Such deposits should be classed as 'revenue deposits' and repayments should be made in accordance with the procedure laid down in Rule 13-19 (a).

Note. 3.—The Police Department should have no deposit except security and earnest money deposits, which should be paid into the treasury as Revenue Deposits; unclaimed property found by, or delivered up to a Police Officer should be made over to the Magistrate; proceeds, of sales of old stores or other Government property should be paid into the treasury for credit to Government.

Note 4.—Money belonging to the mental patients confined in a Mental Hospital shall be deposited into the treasury without undue delay, to be credited into the Government account as Revenue Deposits. Repayments of this money shall be made in accordance with the procedure laid down in note 2 to rule 13-17 (a).

XI—REPAYMENT

13-19. (a) A person claiming refund of a deposit must produce an order of the Court or authority which ordered acceptance of the deposit. This order, the Treasury Officer will compare with the entry in the register of receipts in Form T. A. 20 and if the balance be sufficient, he will take the payee's receipt, make payment and record it at once under his initials, both in the register of repayments in Form T. A. 21 from which daily total is carried to the cash book and in that of receipts, noting in both also the date and amount of the repayment. If there be not a sufficient balance at credit of the particular item the Treasury Officer will endorse this fact on the order and return it to the person presenting it. Form F. C. 34 shall be used for repayment order and voucher for deposits repaid. A deposit repayment voucher must in no case be prepared at the treasury. Order of payment should as far possible be recorded in English. As a safeguard against fraud, the authority ordering repayment shall enter the name of the payee after the words 'passed for payment' thus 'passed for payment to

(b) Earnest Money Deposits of the Forest Department will be refunded only under the authority of an order endorsed upon the original deposit receipt of the Treasury Officer, by the Departmental Officer in whose favour the deposit was made. It must be borne in mind that no part payment can ever be made. If, however, the departmental officer desires that the deposit, instead of being refunded be carried to the credit of Government he will return the receipt with this direction, whereupon the Treasury Officer will make the necessary transfer on the authority of this voucher.

Note. 1.—When at a treasury the business of which is conducted by the Bank a deposit is repaid by an order on the Bank, the entry in the register of receipt will be made when the order is issued and that in the register of repayments when the repayment is reported in the daily bank scroll. If in any case, repayment is not made on the date of the order on the Bank, the actual date of repayment should also be noted in the Register of Receipts just below the entry of the date of order.

Note. 2.—In the case of the mental patient's deposits the Superintendent incharge of a Mental Hospital will make the payments in cash to the discharged patients from his permanent advance which he should subsequently recoup by withdrawing the deposits from the treasury in the manner laid down in Rule 13-19 (a) above.

Note. 3.—No permanent advance should be given and held apart specially for the repayment of deposits; the office permanent advance may be augmented sufficiently.

¹[13-20. Unless it be otherwise provided by any law or rule or order issued by competent authority, a deposit repayment order shall remain in force for a period of three months from the date on which it was issued, after which no repayment can be made on its authority unless it is revalidated.

13-21. Deposits credited to the revenues of the State under provisions of the rule 13-22 will be repaid without sanction of the Accountant General provided the detailed accounts thereof have been maintained in the treasuries. Where no such detailed accounts are kept in respect of any item of lapsed deposit, precheck of the Accountant General will be obligatory. However, the sanction by the Accountant General will be given as a matter of course on ascertaining that the item was really received, was carried to credit as lapsed and is now claimed by the person who might have drawn it any time before the lapse.

The amount of a lapsed deposit refunded will however, be charged in the cash book as a refund and not debited to deposits. But the payment of the deposit should be recorded in the appropriate deposit register of receipts, so as to guard against a second repayment. If the payment is made after the register of receipts has been destroyed the responsibility for verifying the claimant's title to refund shall devolve upon the authority who signs the application in Form F. C. 34.]

XII—LAPSES ANNUAL ACCOUNTS

13-22. 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 will, at the close of March in each year, be credited to Government by means of transfer entries in the Accountant General's Office. Of deposits or balances thus lapsing the Treasury Officer must submit to the Accountant General, immediately after 31st March, a list in Form No. F. C. 35.

Note.—For the purposes of this rule, the age of a repayable item or of a balance of it is to be reckoned as dating from the time when the item or the balance, as the case may be, became first repayable.

13-23. 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 was opened.

13-24. The application for sanction will be made, in Form F. C. 34. There must be a separate application for deposit repayable to each person, and it will be used as the voucher on which the payment is to be made and submitted to the Accountant General with the list of payments in which it is charged.

Note. 1.—Early in March the old registers of deposits should be taken up and an extract made of those of each class which would, in ordinary course, whether from age or pettiness, lapse at the end of the month. This list should then be reviewed by the Treasury Officer, and any item, which in his opinion should not be so dealt with should be struck out and at the same time (if it be an item lapsing from age) [x x x x x] full detail of the reasons why it is not to lapse being given in a covering memorandum. Similarly, if any item, is repaid in the course of the month, it should be struck out of this list at the same time as the payment is entered in the registers of receipt and repayment. On the 31st March each of these lists should be again checked with the registers of receipts, wherein its item should be marked off as having lapsed and been credited on 31st March and the total of the list should be deducted in the plus and minus memorandum from balances shown at credit of the particular class of deposits, the list itself signed by the Treasury Officer being forwarded to the Accountant General.

Note 2.—In preparing the lapsed statement the items should be entered in chronological order, and separate totals should be given for deposits relating to different years.

Note 3.—When the list of lapses is made up by the Judge or Magistrate notice of the amount must be sent by the Accountant General to the Treasury Officer to enable him to deduct the amount in the personal ledger.

¹13-25. Deleted.

13-26. A Certificate from the administrator of every personal ledger account to the effect that the balance claimed by him is of a named amount and detailing the differences between his balance and that admitted by the Treasury Officer in his plus and minus memorandum, should be transmitted along with the Clearance Register for other classes of deposits.

XIV—AGREEMENT WITH TREASURY

13-27. (a) When the different Civil Courts of a district bank with Civil Treasury the Treasury Officer may if it facilitates the comparison of the accounts, open a personal ledger account for each Court even though the deposit transaction of the subordinate Courts be brought by a superior Court in detail on its own registers.

(b) To prevent disagreement between the deposit figures reported to the Accountant General by Civil Courts and by Treasury Officers, it is necessary to arrange that the former shall report only completed transactions.

(c) The Court will submit a monthly advice list to the Accountant General of sums received and paid during the month bearing a certificate of the treasury concerned that the receipts and expenditure as shown therein have been verified.

Note.—When it is inconvenient for a claimant to proceed to the treasury to obtain repayment of a deposit, the Judge may pay him in cash, provided that there are in the Court funds sufficient whether of current deposit receipts or of the office permanent advance.

1. Deleted vide F. D. Notification SRÖ-573 dated : 11-12-1970.

In these cases, however, the gross receipts and payments taking place at the Court must be shown as remitted to and from the treasury, and the payment be supported by the paid orders. If the receipts are in excess of the payments, the excess will be remitted in cash to the treasury ; and if the payments are in excess of the receipts the treasury will pay the excess to the Court, which will thus recoup the permanent advance account.

CHAPTER XIV—LOANS AND ADVANCES

I—GENERAL

(i) SANCTIONS

14-1. A competent authority may sanction loans and advances to private individuals, local bodies and Government servants for the purposes and subject to the conditions specified in the following rules.

(ii) ESTIMATES

14-2. Provisions 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 Jammu and Kashmir Budget Manual

(iii) MAIN CLASSES OF LOANS AND ADVANCES

14-3. Loans bearing interest.—

(1) Loans to municipalities and other local funds, advances under special laws and miscellaneous loans and advances.

(2) Loans to Government servants.

14-4. Advances not bearing interest—

(1) Permanent advances (for detailed rules refer to Chapter VII of this Code).

(2) Advances repayable (other advances

¹[Note 1.—(i) Advance drawal from treasury should be made only when:—

- (a) such drawal is covered under rules, (reference to the rule shall invariably be quoted by the drawing officer on the bill for advance drawal) ; or
 - (b) the drawal is made in pursuance of the terms of a contract/ agreement for supplies and services. In such cases the bill should be accompanied by a sanction for advance payment of the authority which has executed the agreement for the supply/service on behalf of the Governor. Where such authority may be the drawing authority itself it shall support the bill with a copy of the agreement or an attested copy of the relevant clauses of the agreement. It shall be assumed that the authority sanctioning/drawing such advance, has before making drawal secured the interests of Government against any risk/loss as a result of its misappropriation by the payee/firm/supplier ; or
 - (c) the drawal is made for release of railway receipt sent by the firm for the articles on despatch (in such cases the drawing officer will certify on the bill that the contractor /firm is of well known standing and an undertaking in the proper form has been obtained from the party beforehand as to secure the Government against all risk of loss in the event of articles supplied, found to be short or defective and specifications sub-standard or not conforming to stipulated terms ;
- (ii) Advances which are not covered under clauses (a), (b) and (c) above shall be sanctioned by the Government in the Administrative Department after observing the required formalities.
 - (iii) All the authorities competent to sanction/make advance drawals shall in addition, to the above conditions see that :-
 - (a) The advance drawal is made only when it is obviously necessary.
 - (b) Necessary funds to cover charges are available.
 - (c) Sanction of the competent authority to the incurring of expenditure has been obtained.

- (d) The advance drawals are not made with a view to avoid lapsing of budget grants.
- (e) Detailed accounts in support of the advance drawals are sent to the Accountant General without delay as soon as possible. For this purpose the departmental officers should obtain vouchers and other documents from the concerned quarters well in time.
- (f) The interests of the Government have been safe-guarded against all risks of loss.
- (g) In respect of an advance payment exceeding Rs. 5.00 lakhs in an individuals case, the clearance of Finance Department (Resources) has been sought immediately (two to three days) before the date of drawal.]

¹[Government Instructions :- Deleted.]

²[Exception No. 1.- The Director Central Purchase and Stores Department shall be competent to make advance payments against documents for cost. Freight and incidental charges of stores purchased within and outside the State without obtaining the prior sanction of the competent authority :

Provided that necessary provision exists in the budget and full amounts are advanced to Government owned Corporations/Undertakings like J&K Cements Limited and Steel Authority of India only, in case of purchases of Cement, Bituman and Steel. In respect of other materials, advances to the extent of 10 to 20 per cent only shall be made. Provided the same are purchased from outside the State].

³[Exception No. 2.- The Administrative Department (Education) shall be competent to sanction advance drawals of funds required for

1. Government Instructions inserted vide F. D. Notification SRO-233 dated : 19-6-1975 has been deleted vide F. D. Notification SRO-798 dated : 21-12-1976.
2. Recast vide F. D. Notification SRO-313 dated : 29-11-1995.
3. Inserted vide F. D. Notification SRO-56 dated : 6-2-1970.

meeting expenses on the deputation of N. C. C. Cadets and Officers for training in and outside the State, provided that :-

- (i) the deputation is sanctioned by the competent authority ;
- (ii) the White D. C. Bill on which such amount is drawn shows in as clear a detail as possible the expenditure to be incurred ; and
- (iii) the budget provision for the drawal is available.]

¹[Exception No. 3.-All Class I Officers (Heads of Departments) will be competent to make advance payments for purchase of journals, within the budget grants, provided that at the time of making such drawals from treasury the particulars of the journals their No. ; rate, reference to supply order, name of the firm and other allied particulars are invariably recorded in the bills and advance payments are made consistent with the provisions of agreement/supply order.]

²[Exception 4.-Deputy Director General NCC shall be competent to depute NCC Cadets/NCC Officers outside the State. He shall also be competent to draw advance amount required for deputing of Cadets/Officers outside/within the State strictly in accordance with the norms prescribed for the purpose by the Government, subject to the condition that the accounts for advance drawals so made are submitted immediately after conclusion of each camp/course according to the time norms stipulated.]

³[Exception 5.-In case of the Administrative Departments where Financial Advisor and Chief Accounts Officers (F. A. & C.A.O. have been provided in terms of Government Order No. 246-F of 1988 dated : 13-9-1988, the limit of advance drawal, without making reference to Finance Department, shall be ⁴Rs. 25.00 lakhs.]

1. Inserted vide F. D. Notification SRO-236 dated : 18-5-1970.
2. Inserted vide F. D. Notification SRO-261 dated : 3-4-1986.
3. Inserted vide F. D. Notification SRO-324 dated : 7-10-1988
4. Substituted vide F. D. Notification SRO-103 dated : 23-3-1998.

¹[Exception 5-A. The Ladakh Autonomous Hill Development Council, Leh shall be competent to make advance drawal up to Rs. 10.00 lakhs with the concurrence of Chief Controller of Finance concerned without making a reference to Finance Department.]

²[Exception 6.-All the Government Departments who are required to get their Civil Works, costing Rs. 15.00 lakhs or more executed through Jammu and Kashmir Project Construction Corporation shall be competent to release the advances for works allotted to J & K P. C.C. in the following manner and without seeking formal sanction of the Administrative/Finance Department :—

- (a) An amount equal to 25% of the total cost of the work at the time of issue of letter of intent for the works.
- (b) Thereafter, on the certificate of Managing Director J & K P.C.C. Ltd. that the previous advance of the work has been expended, a further advance amounting to 25% or more (of the total cost of work) so on till the entire amount of the contract is released to the Corporation.
- (c) Expenditure certificate against the amount of advance paid to the Corporation as certified by Financial Controller/Accounts Officer of the Corporation be submitted to the concerned Department quarterly by the Corporation.

Nothing in this rule is intended to dilute the responsibility of the concerned Drawing and Disbursing Officers to ensure that money paid by them as advance is spent properly for the specified purpose. In particular, they shall avoid transfer of funds at the close of the Financial year only with sole purpose of avoiding lapsing of funds.]

Note 2.—Although the advances to Government servants for journeys on tour and for other miscellaneous purposes are debited to the service heads concerned, they have been dealt within this chapter for the sake of convenience. (See Rule 14-25).

1. Inserted vide F. D. Notification SRO-118 dated : 2-4-1996.
2. Inserted vide F. D. Notification SRO-368 dated : 6-12-1988.

Note 3.—As the Municipal and Town Area Budgets are not subject to the vote of the Legislature, the Administrative Department (incharge Local Bodies) is competent within the meaning of Note 1 above to sanction advances but in cases in which Budget provision does not exist advances in anticipation of Budget provision may be sanctioned by the Government in Department (incharge Local Bodies) when the expenditure is of an urgent nature and cannot be postponed in public interest. In such cases it will have to be certified that provision will be got made in due course.

Note 4.—Advances to cultivators in the form of Taccavi will be governed according to Taccavi Rules.

II—LOANS TO LOCAL BODIES ETC.

(i) ISSUE OF LOAN MONEY

14-5. Unless in any case Government direct otherwise the issue of loan money shall be governed by the following rules :—

¹[1. Every loan granted to a Municipality or other Corporation will be recorded in the books of the Accountant General in post audit. Pre-audit of such loan bills is not necessary.

2. No Department or Government servant may incur any expenditure or any liability against a sanctioned loan unless he is satisfied that the amount is available out of such loan.]

²3. Deleted.

4. Funds spent under clause 2 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 servant.

1. Recast vide F. D. Notification SRO-483 dated : 24-11-1965.
2. Deleted vide F. D. Notification SRO-483 dated : 24-11-1965.

(ii) CONDITIONS OF REPAYMENT

14-6. Loans and advances will be 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.

(b) The term will 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 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 being 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 than half-yearly instalments.

Note 4.—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

14-7. (i) 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-yearly should be calculated as $\frac{\text{Number of days} \times \text{yearly rate of interest}}{365}$ 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 '0049 - Interest on Loans and Advances by the State Government'.

[14-7-A. In case where on account of premature death of a Government servant it becomes necessary to recover a part of the outstanding balance of an interest bearing advance sanctioned to a

Government servant and/or interest on the amount of such advance by adjustment either against death-cum-retirement gratuity or leave salary actually drawn after the date of death of the Government servant, no interest should be charged on the amount of advance thus adjusted against death-cum-retirement gratuity/leave salary, if any, beyond the date of death of the Government servant.

Pending dues, if any, not finalized before the issue of these orders will be decided accordingly].

(iv) DEFAULTS IN PAYMENT :-

14-8. 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.

14-9. (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 or kept up by him. (See rule 14-12 infra).

(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 except under special orders of Government be less than 8 per cent per annum.

(v) IRRECOVERABLE LOANS AND ADVANCES

14-10. A competent authority may remit or write off any loans or advances owing to their irrecoverability or otherwise.

14-11. In respect of revenue and other advances, for the detailed control, accounting and supervision of which departmental officers are responsible, it is the duty of the departmental authorities concerned, as soon as any such advance is ascertained to be irrecoverable, to take the 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 nevertheless be registered by the Departmental authorities in a separate account or record, in order that any possible eventual recovery may be made.

(vi) ACCOUNTS AND CONTROL

14-12. (a) Subject to such general or specific directions as may be given by the Comptroller and Auditor General in this behalf detailed accounts of individual loans and advances will be maintained by the Accountant General who will watch their recovery and see that the conditions attached to each loan or advance are fulfilled.

(b) The following special procedure is prescribed for the drawing of Revenue advances which include Taccavi advances, advances under Land Improvement Acts, and any other advances which Revenue Officers are allowed or directed to make under the provisions of any law or under special orders of Government.

Note.—Taccavi works advances in the form of expenditure on Taccavi works in the Public Works Department are regulated by departmental rules. Save where the estimated cost of such works are recovered in the P. W. D. recoveries of such advances will be made by the Collector in the same way as arrears of land revenue.

(c) Advances may be issued from the treasury upon orders signed or countersigned by the Collector or other duly authorised officer. Neither the Treasury Officer nor the Accountant General will be responsible for taking further cognizance of each individual transaction after payment by a treasury beyond keeping a separate plus and minus memorandum for each

officer who authorises the advances. For all further accounts and supervision, the departmental authorities will be responsible.

(d) Advances may be made either direct to the parties concerned and on their receipt (stamped when necessary), or in lump sums on White D. C. Bills in Form F. C. 28 to Government officers disbursing the advances.

(i) In the former case the payments in the treasury account must be supported either by actual payees' receipts, or where these are required by the departmental officer, by a certificate from the Collector or other duly authorised officer to the effect that the payments have been made to the proper parties and their receipts duly taken and filed in the departmental office.

(ii) In the latter case the following safeguards shall be adopted :-

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

(2) Disbursing officers should take the receipts of the payees on the spot as soon as the advances have been made, and certify at the foot of the detailed bill that the advances were duly sanctioned by them and paid in their presence.

(3) Payee's receipts need not be sent with the detailed bill and their names need not be shown in it. The detailed bill should be forwarded to the Accountant General through the Treasury Officer in support of the debit appearing in the treasury account.

(4) The Collector or the Head of the Department concerned should prescribe a money limit for the amount which can be drawn on White D. C. Bills by each officer with due regard to the circumstances of each case.

(e) No officer authorised to make advances may question the accuracy of the treasury plus and minus memorandum as the record of his responsibility, otherwise than by satisfying the Accountant General of its erroneous nature and causing him to correct it. Every officer shall see that the debits and credits made to his account accurately correspond with those which enter his own registers and returns for each month. If he is not the Collector, he must obtain from the treasury a copy of the plus and minus memorandum with which he is concerned and take necessary steps for the removal of differences between the two sets of accounts. Special care shall be taken in paying recoveries into the treasury, that the amounts of interest and principal recovered as separately and distinctly credited, as the former must not and the latter must be credited in the plus and minus memorandum. The Accountant General will, however, at the close of every year's accounts send to Government a return showing the figures that pass upon his books in respect of revenue advances. The object of the statement is to enable the Government to check the reconciliation effected by the Revenue Authorities between their departmental figures and treasury accounts.

(vii) PLUS AND MINUS MEMORANDUM MAINTAINED AT THE TREASURY IN CONNECTION WITH ADVANCES TO MUNICIPALITIES ETC.

14-13. If a Government servant authorised to make 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 and advances are separately recorded, he must address the Accountant General and satisfy him as to its incorrectness and ask him to correct it. Every Government servant 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 Taccavi 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, 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.

(viii) ANNUAL REVIEW

14-14. An annual report upon outstanding loans and advances will be submitted by the Accountant General for review by the Government.

[(ix) UTILISATION OF LOANS

14-14-A. (a) Before considering a loan application from a party other than a local body, a sanctioning authority shall ascertain the purpose for which the proposed loan is to be utilised and consider the economy of the scheme.

In respect of all loans which are sanctioned for specific purposes the sanctioning authority shall watch the utilisation of the loan for the purposes for which it was given.

(b) FURNISHING OF UTILISATION CERTIFICATES TO AUDIT—

(i) In cases in which conditions are attached to the utilisation of a loan (specification of the purposes for which the loan is to be utilised,

should be regarded as a condition of the loan), the authority competent to sanction the loan shall be primarily responsible for certifying to the Audit Officer, where necessary, the fulfilment of the conditions attaching to the loan, unless there is any specific rule or order to the contrary.

(ii) In respect of loan the detailed accounts of which are maintained in the Audit Office, the sanctioning authority should furnish the utilisation certificates in respect of each individual case.

(iii) In respect of loans the detailed accounts of which are maintained by the Departmental officers and the Audit Office maintain only skeleton broad sheets for reconciliation of the ledger figures with the Departmental figures, consolidated utilisation certificate shall be furnished to Audit by the Administrative Department/Head of the Department or the Chief Controlling Officer administering the loan for the total amount of loans disbursed each year. The certificate shall indicate the year-wise and object-wise breakup of loan disbursed and the loans for which utilization certificates are furnished. This certificate shall show the loans disbursed separately for each sub-head of accounts to facilitate verification by the Audit.

(iv) In respect of loans paid to autonomous bodies which are wholly controlled by the Government, the utilization of the loans granted to these bodies shall be test checked by the Accountant General during the course of regular audit of their accounts.

(c) The certificates referred to in (b) (i), (ii) and (iii) above shall be furnished in such form as may be agreed upon between the Audit Officer and the Department/Officer controlling the loan. Before recording the certificate, the certifying Officer/Department should take steps to satisfy that the conditions on which the loan was sanctioned have been fulfilled and the loans have been utilized for the purpose for which they were given. For this purpose the loanee may be required to submit at suitable intervals, such reports, statements, etc., as will establish the utilization of loan for purposes for which it was sanctioned. The loanee institution, if necessary may also be required to furnish a certificate from its auditors to

the authority which sanctioned the loan that the conditions attaching to the loan have been fulfilled. The certificate should give the breaches, if any, of these conditions.

(d) The utilization certificates shall be furnished within a period not exceeding 18 months from the date of sanction of the loan. Where, however, the period of utilization of a loan is specified in the terms of conditions attached to it the certificate of its utilization shall be furnished within six months of the expiry of the period of such utilization.]

¹[II-A-LOANS TO PUBLIC SECTOR UNDERTAKINGS

14-14-B. Grant of loans to Corporations/Companies/Undertakings wholly owned by Government shall be regulated according to the provisions contained in their Memorandum and Articles of Association. Notwithstanding the provisions, if any, contained therein regarding execution of an agreement/bond in respect of a loan sanctioned by the Government hypothecation of assets thereto drawal of formal agreement and hypothecation of assets with the Government is not required. A written undertaking in Form F. C. 51 shall, however, be obtained. The order sanctions the loans should invariably indicate that a written undertaking in the prescribed Form has been obtained from the Loanee.

III—LOANS AND ADVANCES TO GOVERNMENT SERVANTS

(I) GENERAL :

Note.—It is not permissible to sanction loan or advance to a Government servant which involves a breach of any of the canons of financial propriety. 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.

1. Inserted vide F. D. Notification SRO-342 dated : 23-8-1967 and renumbered vide Corrigendum No. A/92 (66)-358 dated : 23-3-1993.

14-15. Rules in this section do not ordinarily apply to Government servants who are not in permanent Government employ. As the pay of such Government servants does not constitute adequate security for a loan, advances should not ordinarily be granted to them.

¹[Government Instructions.—Advances payable to a Government servant shall be calculated on his pay or presumptive pay whichever may be higher at the time of sanctioning of advance.]

Note—Advances for-

1. Construction, purchase or repairs to a house [as provided by rule 14-18 (i), (ii) below.]
2. Purchase of motor cars, and
3. Purchase of motor cycles,

will also be admissible to ¹[officiating and] Quasi-permanent Government servants provided they furnish acceptable and adequate surety of permanent Government servants of comparable or higher status in addition to mortgaging their house, hypothecating their car/motor cycle to Government and (ii) the Head of the Department in which they are working also certify that the concerned Government servant will continue in service for sufficiently long period to enable full recovery of the advance together with interest accrued being effected before termination of his services. ¹[A permanent Government servant can stand surety in respect of only one advance at a time, which shall be watched on the basis of a certificate to be recorded by the surety that he has not stood as a surety in any other case where the advance has not been liquidated.]

14-16. The last pay certificate granted to a Government servant under transfer must specify the original amount of such advances, the amount repaid and the balance together with the interest, if any, accrued in accordance with rule 14-18, remaining due.

14-17. Simple interest at the rate fixed, by the competent authority for the purpose from time to time should be charged on advances granted to Government servants for construction, purchase or repairs to house

1. Inserted vide F. D. Notification SRO-445 dated : 12-8-1969

and for the purchase of motor cars and motor cycles.

¹[14-17-A In all cases while issuing sanction for grant of HBA/ Composite Loan/Housing Loan and Advances for purchase of any kind of conveyance viz Motor car/Scooter/Motor Cycle/ Moped/Bicycle, the sanction should invariably stipulate a higher rate of interest at 2 1/2 % above the prescribed rates with the stipulation that if the conditions attached to the sanction including those relating to recovery of the amount are fulfilled completely to the satisfaction of the Competent Authority, rebate of the interest to the extent of 2 1/2 % will be allowed. The Competent Authority to decide whether the payments have been made punctually will be the sanctioning authority who will decide that the conditions attached to the sanction including those relating to the recovery of the amount are fulfilled completely to the satisfaction of the Competent Authority.]

EXPLANATION :-The provision of this rule shall apply *mutatis mutandis* in respect of all cases where the recovery either of Principal or interest is in process.]

Note 1.—In calculating interest the instalments of Motor Car, Motor Cycle and House Building Advance recovered by deduction from pay bills shall be treated as if paid on the first day of the month succeeding that for which the pay from which the deduction is to be made falls due.

Note 2.—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.

(ii) HOUSE BUILDING ADVANCE

14-18. Advances to Government servants for the construction or purchase of houses are regulated by the following rules :—

1. (i) In all cases where the grant is in accordance with rules

1. Inserted vide F. D. Notification SRO-493 dated : 9-11-1999.

advances may, subject to availability of funds, be sanctioned by the Administrative Department for building and purchasing of houses in favour of the State officials who are permanent and pensionable incumbents and otherwise competent to acquire house property in the State, which may be in addition to advances, that may have been sanctioned in their favour under the Low Income Group Housing Scheme or Middle Income Group Housing Scheme provided the Heads of Departments under whom they may be working are satisfied that they are in a position to liquidate both kinds of loans simultaneously.

(ii) These advances may be granted to quasi-permanent Government servants also, subject to terms and conditions laid down in rule 14-15 above.

2. No advance shall exceed one and a half years pay or presumptive pay as the case may be of the Government servant to whom it is made or Rs. 500 whichever is greater, nor shall more than one advance be made for the same house.

¹[Note.—Where both husband and wife are Government employees each one of them should be allowed to draw the loan in their own right, but the total amount of the loan should be limited by the cost of construction of the house and should not exceed this.]

3. The applicant shall submit with his application for the advance a plan of the proposed building and state the estimated cost of the same and the value of the materials, if any, collected by him on the site. He shall state in his application whether the site, on which he proposes to build his house belongs to him or to the State.

4. The application shall be presented to the Head of the Office in which the applicant is employed and if the Head of the Office is not a Gazetted Government Servant to the next higher authority holding a gazetted status who after satisfying himself that it contains the particular referred to

1. Inserted vide F. D. Notification SRO-237 dated : 7-7-1965.

in the preceding rule, shall forward the same to the concerned Deputy Commissioner of the locality.

5/ On receipt of the application the Deputy Commissioner shall enquire —

- (a) If the advance is necessarily required for the purpose stated in the application.
- (b) Whether the application for the advance is a *bona fide* and the house required to be built or purchased is for the personal residence of the applicant.
- (c) Whether on proof of the absolute necessity for the advance, the applicant is prepared to give substantial security for the repayment of the advance with interest.
- (d) Whether the security offered is sufficient to indemnify the Government against loss.
- 1[(e) Whether any such advance has been made previously for the same house to the wife/husband of the applicant if she/he also is a Government servant where such an advance has been made to either of the two, the amount of advance should be specified.]

6. The Deputy Commissioner shall see to the due execution of the bond in (Form F. C. 36) in each case and the sufficiency of security to be taken from each applicant in his respective jurisdiction.

7. The Deputy Commissioner shall return the record prepared by him under rule 5 to the authority from whom the case was received by

1. Inserted vide F. D. Notification SRO-237 dated . 7-7-1965

him with his recommendations. The case will finally be passed on by the Head of the Department with his final recommendations to the Housing Department for sanction and subsequent ¹[return to the drawing officer for encashment and disbursement.]

8. No advance shall be made if the applicant is unable to find substantial security although absolute necessity is proved.

9. No advance shall be made to Government servant whose services are borrowed from other Governments.

10. The bond after execution should be sent to the Housing Department who will forward it to the Treasury Officer for safe custody.

It shall be seen that :—

- (a) no payments on account of advances are made until the Housing Department record a certificate on the bill that the receipt of the bond has been acknowledged by the Treasury Officer for safe custody of the security bond executed in each case with the certificate of the Deputy Commissioner as to the sufficiency of the security and the due execution of the bond, endorsed on each bond,
- (b) the bond is returned after the advance has completely been repaid with interest and after receipt of authority from the Accountant General and a certificate from the Deputy Commissioner concerned to the effect that the house has been built according to the plan mentioned in rule 3 or actually purchased with the advance granted.

11. The advance may be made in instalments when considered desirable and when so made, repayment shall commence from the fourth issue of pay after the 1st instalment is taken but when the advance is taken in one instalment repayment shall commence with the second issue of pay. The repayment of the whole advance (principal only) shall in either case be completed in ten years. It will be decided

1. Substituted for "disbursement after having the bill duly pre-audited by the A. G." vide F. D. Notification SRO-483 dated : 24-11-1965.

in each case, when sanctioning the advance under these rules, whether it is to be paid in a lump sum or by instalments.

¹[12. (1) Recovery of the advance shall be made by disbursing officers by deducting monthly instalments equal to one hundred and twentieth part of the advance from the pay bill of the official concerned.

(2) A Government servant who is due to retire within 10 years of the date of application for the grant of an advance and under the service rules applicable to him is eligible for the grant of a gratuity or death-cum-retirement gratuity, the sanctioning authority may permit him to repay the advance with interest in convenient monthly instalment (the amount of the instalment shall not be less than that worked out on the basis of repayment within a period of 10 years) during the remaining period of his service, provided he agrees to the incorporation of a suitable clause in the prescribed agreement and mortgage deed form to the effect that the Government shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of his retirement or death preceding retirement from the whole or any specified part of the retirement/death gratuity that may be sanctioned to him/his legal heirs.]

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.

13. An official quitting or removed from the station where he has built or purchased a house before the whole amount of advance and its interest have been liquidated shall continue to be liable to the deduction of his monthly instalment until the advance with interest 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 official of his own or higher rank who is willing to take it and to agree to the future deductions to be made from his pay till the whole debit is paid off.

1. Recast vide F. D. Notification SRO-574 dated : 11-12-1970.

14. No second advance shall, in any case, be allowed whilst any amount remains due on a previous advance, either out of the principal amount or the interest.

15. Not more than two advances for house building or purchasing shall be given. A 3rd advance may, however, be allowed with the sanction of the Government in the Departments concerned and the concurrence of the Finance Department in exceptional cases where the necessity for the advance is established to the satisfaction of the Government concerned.

¹[16. Advance would not be sanctioned in a case where full recovery under the rules is not possible before the date of retirement of Government servant even from his death-cum-retirement gratuity under sub-rule 12.

This shall be deemed to have come into effect from 1-4-1970.]

17. Interest at the rates fixed from time to time will be charged on House Building Advances. The interest will be calculated on balances outstanding on the 1st day of each month. The amount of interest calculated as above will be recovered in one or more instalments, each such instalment being not appreciably larger than the instalments by which the principal is recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

18. If an official quits or is removed from Government service or dies, before the whole amount of the House Building Advance including interest is liquidated, the arrears will be recovered from any dues payable to him other than the General Provident Fund Deposits and the balance, if any, as arrears of land revenue, in case the Deputy Commissioner concerned fails to make the recovery by private negotiations. The process made applicable to the principal for recovery will also apply to the sureties.

²[14-18-A. Notwithstanding anything contained in rule 14-18 Loans for House Building/Purchase shall be regulated by the terms and conditions below :—

(a) Composite Loan :

1. Recast vide F. D. Notification SRO-574 dated : 11-12-1970.

2. Inserted vide F. D. Notification SRO-421 dated : 21-9-1981.

¹[(1) In all cases where the grant is in accordance with the rules and funds for the purpose are available, a Composite House Building Advance shall be sanctioned instead of loan under the M. I. G. or L. I. G. Housing Scheme and/or loans out of House Building Advance.

The powers for sanctioning of loan shall vest in the Head of the Department to which a Government servant belongs.

'Head of Department' in the case of Civil Secretariat shall be the General Department and in the case of a Head of Department himself, the Administrative Department. The term 'Department' shall for purposes of these rules mean the parent Department to which an employee belongs. For example, in the case of an Accountant, belonging to Subordinate Accounts Service, the advance shall be sanctioned by the Directorate of Accounts and Treasuries and not by Head of the Department in which he may have been posted at the time of applying for loan.

The Head of the Department if himself is drawing officer will draw and disburse the advance to the employees. Where the Head of Department may not be the Drawing Officer, the advance will be drawn and disbursed by the Officer who has Drawing Powers in the Direction Office/Administrative Department. Head of a Department/Administrative Department will keep a permanent record of advances sanctioned by them from time to time, and send monthly, a statement of advances sanctioned during a month to the Accountant General for his watching recovery of the advance against each employee. Detailed accounts of recovery will be maintained by the Accountant General as heretofore.

Note :—A Government servant who is eligible to draw an advance under these rules shall not be allowed any loan from the M.I.G or L.I.G Housing Schemes on or after the date of issue of these rules.

²Purpose for which advance may be granted :

(ii) An advance may be granted for constructing a new house (including the acquisition of the suitable plot of land for the purpose) either at the place of duty or at the place where Govt. servant proposes to

settle after retirement. An application for an advance for purchasing a ready-built house or flat may also be considered. The maximum amount of advance that can be granted shall be actual cost of the ready built house or flat, or 50 times the monthly basic pay or Rs. 2.5 lakh, whichever is the least.

(b) Eligibility :

- (i) The House Building Advance shall be admissible to permanent Government servants who are competent to own a house property in the State. The advance shall also be admissible to other Government servants who are covered under Government Instructions below rule 14.15 subject to the terms and conditions contained therein.
- (ii) The loan shall not be admissible to —
 - (i) Persons serving on contract basis.
 - (ii) Persons working as apprentices or stipendiaries.
 - (iii) Persons appointed on ad hoc basis.
 - (iv) Persons employed on work charged/contingent establishment.
 - (v) Persons employed on part time basis.
 - (vi) Persons serving the Government on deputation from Central Government or other State Governments or State/Central owned Corporations or autonomous bodies, Boards and the like.

¹(xxx)

1. Recast vide F. D. Notification SRO-411 dated : 19-10-1985.
2. Inserted vide F. D. Notification SRO-23 dated : 21-1-99.

1 Deleted vide F. D. Notification SRO-23 dated : 21-1-99.

1 Ceiling Category :

The cost of the house to be built/purchased (excluding the cost of residential plot as mentioned in the sale/lease deed of the land/house) should not exceed 150 times the basic pay of the Govt. servant subject to minimum of Rs. 2.50 lakhs and maximum of Rs. 6.00 lakhs :

Provided that the applicant should not have availed of any loan or advance for the acquisition of the house from any other Govt. source, i.e. the Department of Rehabilitation or Central or State Housing Scheme. Where, however, the loan, advance etc. already availed by an applicant does not exceed the amount admissible under these rules, it would be open to him to apply for the advance under these rules on the condition that he undertakes to repay the outstanding loan, advance, together with interest if any, thereon forthwith in one lump-sum, to the department concerned. In case where an employee (applicant) makes (or has made) a final withdrawal from his provident fund account in connection with construction/acquisition of a house or residential plot to construct a house thereon, in addition to availing of an advance under these rules, the total amount of advance sanctioned under these rules, and that withdrawn from the provident fund should not exceed the cost of ceiling limits prescribed in these rules :

Provided further that neither the applicant nor the applicant's wife/husband/minor child should own a house. However, this condition may be relaxed by the Government in exceptional circumstances, as for example, if the applicant's wife/husband/minor child owns a house in a village and the applicant desires to settle down in a town or where an applicant happens to own a house jointly with other relations etc. and he desires to build a separate house for himself.

Basic pay for the purpose of this rule shall mean the pay as defined in Art. 27 (a)(i) of J&K CSR's Vol-1.

1 Amount of Advance :

i) Not more than one advance shall be sanctioned under these rules to a Govt. servant during his/her entire service.

ii) Applicant may be granted an advance not exceeding the amount equal to 50 times the monthly basic pay including officiating pay (except where drawn in a leave vacancy) under the J&K Civil Service (Revised Pay) Rules 1998, but not pay drawn in a short or fixed term of deputation duty or estimated cost of the building or Rs.2.50 lacs whichever is least.

Note 1 :—Where both husband and wife are Government employees and own jointly the land on which the construction is to be raised each one of them should be allowed to draw the loan in their right, but the total amount of the loan should be limited by the ceiling cost or the cost of construction whichever is less.

Note 2 :—For purposes of determining the amount of advance the pay of the applicant at the time of sanctioning advance will be taken into account and no subsequent increases by way of promotion, increment etc. will be taken into consideration.

(f) Disbursement of loan for house constructions :

(i) the amount equal to 40 per cent of the sanctioned loan will be payable to the applicant on mortgaging in favour of the Government the land purchased or allotted to him by the Government along with the house to be built thereon :

(ii) a further amount not exceeding 40 per cent of the sanctioned advance will be payable when the house has reached the plinth level ;

(iii) the remaining 20 per cent of the sanctioned advance will be payable when the house has reached the roof level.

(g) Disbursement of loan for ready built house :

(i) An amount of advance sanctioned for purchase of ready built house may be released on execution of an agreement in the prescribed form and its mortgage to the Government and furnishing of adequate security to the satisfaction of the sanctioning authority. The amount may be paid in instalments not exceeding three at the discretion

of the sanctioning authority. The latter shall satisfy that the amount paid has been utilised for the purpose it was drawn within one month of the drawal of the advance failing which the advance so paid together with interest thereon shall be refunded to Government forthwith in lump.

Utilisation of the advance for any other purpose shall render the Government servant liable to suitable disciplinary action under the Classification, Control and Appeal Rules, 1956.

(ii) Among other checks which the sanctioning authority may apply the advance required for purchasing a ready built house shall be sanctioned if.—

- (a) the house has to be acquired on outright purchase basis and not on hire purchase basis,
- (b) the Government servant gets from the seller the right to mortgage the house to the Government,
- (c) the total cost of the house does not exceed the prescribed ceiling of the applicant, and
- (d) the cost of the house has not already been paid by the applicant.

(h) Interest :

(i) Subject to the modification that may be made by the Government from time to time the following differential rates of the interest shall be charged :—

- (a) 6 1/2% per annum for the first 25,000/-
- (b) 8% per annum of the next 25,000/- viz. 25,001/- to 50,000/-
- (c) 10% per annum for the next rupees 25,000/- viz. 50,001/- to 75,000/-

In the process of recovery the portion of loan carrying higher rate of interest will be treated as having been refunded first.

¹ Provided that an advance granted under these rules shall carry simple interest from the date of payment of the advance. The amount of interest being calculated on the balance outstanding on the last day of each month. Subject to the modifications that may be made by the Government from time to time, the following differential rates of interest shall be charged.

<i>If the amount is sanctioned up to</i>	<i>Rate of interest</i>
Rs. 50000/-	7.5%
Rs. 1.00 lakh	9%
Rs. 1.50 lakh	10%
Rs. 2.00 lakh	11%
Rs. 2.25 lakh	11.5%
Rs. 2.50. lakh	12%

(ii) In cases where a part of the advance sanctioned to a Government servant or interest on the amount of advance, is to be wiped off by adjustment either from gratuity or from death-cum-retirement gratuity, no interest shall be recovered on that part of the principal amount of outstanding advance beyond the date of retirement.

(iii) In case a Government servant dies while in service and a portion of the outstanding balance of the advance is to be set off against the death-cum-retirement gratuity admissible to his beneficiaries no interest should be charged on the amount of advance thus adjusted against death-cum-retirement gratuity beyond the date of the death of the Government servant.

(i) REPAYMENT OF ADVANCE

(i) Save as provided in sub-clause (iv) below, the advance granted to a Government servant under these rules together with the interest thereon shall be repaid in full by monthly instalments within a period not exceeding 20 years. Firstly the recovery of the principal shall be made in not more than 180 monthly instalments and then interest shall be recovered in not more than 60 monthly instalments.

(ii) The amount to be recovered shall be fixed in whole rupee except in the case of last instalment when the remaining balance, including any fraction of rupee shall be recovered. Recovery of an advance granted for house construction shall commence from the pay of the month following the completion of the house or the pay of the 18th month after the date on which the first instalment of the advance is paid to the Government servant, whichever is earlier. In the case of an advance taken for purchase of a ready built home the recovery shall commence from the pay of the month following that in which the advance is drawn.

(iii) It will be open to a Government servant to repay the amount in a shorter period or to start repayment of the amount from the date earlier than the date stipulated above if he so desires.

(iv) A Government servant who may have to retire before completing 20 years of service from the date of sanctioning the loan, the repayment of advance by him will be made as under :—

(a) He should apply for so much amount of the advance within the admissible ceiling as he can conveniently repay by the date of retirement partly by monthly instalments and partly by lump adjustment from his gratuity/death-cum-retirement gratuity keeping unpaid any amount up to Rs. 10,000/- out

of the principal if he has drawn the advance admissible under lower income group or Rs. 20,000/- in case of advance drawn under higher income group, subject to the condition, that the total period including the post retirement period in which he repays the loan with interest does not exceed 20 years in any case. This is elucidated as under :—

Suppose a Government servant has five years to retire from the date of sanctioning of advance. He belongs to higher income group and has applied for an advance of Rs. 60,000/-. Out of the total advance of Rs. 60,000/-, he will be required to liquidate Rs. 40,000/- with interest on the total advance accrued due by the date of his retirement. This he may do by repaying partly in monthly instalments from pay or cash deposit and partly by adjustment from his gratuity/D.C.R. Gratuity, that may be payable to him at the time of retirement. The balance of Rs. 20,000/- with interest thereon from the date of retirement shall be repaid by him after his retirement, in the manner laid down in sub-clause (b). In all such cases a suitable clause should be incorporated in the agreement and mortgage deed to the effect that Government shall be entitled to recover the portion of the advance remaining unpaid out of the amount which has to be repaid by the time of retirement, or death-proceeding retirement, from the whole or any specific part of the gratuity that may be sanctioned to him.

The amount of gratuity will be the amount estimated to be payable on the basis of scale of pay held by him on the date of sanction.

(b) The balance amount of Rs. 10,000/- or Rs. 20,000/- as the case may be plus the interest on that amount shall be repaid regularly by the loanee after the date of retirement in monthly or yearly instalments as he may like by cash remittance into treasury, within ten years from the date of retirement.

Note.—In sanctioning loans, preference may be given to applicants whose date of retirement falls earlier, provided their applications are complete in all other respects.

(v) In case the Government servant or his heirs/successors do not repay the balance of advance plus interest due to the Government within the required time after retirement, it shall be open to the Government to

enforce the security of the mortgage at any time thereafter and recover the balance of the advance due together with interest and the cost of recovery by sale of the house or in such other manner as may be admissible under the law.

(vi) Recovery of the advance shall be effected from the monthly pay/leave salary/ subsistence allowance of the Government servant by the concerned drawing and disbursing officer. A loanee may at his option remit the amount of instalment monthly in cash in a Treasury and produce the Treasury Challan to the drawing and disbursing officer for his satisfaction. In case the drawing and disbursing officer is not satisfied about the regular monthly remittance into the treasury by the concerned, the recovery shall be effected from the pay dues of the loanee. If a Government servant ceases to be in Government service for any reason other than normal retirement on superannuation, or if he/she dies before repayment of the advance in full the entire outstanding amount of the advance less by the portion payable after retirement shall become payable to the Government forthwith. The Government may, however in deserving cases, permit the Government servant concerned or his/her successor in interest, or the sureties as the case may be to repay the outstanding amount together with interest thereon in suitable instalments which the Government servant would have paid but for his death while in service. Failure on the part of the Government servant concerned or his/her successor to repay the advance for any reason whatsoever will entitle the Government to enforce the mortgage and take such other action to effect the recovery of the outstanding amount, as may be permissible.

(vii) For processing of applications for grant of the advance the procedure prescribed at sub-rules 3, 4, 5, 6, 7 and 10 of rule 14.18 will apply *mutatis mutandis* in respect of loans sanctioned under these rules. The Housing Department may prescribe any other procedural completion deemed necessary in this behalf.

(j) Raising a 2nd charge :

There is no objection to a Government servant creating 2nd charge against property which he may have mortgaged to Government against the House Building Advance drawn by him from the Government with prior permission of the Administrative Department. The second charge

can be created for purposes of raising loan for meeting the balance cost of house/flats from a recognised financial institutions like banks, financing co-operatives or any other financing institutions. The total amount of the loan raised from the Government and financing institution should not exceed the prescribed cost ceiling.

(ii) DATE OF EFFECT

These rules will come into force from the date of issue of this notification and shall also apply to inservice Government servants falling in any one or more categories given below provided the sanctioning authority is satisfied that they have not already completed the construction of house for which the loan is required :—

- (a) (i) who before coming into force of these rules, have for purposes of house construction been sanctioned H. B. A and/or a loan under M. I. G/L. I. G. housing scheme but the same has not been released in their favour in full before the issue of these rules ; or
- (ii) who were normally entitled to loans both under Housing Scheme, (LIG/MIG) and House Building Advance Rules, and had applied for the same but have been sanctioned only one or the two loans ; or
- (iii) whose applications for House Building Advance and or MIG/LIG Loan have been admitted by the Housing Department but are pending with the department ; and
- (iv) who have drawn in full loan under House Building Advance and housing Scheme i. e. LIG/MIG under the rules in vogue before the commencement of these rules, but have not been able to complete their house in full, may be allowed an additional advance equal to the amount which together with the loan drawn previously (HBA+LIG/MIG and cost of the plot if allotted by the Government on loan basis) will not exceed 75 months pay or Rs. 50,000/- or Rs. 75,000 (as the case may be) or the total cost of construction, whichever is the least. The repayment of the additional advance will be made side by side with the earlier advance/loan and the instalment will be fixed as per sub-rule (9).

The additional advance under the above rule will be admissible only after the sanctioning authority is satisfied that the Government servant really needs a loan for the completion of the house for which he had earlier drawn the loan/advance and the completions are necessary to make it fit for use.

(b) The entitlement of the loan in respect of loanees under (a) (i), (ii), (iii) and (iv) above, will be determined under these rules and from the amount so due will be deducted the amount of advance/loan already drawn including the cost of the plot if the same has been allotted by the Government on loan basis. The rest of the amount will be paid in suitable instalments.

Relaxation :

Any concession to be granted in relaxation of these rules, shall not be allowed except under extraordinary circumstances to be recorded in writing, and with the prior approval of the Minister Incharge of Housing Department.

(iii) ¹ADVANCES FOR REPAIRS OF HOUSES

VI. Rule 14-19 (1) An advance may be granted for enlarging living accommodation in an existing house owned by the Government servant concerned (or jointly owned with his/her wife/husband) provided that the total cost of existing structure (excluding land) and the proposed additions and expansions do not exceed the cost ceiling limits prescribed in accordance with the provisions of sub-clause (d) of rule 14. 18-A.

(2) The applicant may be granted an advance not exceeding an amount equal to 50 times the monthly basic pay including officiating pay (except where drawn in a leave vacancy) under the J&K Civil Services (Revised

Pay) Rules 1998 but not pay drawn in a short or fixed term of deputation duty or estimated cost of the enlargement portion or Rs. 60,000/- whichever is least.

(3) An Advance may also be made to an official for the enlargement of the house which he has built or purchased with a previous advance under the rules 14.18-A above, but unless the sanctioning authority permits otherwise at least 5 years must elapse since the previous advance was drawn.

(4) Subject to the foregoing conditions the principles of Rule 14. 18 and 14. 18-A shall apply, the maximum period for repayment of the advance being 10 years. Interest will be calculated and recovered in accordance with the provisions of sub-rule 14.18-A.

(iv) ADVANCE FOR PURCHASE OF MOTOR CARS

14-20 (1) An advance will be given when the Government considers that it is in the interest of the public service that the Government servant should use a car in the discharge of his duties. Advances can only be granted to such Government servants as are compelled in the course of their official duties to do much touring or to make frequent journeys at short notice where the saving of time is of real importance. In exceptional circumstances, however, such advances may be granted to any other Government servant also with the sanction of the Government.

2. When an advance for the purchase of a Motor Car has been granted, a second advance will not usually be granted after a period of less than four years from the grant of first advance or until the first advance with interest thereon has been liquidated whichever happens later.

1. Recast vide F. D. Notification SRO-23 dated : 21-1-1999.

¹[2-A. A Car advance shall not be admissible to Government servants whose basic pay (excluding D. A. and A. D. A. special pay or N. P. A. or stagnation pay or any other allowance) is less than ²[Rs. 10,000/-] per month and whose service on the day of application for advance is less than five years. Where the husband and wife are both working as Government employees their total basic pay for purposes of eligibility under these rules may be clubbed, but in such cases the entitlement will be due only if after clubbing the basic pay of the couple the aggregate exceeds ²[Rs. 15,000/-] and each of them have put in five years or more service.

3. The advance should be applied for in the form given in the annexure to this chapter before the purchase of a car is made and the application for an advance should certify that the Government servant is unable to make the purchase without an advance.

4. When an advance for the purchase of a Motor Car is sanctioned, the purchase of the car must be effected within one month of the date on which the money is drawn from the treasury unless it is extended as indicated in note below, otherwise the amount of the advance drawn, with interest thereon for one month, forthwith refunded to Government. This condition should always be mentioned in letters sanctioning such advances.

³[Explanation.—An advance for the purchase of a conveyance shall not be granted to a Government servant, who has already purchased the conveyance and paid for it, unless the conveyance has been purchased within a period of three months commencing from the date the advance was applied for, and has been paid for by raising a temporary loan.

1. Recast vide F. D. Notification SRO-187 dated : 16-5-1985.
2. Substituted vide F. D. Notification SRO-235 dated : 18-6-99.
3. Inserted vide F. D. Notification SRO-10 dated 8-1-1970.

Pending cases if any shall be decided accordingly, cases already decided need not however be re-opened.]

Note 1.—The advance may be applied for well in time and sanctioned by the competent authority as soon as possible. The advance may, however, 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 is recorded on the bill for the advance. In the event of any delay in supply dispute the written assurance referred to 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 of another month. Each such request should be supported with a letter from the dealer concerned, indicating the likely period of supply and will be considered on its own merits.

Note 2.— A penal rate of interest not less than 8 per cent per annum shall be charged on the balances outstanding for the actual period in excess of one month (including fraction of a month) if the Government servant retains the advance in contravention of the above provision beyond the period of one month without purchasing a conveyance :

Provided, however, that when the period of one month is extended by the competent authority, the penal rate will be charged from the date following that on which the extended period expired.

5. There are two types of advances viz. those (a) in which the cars are purchased by the Government by debit to the Consolidated Fund of the State and subsequently sold to Government servants.

(b) Those in which the cars are purchased by the Government servants direct through their own agency and a loan has to be advanced to them.

6. The total amount to be advanced to a Government servant shall not exceed ¹[Rs. 80,000/- or twenty months pay] or the presumptive pay as the case may be or the anticipated price of the car, whichever is least. If the actual price is less than the advance taken the balance should be forthwith refunded into the treasury. Provided that this rule will not apply in case of advances made under sub-para 5(a) above.

²[Note.—In the case of All India Service Officers the amount of advance payable shall be computed by adding notionally Rs. 600/- (in lieu of merger of dearness allowance and A. D. A.) to the basic pay of the officers in senior scale and above, and Rs. 450/- to the officers in the junior scale. The notional addition in basic pay for this purpose shall cease to be made after the pay scales of All India Service Officers are revised by the Government of India.

Explanation.—The expression “actual price” includes the price of such items as have necessarily to be purchased along with the motor car or for the purchase of which the purchaser has no choice, such as spare wheels, tyres, tubes etc. ;

Provided, however, when certain accessories such as radio in a car, plastic covers, etc., are purchased which are not essential and which are purchased by the officer of his own choice, the expression “actual price” shall not include their cost. Insurance and registration charges incurred for running the motor car vehicle shall also be not included in the actual price of the motor car.

1. Substituted vide F. D. Notification SRO-548 dated : 2-9-1986.
2. Inserted vide F. D. Notification SRO-65 dated : 8-2-1983.

7. ¹[The recovery of advance granted to a Government servant for purchase of a Motor Car shall be made in such number of equal monthly instalments as he may elect but such number shall not be more than ²[two hundred]. The Government servant may, at his option, repay more than one instalment in a month.] It will commence with the first issue of pays/presumptive pay after the advance is drawn. The amount of interest will be recovered in one or more instalments, each such instalment being not appreciably greater than the one by which the principal was recovered. The recovery of interest will commence from the month following that in which the repayment of the principal has been completed.

8. ³[If a Government servant wishes to transfer such a car to another Government servant who performs the duties of a kind that renders the possession of a motor car necessary, the Government may permit the transfer of the liability attaching to the car to the latter Government servant provided he records a declaration that he is aware that the car transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.]

9. In all cases in which a car is sold before the advance received for its purchase from the Government with interest has fully been repaid, the sale proceeds must be applied so far as may be necessary, towards the repayment of such outstanding amount, the balance out of the advance if any from the monthly pay of the officer at the previous rate, provided that when the car is sold only in order that another car may be purchased, the Government may permit a Government servant to apply sale proceeds towards such purchase subject to the following conditions :—

(a) The advance outstanding shall not be permitted to exceed the cost of the new car ;

(b) The advance outstanding shall continue to be repaid at the rate previously fixed ; and

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

Note 1.—At the time of drawing the advance the Government servant should be required to execute an agreement in Form F. C. 37 and on

¹ Substituted vide F. D. Notification SRO-289 dated : 2-8-1965.
² Substituted vide F. D. Notification SRO-548 dated : 2-9-1986.
³ Recast vide F. D. Notification SRO-289 dated : 2-8-1965.

completing the purchase he should further be required to execute a mortgage bond in Form F. C.38 hypothecating the car to the Governor as security for advance. The cost price of the car should be entered in the schedule of specifications attached to the mortgage bond.

¹Note 2.—A certificate signed by the sanctioning authority to the effect that the agreement in Form F. C. 37 has been signed by the Government servant 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 interest thereon, in the prescribed form, within one month from the date of drawal of the advance.

Note 3.—The form of mortgage bond executed by Government servants drawing advance for the purchase of motor cars provide for insurance at the time of purchase. The purchase of motor car should be made within six months from the date of order sanctioning the advance, and car should be insured within one month of the date of purchase. Contravention of these orders will render the Government servant liable to refund the whole of the amount advanced which should be recoverable in not more than three months instalments unless there are good reasons, for failure to do so. The amount for which the car is insured during any period must not be less than the outstanding balance together with interest thereon at the beginning of that period and the insurance must be renewed from time to time until the advance has completely been repaid.

The Government servant drawing advances for the purchase of motor car should send direct to the sanctioning authority the insurance cover note and insurance policy. The sanctioning authority will bring to the notice of the Government any case in which insurance has not been effected within the period specified above provided that in case of advance made under sub-para 5 (a) above, the annual insurance premium will be paid by the Government and subsequently recovered from the officers concerned in twelve monthly instalments along with the instalments on account of car advance.

¹Note 4.—After the purchase of the conveyance, the sanctioning authority should obtain from the Government servant drawing the advance, a letter in form F. C. 52 to the address of the Insurance Company with which the conveyance is insured notifying it that Government is interested in the insurance policy secured and should forward such letter to the Insurance Company and obtain its acknowledgment. The sanctioning authority should furnish to the Accountant General, 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 the insurance company has been notified about the interest of 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 the Government.

¹Note 5.—The sanctioning authority should furnish to the Accountant General the cash receipt and the bill for the purchase of the conveyance for scrutinising that the advance has been utilised for the purchase of conveyance within prescribed period and the actual price as defined in explanation below sub-rule 6 above is not less than the amount of the advance. The cash receipt and the bill shall be returned to the borrower through the sanctioning authority.

(10) Deleted.

¹Government Instruction.—Doubts have been expressed whether a State Government employee whose spouse is an employee of a Central Government can be allowed to club his/her pay with that of his/her spouse for purpose of determination of his/her eligibility for grant of Car Advance.

It is hereby clarified that there is no objection to the clubbing of the basic pay of a State Government employee with the basic pay of his/her spouse who is an employee of the Central Government subject to the following conditions :—

(a) Car advance shall be admissible to State Government employee only provided he fulfils all other conditions prescribed for the purpose. The State Government employee to whom the advance is granted

1. Inserted vide F. D. Notification SRO-26 dated : 12-1-1968.

2. Deleted vide F. D. Notification SRO-536 dated : 25-9-1979.

3. Inserted vide F. D. Notification SRO-166 dated : 26-4-1990.

should be having such duties as may involve much touring or frequent journey, at short notice and in whose case saving of time is of real importance. The absolute necessity of possessing a car in public interest by the State Government employee should be established and certified by the Head of the Department/ Administrative Department.

- (b) The State Government employee shall furnish a certificate of the Competent Authority of the Central Government that his/her spouse is not entitled to the car advance under the rules/regulations of the Central Government or that he/she is entitled to draw a car advance under the rules/regulations of the Central Government but has not drawn any such advance from the Central Government and that he/she would not be allowed such an advance unless the entire amount with interest thereon is liquidated by the State Government employee.

The aforementioned concession of clubbing of basic pay of a State Government employee with that of his/ her spouse shall also be available, *mutatis mutandis*, in cases where the spouse of State Government employee is an employee of Public Sector Undertaking/ Autonomous body owned controlled by the State Government or Central Government subject to fulfilment of the aforementioned conditions.

14-21. Advances to Government servants in foreign employ should be granted from the funds of the foreign employer, and after the sanction is ordered by the competent authority, it will be subject to proviso that the advance by the foreign employer shall be regulated by the same conditions as would apply if the Government servants were serving directly under Government. In special case, however, the advance may, under special orders of Government be met from Government funds.

(v) ADVANCE FOR PURCHASE OF MOTOR CYCLES

14-22. A competent authority may sanction an advance to a Government servant for the purchase of a motor cycle subject *mutatis mutandis* to the conditions laid down in Rule 14-20 provided that :—

¹[I. Scooter/Motor Cycle/Mopped advance shall be allowed to a Government servant whose basic pay is not less than Rs. ²[4500/- P. M. and whose service on the day of application of the advance is not less than five years. The basic pay for the purposes of this rule shall mean the basic pay as defined in Art. 27(a) (I) of Jammu and Kashmir Civil Service Regulation Volume-1.

1. Recast vide F. D. Notification SRO-282 dated : 19-8-1996.
2. Substituted vide F. D. Notification SRO-235 dated : 18-6-99.

- II. The amount of the advance for the first occasion shall not exceed Rs. 13,000/- (Rupees thirteen thousand) or eight months basic pay or the anticipated price of the Scooter/Motor Cycle/Mopped whichever is least :

Provided further that notwithstanding anything contained above, the amount of the advance that may be granted on the second or the subsequent occasion for the purpose of the Scooter/Motor Cycle/Mopped shall be restricted to Rs. 10,000/- (Rupees ten thousand) or six months basic pay or anticipated price of the Scooter/Motor Cycle/Moped whichever is least. The amount of the advance so granted shall be recovered from the Government servant in such number of equal monthly instalments as he may elect, but such number shall not be more than seventy.]

¹[Note.—Deleted.]

FESTIVAL ADVANCE

²[14-22-A. Festival advance to Government servants are regulated by the following rules :—

³[Powers of section.—A Head of Office may sanction an advance on the eve of an important festival notified by the Government to a non-gazetted employee under his administrative control.

Note 1.—Government servant for the purpose of this rule shall mean a regular Government servant whether permanent or temporary but shall not include the staff paid from contingencies or by debit to work charge grant :

Provided that an advance shall not be granted to a temporary Government servant unless he is likely to continue in service for a period of at least ⁴[twelve months] beyond the month in which the advance is drawn, and subject to the condition that he furnishes along with his application for the grant of the advance, a surety bond in the F. C. Form No. 49 from a permanent Government servant having a status comparable to, or higher than, that of the temporary Government servant who applies for the advance.

Note 2.—“Important Festival” means Id-ul Zuha, Id-ul-Fitar, Shiv Ratri, Baisakhi, Diwali, Guru Nanak’s Birthday, Guru Har Gobind’s Birthday, Ravi Dass Birthday, Lord Buddha’s Birthday Mahavir Jayanti, Muharram, Nouroz and Christmas or any other festival as may be declared as such by the General Department.

1 Deleted vide F. D. Notification SRO-536 dated : 25-9-1979.
2 Inserted vide F. D. Notification SRO-518 dated 27-12-1965.
3 Recast vide F. D. Notification SRO-400 dated : 18-8-1984.
4 Substituted vide F. D. Notification SRO-266 dated 24-6-1981.

Note 3.—For the purpose of these rules Republic Day and Independence Day may also be treated as festival occasions.

(2) Conditions of Eligibility.—(i) An advance under these rules may be granted to a Government servant, if he is on duty, or on Earned Leave or maternity leave, but excluding leave preparatory to retirement on the date on which the advance is drawn.

¹(ii) An advance shall not be granted more than once in a financial year even if the festival qualifying for an advance falls twice in a financial year, nor shall it be granted unless an advance already granted has been fully recovered.

²(3) Amount of advance.—The amount of advance shall not exceed Rs. 500/- (five hundred only) or one month's pay whichever is less.

(4) Disbursement of advance.—A drawing and disbursing officer shall draw and disburse the amount of advance sanctioned under these rules, before the festival in respect of which the advance is sanctioned.

³(5) Recovery of advance.—(i) The amount of advance shall be recoverable in such number of equal monthly instalments as the Government servant may like but such number shall in no case exceed ten.

(ii) The recovery of the advance shall commence with the issue of pay for the month following that in which such amount is drawn.

(6) Accounts of advances.—The procedure for the maintenance of accounts and watching recoveries shall be as under :—

(i) Heads of Offices should ensure that the conditions attached to the grant of festival advances are fulfilled and the proper accounts are maintained and the recoveries are watched.

(ii) The drawing officers should maintain a register in Form F. C. 47 to watch the recoveries on account of the advances. Columns 1 to 4 should be filled in as soon as the bill is drawn for payment of advance, or the last pay certificate indicating some balance of the advance is received from another office/d disbursing officer. The recoveries as and when made from the pay bills should be noted in columns 6 to 17. In case recoveries are made in cash and deposited into treasury a suitable indication should

1. Recast vide F. D. Notification SRO-400 dated 18-8-1984.

2. Recast vide F. D. Notification SRO-555 dated 17-12-1987.

3. Recast vide F. D. Notification SRO-104 dated 27-3-1981

be given in the remarks column to facilitate reconciliation. Similarly the reasons for the non-recovery of any amount which should have been normally recovered, should be indicated briefly in the remarks column e.g. "pay not drawn", "Transferred to"

(iii) In support of the deductions, the drawing officer should attach to the pay bills concerned a "Schedule of Recoveries" in Form F. C. 48. This Schedule should be prepared in two parts as indicated therein.

¹(iv) Besides the "Schedule of Recoveries" referred to in para (iii) above the Drawing Officers shall also forward the Accountant General every month an "Abstract of Festival Advance Account" for the preceding month maintained by him in his office in Form F. C. 50. This abstract should reach the Accountant General by 15th of each month.

(v) When a Government servant is transferred to another office, the amount of the advance paid, the treasury voucher number and date of payment, the number of instalments recovered to date and designation of the drawing and disbursing officer should be mentioned in the last pay certificate.

²[14-22-B.]

BICYCLE ADVANCE

¹14-22-B. (1) A Government servant temporary, quasi-permanent or permanent may be granted advance for the purchase of a bicycle if the authority competent to sanction the advance is satisfied that the possession of bicycle will add to the efficiency of the Government servant.

⁴(2) Subject to the provisions of the preceding rule a Government servant whose basic pay is less than Rs. ⁵4500/- per month may be granted an advance for purchase of bicycle subject to availability of funds : provided that —

(i) the amount of such advance shall not exceed Rs. ⁶1000/- or anticipated cost of the bicycle inclusive of sales tax

1. Inserted vide F. D. Notification SRO-422 dated 18-10-1966.

2. Rule 14-22-B renumbered as 14-14-B vide Corrigendum No. A/92 (86) 358 dated 23-3-1993.

3. Recast vide F. D. Notification SRO-294 dated 10-6-1977.

4. Recast vide F. D. Notification SRO-78 dated 21-2-1989.

5. Substituted for 4500 vide F. D. Notification SRO-235 dated 18-1-99.

6. Recast vide F. D. Notification SRO-321 dated 25-8-1989.

or anticipated cost of the bicycle inclusive of sales tax whichever is lower. If the actual cost for the bicycle is less than the amount of loan the Government servant will refund balance forthwith ;

(ii) the amount of such advance shall be recovered in such number of equal monthly instalments as the Government servant may elect but such number shall not be more than twenty-five ;

(iii) the recovery of the amount of the advance shall commence with the first issue of pay/presumptive pay or leave salary as the case may be after the advance is drawn.

Note.—For purpose of ensuring that the cost of the bicycle purchased is not less than the amount advanced the concerned drawing officer who disburses the amount of advance to the Government servant shall obtain from him the cash receipt of the firm from whom the bicycle has been purchased within 15 days of the drawal of advance.

3. Simple interest at the rate as fixed by the Government from time to time for advances for purchase of conveyance shall be charged on the amount advanced, and shall be calculated on balance outstanding on the last day of each month.

4. The recovery of the amount of interest calculated under the above rule shall be made in the minimum number of monthly instalments, the amount of each such instalment being not greater than the amount of the instalment in which the principal is re-paid and shall commence from the month immediately following that in which the repayment of the advance is completed.

5. A Provincial Head of Department and Officers of Class I and II shall be competent to sanction the advance to a Government servant provided that the budget provision placed at their disposal by the Finance Department is not exhausted. Such advance should not ordinarily be granted within five years of the grant of a previous advance for the same purpose. Before issuing of such sanctions the sanctioning authorities shall ensure that in case of temporary Government servants an adequate surety of some other permanent Government servant of comparable or higher status who is not in receipt of an advance himself in Form F. C. 49 is obtained.

6. Drawal of the advance will be made from the Treasury by the drawing and disbursing officers of the office concerned who will obtain the surety bond, where necessary and keep it in safe custody till the advance along with interest thereon is liquidated.

7. The funds for the purpose allotted in the annual budget shall be placed at the disposal of the Finance Department who will—

(i) make allotments to various Departments consistent with their requirements and reconcile the receipts and expenditure on this account with the Accountant General ;

(ii) watch the timely recoveries of principal and interest ;

(iii) and issue such instructions for this purpose as may be necessary.

8. Accounts of Advances.—The procedure for the maintenance of accounts and watching recoveries shall be as under :—

(a) The drawing officers shall maintain a register in Form F. C. 54 to watch the recoveries on account of advances. Columns 1 to 4 should be filled in as soon as the bill is drawn for payment of advance, or the Last Pay Certificate indicating some balance of the advance is received from another office/dispersing officer. The recoveries as and when made from the pay bills shall be noted in columns 7 to 28. In case recoveries are made in cash and deposited into treasury a suitable indication should be given in the remarks column to facilitate reconciliation. Similarly the reasons for the non-recovery of any amount which should have been normally recovered, shall be indicated briefly in the remarks column e. g., "Pay not drawn" "Transferred to".

(b) In support of the deductions the drawing officer shall attach to the pay bill concerned a "Schedule of Recoveries" in Form F. C. 55. This schedule shall be prepared in three parts A, B and C as indicated therein.

(c) An "Abstract of Bicycle Advance Account" for the preceding month shall be maintained in Form F. C. 50 and copy thereof sent to Accountant General by 15th of each month.

(d) When a Government servant is transferred to another office, the amount of the advance paid, the treasury voucher number and date of payment, the number of instalments recovered to date, the amount of outstanding principal and interest and the designation of the drawing and disbursing officer who paid the advance, shall be mentioned in the L. P. C.

(e) Recoveries effected in pay bills on account of principal and/or interest should be shown creditable to their respective heads of account.

ADVANCES TO THE FAMILIES OF GOVERNMENT SERVANTS WHO DIE WHILE IN SERVICE

14-22-C. A Head of Office or Department may sanction an advance to the family of a Government servant in permanent or temporary employ (excluding casual, daily rated staff and work charged and contingent paid staff) who dies while in service (whether on duty or on leave with or without pay) and was drawing basic pay not exceeding Rs. 1200/- p. m. in order to enable the family of the deceased to meet its immediate requirements, if in the opinion of the head of office, the family concerned has been left in indigent circumstances upon the death of the Government servant on whom it was dependant and is in immediate need of financial assistance.

(ii) Amount of relief.—The relief may be allowed in the form of an advance limited to three months basic pay of the deceased Government servant or Rs. 1,200/- whichever is less provided that the amount so sanctioned does not exceed the estimated payment due to the family as indicated at (iv) below.

(iii) Sanction of advance.—The sanction of advance should contain the following particulars :—

- (i) Name and designation of the Government servant (whether gazetted or non-gazetted).
- (ii) Pay (Basic pay).
- (iii) Amount of advance sanctioned.
- (iv) Name or names of the beneficiaries to whom the payment of advance is to be made.

1. Inserted vide F. D. Notification SRO-143 dated : 8-3-1978 and SRO -262 dated 26-5-1980 and renumbered vide Corrigendum No. A/92 (66) 358 dated : 23-3-1993.

2. Substituted vide F. D. Notification SRO-262 dated : 26-5-1980.

The sanction should also indicate the manner in which the advance has to be adjusted. Copy of the sanction should be endorsed to the Accountant General.

(iv) Adjustment of advance.—The advance will be adjusted against the arrears of pay and allowances including Leave Salary, Death-Cum-Retirement Gratuity, balance in General Provident Fund, C. P. Fund, or any other payments due in respect of the deceased Government servant and becoming payable to the family. The adjustment of advance should be made as soon as possible but should not be delayed beyond the period of 6 months reckoning from the date of sanction of advance. The fact of payment of advance should also be recorded by the head of office in the last pay certificate.

(v) Head of Account.—The amount of advance should be drawn from the Treasury by debit to 8550:-Civil Advances—Other Advance—Advances to Government servants not bearing interest.

(vi) Beneficiaries.—In case the deceased Government servant has made any nomination for payment of death-cum-retirement gratuity the payment of the advance will be made to the nominee(s). Where there exists no such nomination, the payment should be made to the person eligible to receive death gratuity when no nomination subsists.

An undertaking should be taken from each person whom the payment of advance is made that he or she agreed to the amount of advance being recovered from the amounts payable on the death of the Government servant.

(vii) In cases where the head of office is in a position to assess the Government dues payable by the deceased Government servant, he may do so on the same day and if on assessment, it is found that the dues are more than the payment to be made to the beneficiary, no advance shall be made. In other cases where assessment of the Government dues is not possible on the same day, the relief should be allowed immediately on receipt of the intimation about death by the Head of Office and the balance of Government dues made good in accordance with the rules.

(viii) In case of a Government servant who dies while on deputation in a foreign service the advance may be paid by the parent department.

IV—AID TO AGRICULTURISTS AND RULES RELATING TO THE GRANT OF AID FOR LAND IMPROVEMENTS

14-23. For rules regarding grant of aid to Agriculturists and for Land Improvements under the Jammu and Kashmir Government Aid to Agriculturists and Land Improvements Act No. VII of 1983, See Appendix (10) to this Code.

V—HOUSE BUILDING ADVANCE TO SILKWORM REARERS

14-24. (i) The advance to an individual rearer should not exceed Rs. 100. In the case of a joint family also a single advance not exceeding Rs. 100 will be allowed.

(ii) The lonee must be *bona fide* rearer of at least 5 years standing.

(iii) He must be good at his work, the merit of his work being judged by his cocoon crop results.

(iv) The loan will be advanced to only such rearers as cannot rear silkworm satisfactorily for want of suitable or adequate accommodation.

(v) In the new house which he constructs with the assistance of the loan, he shall have to construct Machans (shelves) according to the instructions of the Department within six months from the date of receipt of advance.

(vi) He shall have to continue rearing the silkworm at least until the loan is liquidated in full. In case of default the recovery of the balance will be effected as arrears of Land Revenue.

(vii) The loan shall be repayable in 4 years in such annual instalments as may be determined by the Director of Sericulture or such other authority to whom the power may be delegated by him. The instalments shall in no case be less than one-third of the earnings of the borrower.

(viii) He shall have to pledge, on one rupee stamp paper immovable property worth not less than twice the amount of loan advanced, as security to the Department. The property must be certified to be unencumbered by the Zaildar and Lambardar concerned who shall further have to recommend the loan before an application in this respect can be entertained.

(ix) In case of death of the rearer before the complete liquidation of the loan the remaining part of the loan shall be recoverable from the legal heir or successor in a lump sum, in case the heir or the successor practice rearing, the outstanding loan of the deceased, if any will be transferred to him and he will be subject to the conditions relating to the grant of House Building Advance to rearers.

(x) The loan can be advanced only once to a rearer.

VI—OTHER ADVANCES

14-25. Advances may also be made for the purposes and under the rules specified below :—

a) To a Government servant under orders of transfer, up to an amount not exceeding one month's substantive/presumptive pay plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer. Such advances may be sanctioned by the authority sanctioning the transfer. The advances should be recorded on the Government servant's last pay certificate. The advance of pay should be recovered from the pay of the Government servant in ¹five equal monthly instalments beginning with the month in which a full month's pay is drawn after the transfer. The advance of travelling allowance should be recovered in full on submission of the Government servant's travelling allowance bill.

Note 1.—The advance referred to in the rule is also premissible to a Government servant who receives orders of transfer during leave.

Note 2.—Authorities competent to sanction advances under this clause may sanction such advances for themselves also.

Note 3.—The advance of pay under this clause may be allowed to be drawn at the new station soon after the arrival of the Government servant there, on production of the last pay certificate showing that no advance was drawn at the old station.

Note 4.—The sanction of the competent authority to personal advances may, if preferred, be obtained in the form of countersignature on the bill itself before it is presented at the treasury.

Note 5.—An advance of travelling allowance taken on the occasion of transfer should be adjusted by submitting travelling allowance bills promptly within one month of the date of completion of the journey.

(b) Advance may be granted to a Treasury Officer or Superintendent of Police for expenses connected with a remittance of treasure, to be adjusted when the duty is completed.

¹[(c) Government servants who travel from **Leh to Valley** or outside and vice versa either by air or by road on tour be allowed travelling allowance in advance of undertaking the journey, to be adjusted when the journey is completed.]

²[(d) Advance T. A. may be granted to employees who are required to proceed beyond their headquarters on any Election duty involving, journey (s) which normally qualify for grant of T. A./D. A. T. A. in such cases shall be debitable to ³[2015 Elections.] The concerned shall submit the adjustment bills for advance drawn within 15 days of completing the return journey, failing which the amount drawn shall be recoverable in lump from the pay next due to the employee after the election.

⁴[Government Instructions ;

(a) Head of Office/Drawing and Disbursing Officers concerned shall be the authority competent to sanction advance T. A. wherever admissible, to the official (s) subordinate to him/her and deployed on election duty. The bills of advance T. A. shall be accompanied by a copy of order of the competent authority sanctioning advance T. A. and a copy of the appointment order for deployment of the official (s) on election duty.

(b) Notwithstanding anything contained in Rules 5. 26-A, 5.38-A and 5.54-A of Jammu and Kashmir Treasury Code Volume-I (inserted vide Notification SRO-306 dated : 18-8-1981) amended from time to time.

(i) the bills of advance/adjustment T. A. shall be presented at the concerned treasury by the concerned Drawing and Disbursing Officers and paid by the Treasury Officer irrespective of the scheduled dates of payment on any working day.

1. Inserted vide F. D. Notification SRO-525 dated : 6-10-1980.

2. Inserted vide F. D. Notification SRO-91 dated : 12-3-1985.

3. Substituted vide F. D. Notification SRO-306 dated : 2-9-1996.

4. Inserted vide F. D. Notification *ibid*.

(ii) No specific fund allocation for advance drawal/adjustment of T. A. debitable to Account Head "2015-Election" shall be required. The allocation of funds for advance drawal and/or adjustment of T. A. claims as billed for shall be deemed to have been made under the Account Head "2015-Elections" to the extent of the amount of advance/adjustment bill.

(c) For purposes of drawal of advance adjustment of T. A. bills debitable to Major Head of Account "2015-Elections" in connection with the Parliamentary/Assembly Elections, the concerned Drawing and Disbursing Officers shall be deemed to have been vested with the drawing and disbursing powers under Account Head "2015-Elections" at the respective Treasuries of operation to the extent of funds as per sub-para (b) (ii) above.

(d) The treasury Officers shall submit a copy of the list of payment (Mudwar) made at the treasury during a month to the District Election Officer concerned to vouch for the adjustment of the expenditure under Elections Grants placed at his disposal by the Chief Electoral Officer/Election Department for the accounts being rendered to the concerned quarters.

(e) As regards drawal of advance/adjustment of T. A. by debit to Election Grants in respect of such employees of Corporation/Local Bodies/Autonomous Bodies, as may be deployed on election duty by the competent authority, the same shall initially be paid in advance/adjusted by the concerned Corporation/Local Bodies/Autonomous Bodies by debit to their own grants and subsequently reimbursement shall be claimed from the concerned District Election Officers who shall debit the same to the election grants as per the actual amounts of expenditure incurred on this account by the concerned Corporation/Local Bodies/Autonomous Bodies, sufficient details thereof shall be made available by the concerned Heads of the Corporation/Chief Executive to the concerned District Election Officer.

(f) Adjustment of expenditure on account of T. A. paid to such of the Central Government Employees/any State Government Employees (other than J & K State), as may be deployed on Parliamentary/Assembly Elections in connection with the affairs of J & K State, shall be made by Accountant General J&K by book adjustment to the extent it has been paid for by the concerned Central/State Government and appears in the books of the concerned Accountant General.

Pending cases, if any, shall be settled accordingly.

14-26. Advances of pay and travelling allowance to non-gazetted Government servants and of travelling allowance only to Gazetted Government servants may be allowed on the occasion of the annual move of Government, Such advances of pay may be recovered in ¹[five] equal instalments like advances of pay under 14-25 (a).

14-27. Advance for tour outside the State may be drawn by the Ministers and Ministers of the State without the authority of the Accountant General. The amount of advance will, however, be estimated and its adjustment regulated as provided in rule 14-29 infra.

14-28. No advance for pay, T. A. or extraordinary charges is to be made to a Government servant except under the orders of the Accountant General unless specifically authorised elsewhere.

²[14-29. Authorities competent to sanction under Government Order No. 251-GD of 1973 dated : 22-1-73 tour outside the State of Officers subordinate to them may also sanction advance of T.A. to the concerned when they may have to proceed outside the State on tour. ³[The Resident Commissioner, Delhi, will be competent to sanction advance T. A. of Officers subordinate to him in the Commission and/or Trade Agencies, as and when they may have to proceed on tour outside the State/Union territory, of their posting and the advance will be calculated and sanctioned only by the mode of travel to which the officer is entitled under rules.]

Provided that :—

(a) the distance to be covered by the journey whether by air or by road or partly by air and partly by road exceeds 322 Kilometers on one side from the Government servant's Headquarters or from the place the journey is to start ;

(b) a proper programme of the journey to be made is drawn up and approved by the competent authority ; and

(c) the amount of advance is calculated on the basis of the programme and at the rates admissible under rules to the Government servants concerned.

1. Substituted vide F. D. Notification SRO-325 dated : 21-7-1981.
2. Recast vide F. D. Notification SRO-192 dated : 30-4-1974.
3. Recast vide F. D. Notification SRO-537 dated : 22-10-1974.

¹[Note.—The District Development Commissioners Leh and Kargil shall also be competent to sanction advance T. A. not exceeding Rs. 400 in each case, in favour of such Government employees subordinate to them as may be required to travel on Government duty by Indian Air Force Planes from Leh to Jammu/Srinagar, in winter months from 1st November to 1st May.

²[14-29-A. A competent authority may sanction an advance to a Government servant for treatment outside the State as admissible under rule 7 of the Jammu and Kashmir Civil Service (Medical Attendance) Rule, 1970 subject to the following conditions :—

(a) charges for treatment to the extent reimbursable under rules shall be determined by the sanctioning authority after proper scrutiny and if need be in consultation with the Director Health Services, and 75% of the estimated charges will be admissible as advance ;

(b) the authority competent to sanction the advance will be the authority who sanctions the deputation of the beneficiary outside the State ;

(c) in case after taking the advance the treatment is not availed of, the advance will be recoverable immediately in lump with interest @ 8% for the period the amount has been retained ;

(d) a temporary Government servant who may draw the advance shall have to furnish a surety of permanent Govt. servant of his or higher status so as to indemnify the Government to repay, if any, unspent amount and render proper accounts for the amount spent ; and

(e) the adjustment bill of the amount advanced will be submitted by the Government servant within a month of conclusion of the treatment duly supported by necessary certificates and vouchers. Failing to submit the accounts within the prescribed period, the beneficiary will be liable of refunding of the advance in lump.]

1. Inserted vide F. D. Notification SRO-370 dated : 17-9-1968.
2. Inserted vide F. D. Notification SRO-30 dated : 20-1-1972.

VII-CONDITIONS OF REPAYMENT

14-30. All advances are subject to adjustment by the Government servants 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 a Government servant going on leave of any kind with allowances or on subsistence allowance. It is, however, open to the Government to order a reduction in any case in which they deem it right to do so, provided that in the case of interest bearing advances, the whole amount shall be completely recovered by the due date.

VIII-FORMS OF DRAWING AND REPAYING OF ADVANCES

14-31. (a) These advances may be drawn on ordinary pay or travelling allowance bill form. The names of Government servants with their designations and the amounts of advances sanctioned for each should be clearly indicated in the form to be used for the purpose. Other loans and advances may be drawn on a simple receipt in Form F. C. 40.

(b). A personal advance to a Government servant may be repaid either in cash, or by deduction from his pay or travelling allowance bill as may be required under the rule or order applicable to each case. The recoveries of advances through the pay bills should be supported by the schedules of recoveries of advances in Form F. C. 39 separate schedules being attached for different types of advances. In cases in which payment is made in cash, remittance of the amount to the particular treasury or office from which the advance was drawn is not necessary.

14-32. The vouchers on which loan or advance is drawn must quote the authority sanctioning such a loan or advance and payment will be made by the treasury on the authority of such sanction. ¹[Deleted].

14-33. In repaying an advance, the memorandum presented at the treasury, or the schedule attached to the pay bill, as the case may be, must state the original date, amount of the advance and name of the treasury or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal the interest must be separately specified. If the repayment is a fixed periodical amount including both interest and principal the orders fixing the amount shall be quoted.

1. The last sentence of rule 14-32 reading as "in cases of loans and advances requiring sanction of the Government no part of such a loan or advance can be disbursed except under the order of the A. G." deleted vide F. D. Notification SRO-527 dated 27-12-1965 effective from 24-11-1965.

(a) CLEARANCE OF ADVANCE

14-34. An advance requiring adjustment by bills should be cleared within six months from the date of drawal failing which Accountant General will have power to stop the pay of the officer concerned reporting the fact to the concerned Department of the Government. This does not apply to Taccavi advances.

(b) EXEMPTION OF STAMP DUTY ON MORTGAGE DEEDS

14-35. Mortgage deeds executed by the State or Central Government servants obtaining House Building, Motor Car and Motor Cycle Advances as per the above rules shall be exempted from payment of stamp duty.

ANNEXURE TO CHAPTER XIV

[Referred to in rule 14-20 (3)]

Application for Advance for the purchase of Motor Car/Motor Cycle

1. Name of applicant ..
2. Applicant's designation ..
3. District and Station ..
4. Pay.—
 - (i) Substantive Pay ..
 - (ii) Officiating pay or pay drawn in a temporary post ..
 - (iii) Special/personal pay ..
5. Anticipated price of motor car/cycle ..
6. Amount of advance required ..
7. Date of superannuation or retirement or date of expiry of contract in case of a contract officer ..
8. Number of instalments in which the advance is desired to be repaid ..
9. Whether advance for similar purpose was obtained previously and if so— ..
 - (i) date of drawal of the advance ..
 - (ii) the amount of advance/or interest thereon still outstanding, if any ..

10. Whether the intention is to purchase
 - (a) a new or an old motor car/cycle ..
 - (b) if the intention is to purchase motor car/cycle through a person other than a regular or reputed dealer or agent, whether previous sanction of the competent authority has been obtained for the purchase of a motor car/cycle ..
11. Whether the officer is on leave or is about to proceed on leave—
 - (a) the date of commencement of leave ..
 - (b) the date of expiry of leave ..
12. Are any negotiations preliminary enquiries being made so that delivery of the motor car/cycle may be taken within one month from the date of drawal of the advance ? ..
- 13-5 (a) Certified that the information given above is complete and true.
- (b) Certified that I have not taken delivery of the motor car/cycle on account of which I apply for the advance, that I shall complete negotiations for the purchase of, pay finally and take possession of the motor car/cycle before the expiry of the month from the date of drawal of the advance, and that I shall insure it from the date of taking delivery of it.

Applicant's Signature

Date :

CHAPTER XV—BILL REMITTANCES (HUNDIES)

I—INTRODUCTORY

15-1. Cash Orders from one treasury upon another can be obtained by means of Hundies in Form F. C. 42.

Note.—Hundies may be issued within the State by one Treasury Officer upon another, irrespective of any district or provincial restriction and of the time, of issuing, as was observed in the past.

15-2. The person or officer that draws (i. e., issues or grants) a bill is called the drawer, the person or officer on whom it is drawn (and who will have to pay it) is the drawee, the person or the officer to whom a Hundi is granted is called the remitter ; the person or party to whom it is payable is the payee.

15-3. A Hundi is not transferable and is only payable to or on the receipt of the person named therein as payee but payment will be made, if so desired, on the endorsement of the Hundi in favour of a recognised bank.

II—MONEY LIMIT

15-4. A Treasury Officer should see that the total amount of Hundies issued on a particular treasury does not on one day exceed the sanctioned cash limit of the Treasury drawn upon.

III—ISSUE OF HUNDIES BY TREASURY OFFICERS

15-5. Hundies are issued by Treasury Officers to Government servants in the Civil Departments and to the public only under the conditions specified under rules 15-6 to 15-8.

(a) At Par

15-6. (i) To Government servants in the Civil Departments for a 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. The purpose of the Hundies must be clearly stated in the application. Government servants requiring Hundies on public service, such as :—

(a) in payment or part payment of any bills of any district establishment, part of which is employed in the interior of the district

(b) in payment of contingent expenditure drawn on a bill presented by an office located at the headquarters of a district ; or for any supplies and services rendered to Government by any private person will submit with the cash or bill, as the case may be a formal application certifying that they are wanted exclusively for public purposes and describing the object of the remittance ; 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 or Finance Department** (in the case of Treasuries at Srinagar and Jammu). On grant of a Hundi its number should be noted on the application which should then be pasted in a rough file book of such applications arranged in order of their receipt. Questionable grants should be reported to the Finance Department or Deputy Commissioner as the case may be with a view to the issue of instructions for future guidance.

(ii) To Government servants of the Public Works Department such as Executive Engineers, Assistant Engineers and Sub-Divisional Officers whether they have drawing account or not, for payment to be made outside their District, but within their jurisdiction and on public service and not for private purposes for the convenience of contractors.

(iii) To Co-operative Societies functioning in the State.

(iv) To Departments of Government of India functioning in the State.

Note.—When purchases are effected or work is done by one P. W. D. for another, the adjustment will be made by book transfer.

(b) At Premium.

15-7. (i) To persons having to pay revenue in a treasury other than the one at which money is presented Hundies at 50 P. per hundred subject to the minimum of Re. 1.00 may be issued. In such cases the details of the transactions must be recorded on the back of the Hundi and it should be stated that it is not payable in cash but by transfer credit to the Account Head concerned and against the outstanding of the revenue payer named. These Hundies should be drawn in favour of the Tehsildar or Naib-Tehsildar who is primarily responsible to recover the dues, so that he may give credit in Revenue Demand Register.

(ii) To private individuals or concerns and quasi-commercial concerns at a premium of 50 P. per hundred or a fraction thereof.

(iii) Hundies in favour of Government employees of the Ladakh District may be issued on all treasuries in the State by Ladakh and Kargil Treasuries throughout the year at a premium rate of 25 P. per cent for amounts in round hundreds.

(iv) Hundies may be issued on and by Leh and Kargil Treasuries to private individuals or concern or quasi-commercial concerns at a premium of 50 P. per hundred or a portion thereof, even for remittances of private nature.

IV—ISSUE OF DUPLICATES OF HUNDIES

15-8. When satisfactory evidence has been given that a draft has been either lost or destroyed, and an application is made within a reasonable time (say six months) after issue but before it has lapsed a duplicate may, without reference to the Accountant General, be granted to the party who obtained the original or to the payee, or to the legal representative of either, but to no other person. If the Hundi should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawee, but the issue of this certificate will be no bar to the payment of the lost Hundi, if presented before the duplicate is paid. The duplicate Hundi, 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 last one should be revalidated by the drawing officer if the period of currency of the local Hundi has expired. The duplicate must 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. If a lost Government Hundi has been endorsed to the payee's bankers, the endorsee must apply for a duplicate through the original payee.

Note.—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 the ordinary Hundi form and the relative advice forms, nor is it necessary to obtain fresh applications in the prescribed form 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.

15-9. No bill can be cancelled without surrender of the whole set. Thus if a duplicate has been issued the bill can be cancelled only if the original is surrendered. Consequently, no refund can be made on a lost bill; a duplicate must be obtained and payment taken at the treasury drawn on.

15-10. All parts being surrendered, a Hundi may be cancelled and its amount refunded at the discretion of the treasury officer on the application and receipt of the remitter. It must be clearly understood that a Hundi can be cancelled only as an indulgence and for cause shown. No premium which has been levied can be refunded. If, therefore, under any very peculiar circumstances, it is thought advisable to cancel a Hundi on which the premium has been allowed, only the amount received after excluding premium should be refunded.

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

V—EXCHANGE OF HUNDIES

15-11. A Treasury Officer will grant a Hundi in exchange for one drawn on him :—

(i) if on Government account, only if the payee be a public officer and require the Hundi to be exchanged for reasons to be stated in the application.

(ii) in other cases, only if the holder has been removed to the neighbourhood of a treasury different from that originally drawn on.

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

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

VI-UNPAID HUNDIES

15-12. Hundies which are outstanding for more than six months can be paid only after obtaining necessary confirmation from the drawing officer.

VII-LAPSE OF HUNDIES

15-13. Hundies, if not presented for payment before the end of the year following that in which they are issued, will be concerned as lapsed, and a note to that effect will be given on the advices concerned in the treasuries drawn upon. A statement of the Hundies, if any thus lapsed, will be submitted to the Accountant General at the close of each year, and payment for them if claimed subsequently, will require pre-audit by the A. G.

CHAPTER XVI-BUDGET

I-INTRODUCTORY

16-1. Detailed rules defining the responsibilities and laying down the procedure for the preparation of budget estimates, prescribing the forms of the estimates and of grants, those relating to powers of re-appropriation, control over expenditure and other budget matters generally appear in the Kashmir Budget Manual.

16-2. A statement of the estimated annual revenue and expenditure of the State is prepared by the Finance Department and presented to the legislature. This statement is generally known as the Annual Financial Statement or the Budget.

16-3. The proposals in connection with the votable part of the Budget are submitted to the vote of the Legislative Assembly in the form of Demands for Grants. The detailed estimates presented in support of each demand include provision both for votable and charged expenditure though the two classes of expenditure are clearly distinguished.

16-4. The form of the Budget and Demands for Grants is laid down by the Finance Department and no alteration of arrangement or classification can be made without the approval of that Department.

16-5. The material on which the Budget and Demands for Grants are based is obtained by the Finance Department in the form of detailed estimates submitted by Heads of Departments, etc. who in their turn depend for the material on heads of offices and other officers who collect the revenues or incur expenditure. The Accountant General is responsible for rendering such assistance in the preparation and check of Budget Estimates as may be settled by the Finance Department in consultation with the Accountant General.

16-6. All estimates of revenue and expenditure included in the Budget are for the financial year.

Note.—Financial year means the year beginning on the 1st of April and ending on 31st March following (see Rule 1-22).

II—APPROPRIATION OF FUNDS NECESSARY TO MAKE SANCTION TO EXPENDITURE/EFFECTIVE

16-7. Sanction to the expenditure of money becomes operative only when funds have been appropriated to meet such expenditure and does not become operative until they have been so appropriated.

There are thus two elements necessary before public money can be spent on any object or work :—

1. There must be an act of sanction of an authority competent to sanction.
2. There must be an act of appropriation of funds for the purpose by an authority competent to appropriate.

Note 1.—When stores are purchased for issue to works or for services provided for within the grant under which the “suspense” head, appears provision is to be made for net expenditure, but where such stores are issued to works for services provided under a grant other than the one under which the suspense head appears, provision is to be made for gross expenditure.

Note 2.—The mere, fact that charge which requires specific sanction of Government or any other competent authority has been included and adopted in the Budget does not by itself continue, any authority for payment of such charges.

16-8. Sanction to recurring expenditure covering a specific period becomes operative when funds are appropriated to meet the expenditure of the first year, and remains in operation till the end of the specified period subject to appropriation in each year.

16-9. In dealing with recurring expenditure disbursing officers must not only take the precautions indicated in rules 16-6 and 16-9 to 16-14 below as regards its initiation but also those indicated in rule 16-7 as regards its close, sanction to recurring expenditure terminates :—

(a) With the expiry of its specified term whether continuously or in broken periods ; disbursing and controlling officers are, therefore,

responsible for maintaining a check register of recurring temporary sanctions, showing when each expires.

(b) When funds are no longer appropriated.

16-10. It follows from the foregoing rules :—

(a) that it is not sufficient merely to have sanction of competent authority to the expenditure ; for example the entertainment of a clerk may be sanctioned from the 1st April next, but he must not be entertained until the Budget has been passed and the requisite funds communicated ;

(b) that it is not enough merely to have funds for specific item of expenditure (such as the entertainment of a clerk passed in the budget). The expenditure must also be sanctioned by competent authority.

III COMMUNICATION OF BUDGET ALLOTMENTS

16-11. The act of appropriation of funds requires the communication of the Budget allotment or supplementary allotments or re-appropriation in the manner laid down in the Kashmir Budget Manual.

No appropriation is conveyed merely by the inclusion of item of expenditure in the revised estimates unless these are followed by valid re-appropriations sanctioned by a competent authority or additional funds are provided by a supplementary grant/appropriation voted/approved by the Legislature.

IV INDICATION OF SOURCE OF APPROPRIATION IN THE SANCTION TO EXPENDITURE

16-12. Authorities which sanction expenditure after funds have been communicated, should be careful to indicate the source of appropriation.

Note.—The authority sanctioning the expenditure should indicate the Head of Account to which the expenditure is debitable before communicating the sanction to the Accountant General.

16-13. Where it is desired to sanction expenditure before funds have been communicated as may be necessary in order to avoid delay in starting work at the beginning of a new financial year or to prevent

duplication of orders, the authority which does so should be careful to add the words 'subject to funds being communicated in the budget of the year.....'

16-14. If a Government servant receives a sanction to expenditure which does not either indicate the source of appropriation or state that the sanction is subject to appropriation it is his duty to refer the case back for orders.

16-15. Vague expressions such as 'subject to budget provisions' should be carefully avoided in conveying sanctions to expenditure. It is necessary to 'provide' for expenditure in the Budget, but to do so conveys no guarantee that it 'will be provided, in the sense that it will be granted.

V-APPLICATION FOR SANCTION TO EXPENDITURE

16-16. (a) In all applications for sanction to expenditure, it should be distinctly stated whether provision for the proposed charge, has or has not been made in the budget estimates of the year and if it has not been made, whether the fund can be found by re-appropriation.

(b) Expenditure for which no provision has been made in the Budget estimates of the current year should rarely, if ever, be incurred. If on account of exceptional reasons expenditure which is either not provided for in the Budget estimates of the current year or is in excess of the Budget has to be incurred and if the authority incurring the expenditure is not in a position to find funds by re-appropriation, an application should be made for the provision of funds as laid down in the rules in the Kashmir Budget Manual.

VI-INCURRING OF EXPENDITURE IN ANTICIPATION OF FUNDS

16-17. In the event of orders communicating the allotment of funds not being received before the commencement of the financial year, disbursing officers may authorise expenditure in anticipation of funds on pay and other charges, on the basis of that incurred in the last month of the preceding year.

Note.—This relaxation should not be regarded as a relaxation of the rules contained in Chapter 6 of the Kashmir Budget Manual under which the Heads of Departments are required to carry out the distribution of the grant not later than the 1st May in each year.

VII-EXPENDITURE NOT PROVIDED FOR

16-18. (a) No expenditure which is likely to involve an excess over the grant, authorised by the Legislature, can be incurred in anticipation of their approval. Similarly, no expenditure can be incurred on any 'New Service' without the specific vote of the Legislature. With a view however, to financing unforeseen expenditure, 'Contingency Fund' has been established. The rules governing this Fund are contained in Annexure to this Chapter.

(b) As laid down in Contingency Fund Rules advances from the Fund are permissible provided these are duly sanctioned for purposes of meeting unforeseen expenditure including expenditure on any 'New Service' which is unforeseen and inescapable, not contemplated in Annual Financial Statement, and which is incurred before it is possible to obtain a Supplementary Vote from Legislature. The Fund shall not be used to cover an overall increase in expenditure on special items. Thus, the advances will only be justified mainly on the score of the security of the State and on equally cogent grounds and advances from the Fund will not be made to supply departmental budgetary omissions.

VIII-INCURRING OF EXPENDITURE IN EXCESS OF THE PROVISIONS IN THE ESTIMATES

16-19. No Government servant may, without previously obtaining an extra appropriation incur expenditure in excess of the amount provided for expenditure under the heads concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

IX-INEVITABLE PAYMENTS AND GENERAL RULES FOR PAYMENTS AGAINST SANCTIONED GRANTS

16-20. An appropriation is intended to cover all the charges including the liabilities of past years to be paid during the year or to be

adjusted in the accounts of the year. It is operative only until the close of the financial year, any unspent balance lapses and is not available for utilisation in the following year.

Note.—The Financial year closes on the 31st March. After that date all cash and actual stock transactions are treated as pertaining to the following year but *bona fide* transfer entries are permissible for some months. Stock transactions relating to rectification of errors may take place even after the 31st of March.

16-21. The want of provision in the estimates does not however, operate to prevent payment of any sums really due by Government or want of sanction to prevent record of any actual payment.

16-22. (i) It is an important financial principle that money indisputably payable, should not as far as possible, be left unpaid and that money paid should under no circumstances be kept out of accounts a day longer than is absolutely necessary even though the payment is not covered by proper sanction. It is no economy to postpone inevitable payment even for the purpose of avoiding an excess over a grant or appropriation and it is very important to ascertain, liquidate and record the payments of all obligations at the earliest possible date.

Note.—When demands (original or supplementary) are placed before the Legislature, suitable provision should always be made for anticipated liabilities. Under the direction contained in the Account Code Vol. IV inter-departmental and other adjustments are not to be made in the accounts of the past year, if they could not have been reasonably anticipated in time for funds being obtained from the proper authority. In all cases, where the adjustment could have reasonably been anticipated as for example, recurring payment to another Government or Department and payments which though not of fixed amount, are of a fixed character, etc., the Accountant General will automatically make the adjustments in the accounts until they are finally closed. The provisions of the directions referred to above that adjustment should not be made in the previous year's accounts should not be used as a cloak to conceal the results of defective budgeting. The onus of proving that the disbursements could not have reasonably been anticipated should lie on the controlling officer.

(ii) A disbursing officer may not on his own authority authorise any payment in excess of the funds placed at his disposal ; but absence of funds should not necessarily prevent the payment of any sums really due by Government. If the disbursing officer is called upon to honour a claim which is certain to produce an excess over the allotment or appropriation at his disposal he should take the order of the administrative authority to which he is subordinate before authorising payment of the claim in question.

16-23. Under no circumstances may a charge incurred be allowed to stand over to be paid from the grant of another year. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision, and till the sanction of that budget has supplied means but on no account may charges be actually incurred in one year and thrown on the grant of another year.

16-24. It is also not permissible to draw advance from the treasury to prevent the lapse of appropriations.

X—PROVISION FOR EXPENDITURE IN RESPECT OF WORK UNDERTAKEN BY ONE DEPARTMENT ON BEHALF OF ANOTHER

16-25. The Department responsible for providing the funds should intimate, to the department undertaking the work, the sanctioned grant within which the expenditure is to be incurred and the department incurring the expenditure should be made responsible for seeing not only that the grant is not exceeded but also that any anticipated savings therein are notified and surrendered in time. In cases where an excess is anticipated the department incurring the expenditure should be held responsible for seeing that the grant for the work is appropriately increased by the employing department before the excess is actually incurred.

ANNEXURE

[Referred to in Rule 6.18 (a)]

Jammu and Kashmir "Contingency Fund" Rules as sanctioned under Government Order No. 109-F of 1958 dated 27-3-1958.

1. These rules may be called the Jammu and Kashmir Contingency Fund Rules.

2. The Contingency Fund of the State of Jammu and Kashmir shall be held on behalf of the Governor of Jammu and Kashmir by the Finance Department.

3. Advances from the Fund shall be made for the purposes of meeting unforeseen expenditure including expenditure on a new service not contemplated in the Annual Financial Statement.

4. Applications for advances from the Fund shall be referred to the Finance Department by the Administrative Department. The applications shall give—

- (i) brief particulars of the additional expenditure involved ;
- (ii) the circumstances in which provision could not be included in the Budget ;
- (iii) why its postponement is not possible ;
- (iv) the amount required to be advanced from the Fund with full cost of the proposal for the year or part of the year, as the case may be ; and
- (v) the grant or appropriation under which supplementary provisions will eventually have to be obtained.

5. Supplementary estimates for all expenditure so financed shall be presented to the State Legislature at the first session meeting immediately after the advance is sanctioned. As soon as the State Legislature has authorised the additional expenditure by including it in

any Supplementary Appropriation Act, the Advances made from the Fund shall be resumed to the Fund.

Note 1.—In exceptional circumstances to be recorded in writing, the supplementary estimates, when they cannot be presented to the State Legislature in the ensuing session, may be so presented at a subsequent session.

Note 2—While presenting to the State Legislature estimates for all expenditure financed from the Contingency Fund, a note to the following effect will be appended to such estimates :—

'A sum of Rs. has been advanced from the Contingency Fund in and an equivalent amount is required to enable repayment to be made to that Fund.'

Note 3.—If the expenditure on a new service not contemplated in the Annual Financial Statement can be met, wholly or partly, from savings available within the authorised appropriation, the note appended to the estimate submitted shall be in the following form :—

'The expenditure is on a new service. A sum of Rs. has been advanced from the Contingency fund in and an equivalent amount is required to enable payment to be made to that Fund.

The amount, viz., Rs. /A part of that amount, viz., Rs. can be found by re-appropriation of saving within the grant and a token vote only is now required/a vote is required for the balance, viz. Rs. only.

6. A copy of the order sanctioning the advance which shall specify the amount, grant or appropriation to which it relates and give brief particulars by sub-heads and units of appropriation of the expenditure for meeting which it is made, shall be forwarded by the Finance Department to the Accountant General, Jammu and Kashmir.

¹[6-A. All advances sanctioned from contingency fund to meet expenditure in excess of the provision for the service included in an Appropriation (Vote on Account) Act shall be resumed to the Contingency Fund as soon as the Appropriation Act in respect of the expenditure on the service for the whole year, including the excess met from the advances from the Contingency Fund has been passed.

An advance obtained from the Contingency Fund for expenditure on "New Service" during the (Vote on Account) period for which adequate provision exists in the Appropriation Bill for the year will stand resumed to the Fund as soon as the Appropriation Act for the whole year has been passed by the Legislature and assented to by the Governor].

²[The Legislature may be apprised of such advances by placing a statement in the prescribed form (Form AA) on the Table of the House by the Finance Minister showing advances sanctioned from the Contingency Fund during the "Vote on Account" period for expenditure on "New Service" items for which necessary provision has been made in the Budget Estimates of that year before the appropriation bill for the whole year is introduced in the Legislature. This arrangement will however, not apply to the Contingency Fund advances for expenditure on "New Service" items sanctioned during the "Vote on Account" period but after the relevant demand for grant has been passed by the Legislature.]

7. A copy of the order resuming the advance, which shall give a reference to the number and date of the order in which the original advance was made and to Supplementary Appropriation Act referred to in rule 5 shall be forwarded by the Finance Department to the Accountant General, Jammu and Kashmir with a copy to the Department concerned.

8. An account of the transactions of the Fund shall be maintained by the Finance Department in Form A annexed to these rules.

9. Actual expenditure incurred against advances from the Contingency Fund of the State of Jammu and Kashmir shall be recorded in the account relating to the Contingency Fund in the same detail as it would have been shown if it had been paid out of the Consolidated Fund.

1. Inserted vide F. D. Notification SRO-439 dated : 10-9-1971.
2. Recast vide F. D. Notification SRO-491 dated : 29-9-1973.

FORM A
CONTINGENCY FUND OF THE STATE OF JAMMU AND KASHMIR

Serial No.	Date of transaction.	Number and name of grant or appropriation.	Number and date of the application for advance.	Number and date of the order making the advance.	Amount advanced.	Supplementary Appropriation Act providing for the additional expenditure.	Amount of the advance resumed.	Balance after each transaction.	Initials of Officer-in-charge.	Remarks.
1	2	3	4	5	6	7	8	9	10	11

Amount of the Fund.....

Rs.

Note.—1. The balance should be struck after each transaction.

2. The amount of the advances should be entered in black ink when made, and in red ink, when resumed.

ANNEXURE

FORM AA

Statement showing advances drawn from the Contingency Fund during the "Vote on Account" period for expenditure on a "New Service" for which necessary provision had been made in the Budget estimates for _____ . The advances were later recouped to the Fund after the Appropriation Act was passed.

Particulars of Service.	Name of Department.	Amount of Advance from the Contingency Fund.	Number and name of the grant in which provision exists in the Budget estimates, with amount of provision.	Brief reasons why the expenditure could not be deferred till the Demands for Grants were voted by the Legislature.
1	2	3	4	5

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CHAPTER XVII - POWERS OF SANCTION

I - POWERS OF VARIOUS AUTHORITIES IN THE MATTER OF FINANCIAL SANCTIONS

(i) POWERS OF ADMINISTRATIVE DEPARTMENTS :

17-1. For Powers of Administrative Department for according financial sanctions see Paras 3-9 to 3-12 of Jammu and Kashmir Book of Financial Powers.

(ii) POWERS OF SUBORDINATE AUTHORITIES :

17-2. The extent to which powers to sanction expenditure have been delegated to various Heads of Departments and other subordinate authorities, is given in Chapter 5-1 to 5-18 Jammu and Kashmir Book of Financial Powers.

II - POWERS IN REGARD TO CERTAIN SPECIAL MATTERS

(i) WRITE OFF OF LOSSES :

17-3. (a) Subject to the limits and conditions laid down in rule 4-8 of Jammu and Kashmir Book Of Financial Powers, a competent authority may write off finally the irrecoverable value of stores or public money lost by fraud or negligence of individuals or other cases, provided that :—

(i) the loss does not disclose a defect of system the amendment of which requires the orders of higher authority ; and

(ii) there has not been any serious negligence on the part of some individual Government officer or officers which may possibly call for disciplinary action requiring the orders of any higher authority.

These orders apply also to the writing off of losses of revenue, irrecoverable loans and advances and of deficiencies depreciation etc. in the value of stores included in the stock and other accounts.

(b) All sanctions to write off of losses should be communicated to the Accountant General for scrutiny and for bringing

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to notice any defects of the system which appear to require attention.

Note 1.—Loss of cash in treasuries, whether in course of remittance or out of treasury balance should not be written off except with the specified sanction of the Finance Department.

Note 2.—The expression 'value of stores' used in this rule should be interpreted as meaning 'book value' where priced accounts are maintained and in other cases replacement value to be determined on the basis of market value prevalent at the time the article is lost.

Note 3.—In cases where recoveries are made in cash e. g. by deduction from pay or otherwise from the persons responsible for a loss, the entire amount recovered should be credited to the department bearing the loss. Recoveries made indirectly e.g. by stoppage of increment or promotion as a measure of punishment, should not be treated as recoveries made in cash.

(ii) REMISSION OF DISALLOWANCES BY AUDIT OF WRITING OFF OF OVER-PAYMENTS MADE TO GOVERNMENT SERVANTS.

[17-4. The recovery of an amount disallowed in audit or otherwise found to have been over-paid to a Government servant should not be waived merely on the ground that the amount was not drawn himself by the official or it was drawn in good faith. The liability of a person receiving payment in excess of the amount due, remains to pay the same as no body can be allowed to retain the benefit arising out of a mistaken belief. Every overpayment to a Government employee is and must be regarded as debt owed to the public and action should be taken to recover it with despatch.]

The Administrative Department may, however, with the concurrence of the Finance Department remit part or whole of the over-paid amount in cases where the merits of any such case are of an exceptional nature, and repaying the amount in full is beyond the Government servant's capacity to pay and is likely to reduce his income

adversely below the subsistence level over a period exceeding six consecutive months :

Provided that no such remission shall be allowed if—

- (i) the overpayment comes to notice within a year of its payment,
- (ii) the amount is less than 3 months pay,
- (iii) the amount has been paid provisionally subject to subsequent adjustment.

III—COMMUNICATION OF SANCTIONS

17-5. The Accountant General, is entitled to receive a copy of the orders sanctioning expenditure from the authority which is competent to accord that sanction. So every sanctioning authority is responsible to see that all sanctions and orders relating to receipts and expenditure, revision of scales, creation or abolition of appointments, etc. against which audit is to be conducted by the Accountant General are communicated to him in accordance with the following procedure :—

(a) If the order is issued by an authority subordinate to the Government to whom the power to sanction has been delegated by that authority direct ;

(b) If the order is issued by an Administrative Department of the Government and is one to which the assent of the Finance Department is given the order will be conveyed by the secretary to Government in the Administrative Department concerned, who will send a copy to the Finance Department.

(c) In other cases the order will be conveyed under the endorsement of the secretary to Government in the Finance Department to whom the Administrative Department will send a copy of the sanctioning order for communication to the Accountant General.

Note 1.—The term 'Secretary' used in clauses (b) and (c) above includes Deputy Secretary and Under Secretary.

Note 2.—All enclosures to the sanctions shall be attested by the sanctioning authority or at least by a Gazetted Officer working under him.

Explanation 1.—Orders affecting the personal emoluments, posting, leave etc. of Gazetted Government servants not requiring consultation of the Finance Department should be communicated direct to the Accountant General by the sanctioning authority. Even if an order affecting a Gazetted Government servant is notified in the Gazette, a separate intimation to Audit will still be necessary.

Explanation 2.—Changes in the personnel of subordinate establishment and in their emoluments should be indicated in pay bills and absentee statements by the authorities preparing these documents who are responsible to ensure that orders of competent authority are obtained in each case as required by the rules. Orders of a special nature authorising the grant to a non-gazetted Government servant or directing stoppage of any increase in the emoluments or otherwise affecting the emoluments admissible to him against sanctioned pay of the appointment which he holds, should however, be communicated to the Audit Office by letter.

II. In cases referred to in clause(c) above i. e. where the Administrative Department is not empowered to sanction the expenditure, if an order sanctioning the expenditure is sent to the Accountant General direct by the Administrative Department and not endorsed by the Finance Department, it will be open to the Accountant General to challenge such a sanction on the basis of powers of propriety requiring an order of the Finance Department either supporting or modifying the original order.

17-6. As Audit of expenditure on works is conducted against technical sanctions, orders conveying such sanctions must be communicated to the Accountant General by the Public Works Department or in case where the execution of works has been assigned to any Department other than the Public Works Department, by the Department concerned. It should be conveyed independently of the communication of Administrative approval.

In order to facilitate audit scrutiny the authorities concerned should invariably quote the reference to administrative approval when they communicate technical sanction to the Accountant General.

[Note 1.—Except as provided herein below or in cases covered by any special rules or orders of Government no work shall be commenced or liability incurred in connection with it until :—

- (i) Administrative Approval has been obtained from the authority appropriate in each case,
- (ii) A properly detailed design and estimate has been sanctioned, and
- (iii) Funds to cover the charge during the year have been provided by competent authority.

Execution of works or obtaining of supplies on grounds of urgency or emergency in contravention of the above rule, can be made by the executive officers only on the written orders of the Chief Engineer. On receipt of such written orders, the executive officer may proceed to carry out the necessary work, subject to the condition that he immediately intimates to the Accountant General that he is incurring an unauthorised liability and states approximately the amount of the liability which he is likely to incur.

Note 2.—Technical sanction to work shall be accepted in audit even if it exceeds the amount of the administrative approval by a sum not exceeding 5 per cent.

17-7. All orders conveying sanction to the grant of additions to pay, such as duty allowance, deputation allowance and local allowance etc. should contain a brief but clear summary of the reasons for the grant of the addition so as to enable the Accountant General to see that it is correctly classified as duty allowance, deputation allowance or local allowance etc. as the case may be. In cases in which an official record in

an open letter is considered undesirable, the reason for the grant of such additions to pay should be communicated confidentially to the Accountant General. A similar procedure should also be followed in all other cases where sanctions relate to the grant of special concessions or allowances to Government servants. The sanction in such cases should mention the reasons in consideration of which particular concession is granted and quote the rule or rules in pursuance of or in relaxation of which the concession is allowed.

17-8. Sanctions accorded by competent authority to grants of land and alienations of land revenue, other than those in which assignments of land revenue are treated as cash payment should be communicated to the Accountant General in a consolidated monthly return giving the necessary details to enable him to audit the sanction accorded.

17-9. In all letters conveying sanctions to new grants-in-aid the sanctioning authorities should invariably quote the rule under which the sanction has been accorded. Where a sanctioning authority imposes any further restrictions or conditions in addition to those laid down in the rule such restrictions or conditions should also be clearly set forth in the letter.

IV—SIGNING OF SANCTIONS

17-10. All letters or orders sanctioning expenditure, appointments etc. must be signed by the sanctioning authority personally or by a Gazetted Government servant in charge of his office authorised to sign for him but in no case by a non-gazetted Government servant. Such copies of sanctions signed by a non-gazetted Government servant are not sufficient and should be authenticated by a Gazetted Government servant.

Note.—In respect of sanctions accorded by Government see also Rule 17-5 and notes below it.

V—DATE OF EFFECT OF SANCTIONS

17-11. Statutory Rules have effect from the date on which they are passed and the executive orders of Government from the date of issue of letter in which the sanction is conveyed. A sanction of any other authority has effect from the date of orders conveying the sanction. In all cases, however, these orders are subject to any special provisions as to the date of effect in the rules, orders and sanctions themselves.

Note 1.—Orders sanctioning creation of the temporary posts should, in addition to the sanctioned duration of the post, invariably specify the date from which it is to run, whether it be the date of entertainment or otherwise.

Note 2.—See also rules 16-6, 16-7 and 16-9

17-12. Powers derived from a delegation cannot be exercised by the recipient of the delegated powers from a date earlier than the delegation.

VI—RETROSPECTIVE SANCTIONS

17-13. (1) In sanctioning revision of pay or the grant of concessions to Government servants it should be borne in mind that retrospective effect should not be given to financial sanctions, except in exceptional circumstances, without the specific approval of Government.

(2) In the absence of special reasons to the contrary, concessions regarding rates of pay for any class of Government servants should take effect as from the first of March and not from some date in the middle of a financial year.

VII—LAPSE OF SANCTIONS

17-14. (1) A sanction for any charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed with necessary provision in the Budget Estimates.

Note.—This rule does not apply to a case where an allowance sanctioned for a post or a class of Government servants has not been drawn by a particular incumbent of the post or a particular set of Government servants nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by proper authority.

(2) In determining, whether a sanction has been acted upon, within one year of its issue, the following criteria may be adopted :—

(i) The period of one year should be calculated from the date of issue of the sanction and the sanction should be considered to have been acted upon if payment in whole or in part has been made in pursuance of the sanction within 12 months from the date of its issue. Where part payment has been made within the stipulated period the subsequent payment of the balance may, subject to the existence of Budget provision, be made without a fresh expenditure sanction. The bill for the subsequent payment besides containing a reference to the expenditure sanction, should also contain a reference to the No. and date of voucher under which the first payment was made :

(ii) when there is a specific provision in a sanction for any fresh charge that the expenditure would be met from the Budget provision of a specified financial year, such sanction will lapse on the expiry of the specified financial year.

17-15. (a) When the assent of the Finance Department is given to the sanction of expenditure (recurring or non-recurring) within the financial year or the power to sanction such expenditure within the financial year, is delegated, the sanction accorded will lapse on the 31st March. In the case of establishment charges where payments are made on monthly basis the sanction will expire on the last day of February of the financial year in question, unless the sanction covers a broken period of the month of March, payment for which can under the rules be made in the month of March.

(b) When the assent of the Finance Department is given, or delegation granted to the sanction of recurring expenditure for a specified period within the financial year, the sanction as of necessity cannot go beyond the financial year and expires after the period specified, in any case before the close of the year, or in the case of establishment charges paid on monthly basis, on the last day of February unless the sanction covers a broken period of the month of March. In such cases renewals may be made without any restriction.

(c) When the assent of the Finance Department is given or delegation granted to the sanction of recurring expenditure for a specified period not limited to the financial year the sanction accorded will not extend beyond the termination of the specified period.

(d) In respect of all sanctions described in rules, clauses (a), (b) and (c) it is the duty of the Audit to report to the Finance Department renewals extending beyond the limits laid down.

CHAPTER XVIII—MISCELLANEOUS SUBJECTS

(i) GENERAL RULES AND PRINCIPLES RELATING TO CONTRACTS :

18-1. (a) General rules and principles for the guidance of authorities who have to enter into contracts or agreements involving expenditure from the Consolidated Fund of the State are given in annexure 'A' to this Chapter.

(b) The various clauses of contracts and assurances of property to be executed by different authorities, as authorised by the Governor in exercise of powers conferred by section (1) of section 122 of the Constitution, are given in Annexure 'B' to this Chapter.

(i) For rules regulating the black-listing of contractors, see Annexure 'C' to this Chapter.

(ii) GRANTS OF LAND ASSIGNMENTS OF REVENUE AND OTHER CONCESSIONS ETC. :

18-2. No grant of land assignment of revenue, or concession grant, lease or licence of mineral or forest rights or right to water powers or any easement, or privilege in respect of such concessions may be authorised or relinquishment of revenue allowed except with the sanction of the competent authority.

Supplementary instructions in regard to agreements relating to these matters are contained in Annexure 'A' to this Chapter.

(iii) DESTRUCTION OF OFFICIAL RECORDS CONNECTED WITH ACCOUNTS :

18-3. The General rules on the subject are contained in 'Appendix I' (Special Rules applicable to particular departments are prescribed in the respective departmental manuals).

(iv) SECURITIES FROM GOVERNMENT OFFICIALS :

18-4. Subject to any special rule or order made by Government in this behalf every cashier, store-keeper and other subordinate who is entrusted with the custody of cash stores should be required to furnish security, the amount being regulated according to circumstances and to local conditions in each case under the sanction of competent authority

and to execute a security bond in Form F. C. 45 setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

"Where a cashier or a store-keeper is required to furnish a personal security in addition to the cash security prescribed under rules, he shall execute another security bond in Form F. C. 58 setting forth that terms and conditions under which the executant shall undertake to indemnify the Government against the loss."

[Explanation.—For purposes of this rule the competent authority shall be the concerned Administrative Department.]

18-5. Rules regarding the security of treasurers in treasuries and the form of security bond to be executed by them are given in the "J&K Treasury Code". The following instructions apply generally to securities to be taken from other Government servants Gazetted and non-Gazetted entrusted with the custody of cash or stores. If the officer is not himself actually handing the cash or stores (as in case of Treasury Officers etc.) no security is necessary from him.

(1) No security deposit need be taken from custodians of office furniture, stationery and other articles required for office management or from Librarian of Library staff. In the case of offices the Nazirs of which keep charge of small amounts of cash and have to disburse pay to the staff up to Rs. 2,000 monthly, no security need be taken but care should be taken to appoint a suitable man to the post.

(2) The cashiers who have to disburse pay from Rs. 2,001 to Rs. 5,000 monthly should deposit a security of Rs. 500 (Rs. 250 in cash and Rs. 250 personal).

(3) The cashiers of large offices who have to disburse pay to the staff every month from Rs. 5,001 to Rs. 19,000 should deposit a security of Rs. 1,000/- (Rs. 500/- in cash and Rs. 500/- personal).

¹[(3) (a) The Cashiers/Nazirs of large offices, who have to disburse pay to the staff every month exceeding Rs. 19,000/- should deposit a security of Rs. 1,500/- (Rs. 700/- in cash and Rs. 800/- personal)].

²[(4) (a) The cashiers and store-keepers of Food and Supplies Department, Jammu shall deposit a cash security of Rs. 1000/- each.

³(b) Unless otherwise indicated by a separate order of the Government in any case the following staff of Food and Supplies Department Kashmir shall deposit cash and personal security as shown against each :—

	Cash	Personal
1. Cashiers	Rs. 4,000/-	Rs. 30,000/-
2. Supervisors/Inspectors/Senior Supervisors/Senior Store-Keepers/ Verification Officers and other officials who may be put to work in above cadres.	Rs. 3,000/-	Rs. 10,000/-
3. Store-Keepers/Depot Asstts.	Rs. 2,000/-	Rs. 10,000/-
4. Store-Keepers for Leh/Kargil Districts	Rs. 2,000/-	Rs. 10,000/-
5. Muffasil Chowkidars	...	Rs. 500/-

Note 1.—Where however it is not possible for the concerned to pay the cash security in lump the same may be recovered from their pay in suitable instalments not exceeding ⁴36.

(5) The store-keeper and assistant store-keeper of Police Department should deposit cash securities of Rs. 1,000 and Rs. 500 respectively (half amount to be deposited in cash at once and half to be deducted from their pay within two years) and also mortgage, immovable properties valuing Rs. 4,000 and Rs. 2,000 respectively failing which personal securities of similar amounts shall be obtained.

(6) For store-keepers in departments like the P.W.D., Electricity, Sericulture, where the stores handled are considerable, the security required will be fixed by Government according to the circumstances of each case.

1. Inserted vide F. D. Notification SRO-158 dated : 17-4-1971.
2. Recast vide F. D. Notification SRO-44 dated : 28-1-1967.
3. Recast vide F. D. Notification SRO-192 dated : 13-5-1981.
4. Recast vide F. D. Notification SRO-122 dated 9-4-1982 effective from 13-5-1981

(7) The two store-keepers of the Text Book Stores, Jammu and Srinagar of the Research and Publication Department be required each to deposit a cash security of Rs. 500 and personal security of Rs. 1,000 the cash security be realised in easy instalments of Rs. 5 per mensem from each.

¹(8) The store-keepers of the Industrial Training Institute should deposit a cash security of Rs. 1,000 (to be deducted from their pay in easy instalments of Rs. 10 p. m.) and a personal security of Rs. 5,000.

Exception 1.—The condition laid down in sub-para 7 above is relaxed in favour of the store-keepers of the two Text Book Stores, Jammu and Srinagar.

Exception 2.—The provisions of sub-para 2 and 3 above shall not apply to Nazirs of offices attached to Civil Secretariat.

²Exception 3.—The Junior Commissioned Officers entrusted with the security of cash in N.C.C. Units are exempted from furnishing of security required under these rules.

18-6. When an officer who has furnished security takes regular leave or is deputed to other duty, the officer who is appointed to officiate for him should be required to furnish the full amount of security prescribed for the post, unless the competent authority otherwise directs.

Note.—Persons officiating in short term vacancies may be exempted by Government in the Administrative Department concerned from furnishing security if circumstances warrant such exemption provided that :—

- (i) there is no risk involved ;
- (ii) such exemption is granted only in case of permanent Government servants ; and
- (iii) the period of officiating appointment in which security is generally taken does not exceed four months.

1. Inserted vide F. D. Notification SRO-11 dated : 19-1-1966.
2. Inserted vide F. D. Notification SRO-31 dated : 20-1-1981.

18-7. Whenever a private person or a firm contracts with Government to supply stores or execute a work, he or it should, unless exempted by competent authority be required to give security for the due fulfilment of the contract and suitable provision regarding the security should be incorporated in the agreement and in the tender forms.

18-8. The security taken from a Government servant or a contractor should be in one of the forms given in the Annexure 'D' to this chapter or partly in one and partly another of these forms when this is specially prescribed by the competent authority or by some rule or order.

¹[18-8-A. Notwithstanding anything contained in rule 18-8 security from Forest lessees may also be accepted in the form of a Bank Guarantee favouring the Chief Conservator of Forests, valid for a period of not less than the original period of the lease inclusive of extensions that can be given under clauses 11 and 12 of the agreement plus an additional period of two years subject to the conditions that :—

- (a) In case where Bank Guarantee has been accepted as Security every extension in the lease shall always be subject to the extension in the period of validity of the Bank Guarantee for the corresponding additional period.
- (b) The Bank Guarantee shall not be revocable except with the permission of the Government in the Forest Department and shall also be renewable on a mere demand being made by Conservator of Forests on the Bank concerned.
- (c) The question of enforceability by the Government or the Chief Conservator of Forests of any such Guarantee against the lessee shall not be made subject-matter of any dispute before arbitrator or otherwise or made subject of any proceedings by the lessee in any form, whatever, in relation to the contract at any time.]

²[18-8-B. Bank Guarantee in lieu of Earnest Money may also be accepted from contractors for civil works and other supplies and services. The conditions contained at Rule 18.8-A in respect of Forest Leases shall apply *mutatis mutandis* to other contracts for works, supplies and services. Care has to

be taken that the bank guarantee is executed well in time before the expiry of contract period including the period of extension if any granted. The bank guarantee shall be in the Form contained in Annexure-E of chapter 18 and among other things it shall specifically be provided therein that the liability or obligation of the bank under the guarantee bond shall not be affected or suspended by any dispute between the Government and the contractor/supplier and payment under the guarantee bond may not wait till the disputes are decided by the competent Court of Law or tribunal and that any payment made by the bank to the Government Department under the guarantee bond shall be deemed to have been rightfully and lawfully made.]

18-9 Security furnished in cash by a Government servant or a contractor may be converted, at the cost of the depositor, into any of the interest bearing forms of security mentioned in items (2) to (5) of Annexure 'D' provided that :—

- (i) the depositor has expressly requested in writing that this be done, and
- (ii) the acceptance of the new form or forms of security is permissible under the rules and under the terms of the agreement or bond.

Note 1 — Cash actually received or recovered may be converted into an interest-bearing form of security even when it forms part of a deposit which is being paid in instalments and has not yet been realised in full.

Note 2 — Percentage deductions made from a contractor's bill held as security for the due fulfilment of a contract should not be converted into any other form of security unless there is special rule or order for such conversion.

18-10. When a Government servant has furnished security in the form of a fidelity bond, the departmental authority receiving the bond should see that the Government servant pays the premia necessary to keep it alive on the due dates and continues to do so until a period of six months has elapsed since he vacated his office. If the Government servant fails to deliver the premium receipt to the departmental authority in time, he should be removed from his post at once.

1. Inserted vide F. D. Notification SRO-112 dated : 17-2-1978.

2. Inserted vide F. D. Notification SRO-95 dated : 19-3-1984.

When the bond is returned to the Government servant acknowledgement duly signed by him and witnessed should be obtained.

18-11. Subject to any rule or order made by the Government in this behalf the form of the security bond to be executed at the time of furnishing security should be determined under orders of the head of department according to the kind of security furnished. When a Government servant is specially permitted to furnish security partly in one and partly in another of the forms of security specified in Annexure 'D' referred to in Para 18-8 he should execute separate bonds for the different kinds of security.

18-12. The securities should be lodged for safe custody with the treasury.

Note 1.—All the Post Offices Savings Bank Pass Books should be sent to the Post Office as soon as possible after the 15th June of each year, so that the necessary entries on account of interest may be made in them.

In the case of deposit receipts of banks, the depositor should receive the interest when due, direct from the bank on a letter from the pledgee authorising the bank to pay, it to him.

Note 2.—The security bonds of Government servants employed in treasuries should be kept in a locked box in the doublelock strong room of the treasury. The Treasury Officer will be responsible for the safe custody of the bonds and should keep, the key of the box in his personal custody.

18-13. A security deposit taken from a Government servant should be retained for at least six months from the date when he vacates his post, but a security bond should be retained permanently or until it is certain that there is no further necessity for keeping it.

18-14. Without the special orders of the competent authority no security deposit should be repaid or re-transferred to the depositor, or otherwise disposed off, except in accordance with the term of his security

bond or agreement. A departmental authority on returning any security to the depositor should invariably obtain his acknowledgement duly signed and witnessed. When an interest bearing security is returned or re-transferred, the acknowledgement should set forth full particulars of the security.

18-15. The percentage deduction from bills held as security in connection with contracts to execute works should not be refunded till the final bill has been prepared and passed.

(v) CONSENT AND DELEGATION ORDERS

18-16. The authorities which exercise the powers of a competent authority under the various rules in this Code are detailed in Jammu and Kashmir Book of Financial Powers.

(vi) CONTINGENCIES, STORES, FEES, COMPENSATIONS, REMUNERATION ETC.

18-17. Except as provided in the specific delegations made in the Jammu and Kashmir Book of Financial Powers, disbursing officers, controlling officers and Heads of Departments may incur expenditure on objects which are specified in detail in the distribution statements other than pay of inferior servants under the primary units of appropriation "other charges" and which are necessary for the technical working of the department in which they are incurred within the amounts allotted in such estimate or otherwise by competent authority unless there is something novel, doubtful or irregular in the character of the expenditure.

(vii) WRITE OFF OF LOSSES ETC.

18-18. (1) A competent authority may write off the irrecoverable value of stores, livestock or public money lost by the negligence of individuals or other causes provided that the loss does not disclose (a) defect of system the amendment of which requires the orders of higher authority, (b) Serious negligence on the part of some individual officer or officers which might call for disciplinary action requiring the orders of the higher authority.

Note.—These orders apply also to the writing off of losses of revenue, irrecoverable loans and advances and deficiencies, depreciation

etc., in the value of stores included in the stock and other accounts but these rules do not apply to losses of cash in treasuries whether in the course of remittance or out of the Treasury balance. Individual cases of such losses should be reported to the Government and their specific approval obtained before any item of loss is written off.

(2) All sanctions to write off under this article shall be communicated to the Accountant General who will scrutinise each case and bring to notice any defect of system which appears to require attention.

Note.—A half yearly statement of all such writes off of losses shall be sent to the Finance Department through the Administrative Department concerned.

(3) Worn out and unserviceable articles shall be sold by auction and the sale proceeds thereof credited into the treasury, the difference between the original value and the sale proceeds being written off by the competent authority. The life prescribed for stock articles is given in Appendix 12.

The expression 'value of stores' used in this rule should be interpreted as meaning 'book value' where priced accounts are maintained and 'replacement value' in other cases.

(viii) INDENT FOR FORMS

18-19. No Government servant can prescribe a new Treasury Form or get reprinted any of the Treasury Forms mentioned in this or the "State Treasury Code" without the authority of the Finance Department. A stock of such forms is kept in the Government Presses at Jammu and Srinagar, and before the form is printed it is revised if necessary, with concurrence of the Accountant General. Consequently Government servants (including Treasury Officers) should indent for them from the Jammu and Srinagar Presses. Ordinarily one year's requirements should be indented for at a time, and such indents for a year should reach the Press by the first November of the preceding year, i.e., 5 months before the commencement of the year of requirement so that the Manager of

the Press may supply them to the indenting officers before the year commences. Supplementary indents and indents sent too late should be accompanied by explanations.

Note.—In the treasuries in the frontier districts of Leh, Kargil and Kishtwar the stock of forms in reserve must be sufficient to obviate inconvenience from closure of the passes.

(ix) JEEPS AND VEHICLES

18-20. For rules relating to the use of jeeps and other Government vehicles see Appendix 13 to this Code.

(x) TRANSFER OF GOVERNMENT ASSETS TO AUTONOMOUS BODIES

18-21. (1) When a Government undertaking is converted into a State owned Private Ltd. Company, specific approval of Legislature should be obtained by means of a token vote or otherwise for transfer of Government assets to the Company.

(2) Transfer or gift of Government property of a value exceeding rupees fifty thousand to outside parties, institutions etc. should be made only after it is brought to the notice of the Legislature by a suitable mention in the Explanatory Memorandum on the Budget.

(3) In case of urgency where it may not be possible to wait till the matter is brought to the notice of the Legislature through the Explanatory Memorandum on the annual Budget, arrangements may be made by entrusting the management of the property to the body or institution but the formal transfer of the title to the property should be effected only after a mention is made in the Explanatory Memorandum.

(4) When Government properties are transferred to autonomous organisation suitable safeguards should be imposed to provide that it should not be encumbered or alienated by the recipient of the property without prior approval of the Government.

(5) A suitable mention of such transfer as per paras 1 to 4 above shall also be made in the appropriation accounts of the year to which the transaction relates, by the Accountant General.

(xi) INSURANCE OF GOVERNMENT PROPERTY

18-22. The normal policy of Government is not to insure its properties and no expenditure should be incurred without the prior consent of the Finance Department.

(xii) RULES REGULATING RECOVERY OF DEPARTMENTAL OUTSTANDINGS FROM GOVERNMENT SERVANTS

18-23. In order to ensure that no undue delay takes place in the recovery of amounts due to Government from Government servants and that no such amounts are left unrecovered and also that the dues of Government servants are not unduly withheld on this account, the following instructions are issued for the guidance of all Government employees .

1. All Government servants should consider it their primary duty to pay off Government dues as they fall due. In the event of their failure to do so the payment of their dues to the extent of the amount estimated to be recoverable may in the discretion of the competent authority be withheld pending passing of final orders. The period of withholding shall be until the question of recovery is finally decided but shall not ordinarily exceed six months during which period all the enquiries must be completed.

2. The authority competent to order withholding of the payment of such dues will in the case of non-gazetted officers be the authority competent to appoint and in the case of gazetted officers Administrative Department concerned.

3. The Head of the Department interested in the recovery of any outstanding shall approach the authority specified in Rule (2) above direct or through the Administrative Department concerned as the case may be for issue of necessary orders.

4. The Administrative Department concerned will in the case of

gazetted officers communicate orders to the Accountant General who will stop payment of any dues under audit at the time of issue of instructions to the Treasury Officer for withholding of such dues to the extent necessary. The dues of non-gazetted officers will be withheld through the pay bills of the establishment to which such officers belong.

5. For officers serving on an agreement the production of a No Demand Certificate from the Electrical and Public Works Departments or from any other Department prescribed in this behalf by Government, will be necessary on the termination of the term of service of such officers, before payment of final dues is made to them by the Accountant General. This rule applies to officers who quit service of the State otherwise than on retirement, and who are not eligible for pension.

6. In the case of outstandings relating to Departments other than those referred to in rule 5 above, it will be the duty of the Department to see that timely action is taken for the recovery of Government dues from Government employees and that such dues are not left unrecovered till the time of an officer's quitting the service.

ANNEXURE 'A'

[Referred to in Rule 18-1(a)]

GENERAL RULES AND PRINCIPLES RELATING TO CONTRACTS

No contracts may be entered into by any authority which has not been empowered to do so by or under the orders of the Government.

The following general principles have been laid down for the guidance of authorities, which have to enter into contracts or agreements involving expenditure from Public Funds :

(i) In all tender notices it should *inter alia* be provided that :—

“As soon as the acceptance of the tender is communicated to the successful tenderer the contract shall be complete and binding on him. A formal deed incorporating the terms of the contract will be executed by the successful tenderer later on. Failure to execute such a formal deed shall not, however, prevent the contract from being enforced against him. Any loss sustained by the Government as a result of retendering the contract shall be recovered from him.”

The terms of a contract must be precise and definite, and there must be no room for ambiguity or misconstruction therein.

It should state the quantity and quality of work to be done, the specification to be complied with, the time within which the work should be completed, the conditions to be observed, the security to be lodged, the terms upon which the payment will be made and the penalties executed.

Note 1.—In making agreements with or in favour of any person, firm, company, syndicate municipality or other public body for any concession, grant or lease of land or mineral or forest rights or of right to waterpower, or of right of way or other easement or of any privilege in respect of land of mineral or forest

rights, the deed of concession or the agreements if the rights under it are transferable must be so formed that it will be beyond the power of the grantees or contractees to transfer their rights or any part of them except with the sanction of the competent authority.

All such concessions and agreements will further be subject to any special provision made by the competent authority to meet particular cases or particular classes of cases.

Note 2.—When contract is likely to endure for a period of more than 5 years, it should where feasible, include provision for unconditional power of revocation, or cancellation by Government at any time on the expiry of six months notice to that effect.

(2) As far as possible, legal and financial advice from the Law and Finance Departments should be taken in the drafting of contracts before they are finally entered into.

Note.—No contract or agreement for execution of a contract should be executed or entered into and no tenders for a contract should be accepted without previous consultation with the Finance Department if expenditure of money or abandonment of revenue is involved thereby for which previous consultation with the Finance Department is required.

(3) Standard forms of contracts should be adopted wherever admissible, the terms to the subject to adequate prior scrutiny.

(4) The terms of a contract once entered into should not be materially varied without the previous consent of the competent legal financial authority. No payment to contractors by way of compensation, or otherwise outside the strict terms of the contract or in excess of the contract rates may be authorised without the previous approval of the Finance Department.

(5) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the competent financial authority.

(6) whenever practicable and advantageous, contract should be placed only after tenders having been openly invited and in case where the lowest tender is not accepted reasons should be recorded. In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors. In the case of contracts for perishable stores a warranty clause on the lines indicated in the specimen form herein below should invariably be incorporated.

SPECIMEN FORM OF WARRANTY CLAUSE

The contractor/seller hereby declares that the goods/stores/articles sold to the buyer under this contract shall be of the best quality (and workmanship) and shall be strictly in accordance with the specifications and particulars contained/mentioned in the clausewhereof and the contractor/seller hereby guarantees that the said goods/stores/articles would continue to conform to the description and quality aforesaid for a period of todays/months from the date of delivery of the said goods/stores/articles to the purchaser and that notwithstanding the facts the purchaser (inspector) may have inspected and/or approved the said goods/stores/articles, if during the aforesaid period ofdays/months the said goods/stores/articles be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the purchaser in that behalf will be final and conclusive) the purchaser will be entitled to reject the said goods/stores/articles or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods/articles/store will be at the sellers risk and all the provisions herein contained relating to rejection of goods etc. shall apply. The contractor/seller shall, if so called upon to do, replace the goods etc., or such portion thereof as is rejected by the purchaser otherwise the contractor/seller shall pay to the purchaser such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the purchaser in that behalf under this contract or otherwise.

Note.—In all contracts where a warranty clause is included, the position regarding delivery of goods in replacement of rejected ones should be made clear beyond doubt by adding if necessary, the words.

“Free of cost at the ultimate destination” after the words “by the purchaser” in the penultimate sentence of the said clause; while so incorporating the clause the authorities will ensure that the amended clause is in consonance with the other conditions of the contract.

(7) Even in cases where a formal written contract is not made no order for supplies, etc., should be placed without at least written agreement to the price.

(8) Provision must be made in contracts for safeguarding Government property entrusted to a contractor.

(9) The Accountant General has power to examine contracts and to bring before the Public Accounts Committee any cases where competitive tenders have not been sought, or where high tenders have been accepted, or where other irregularities in procedure have come to light.

(10) The instructions given in the Annexure hereto should be carefully observed in drawing up instruments relating to immovable property.

These principles will apply to all contracts involving expenditure from the consolidated fund of the State and should be carefully observed by all Government servants who have to enter into such contracts on behalf of Government.

(Referred to in Para 10 of Annexure A)

INSTRUCTIONS TO GOVERNMENT SERVANTS
CONCERNED WITH THE DRAWING UP OF INSTRUMENTS
RELATING TO IMMOVABLE PROPERTY

1. Many of the old printed forms still in use refer to "His Highness Maharaja Bahadur" wherever such words occur they should be substituted by Governor of Jammu and Kashmir" and consequential alterations should be made throughout the draft.

2. (i) Most standard forms refer to the other party as a single individual with the usual particulars of parentage, castes and residence. When the Instrument is in favour of a body of persons, the heading will have to be altered and particular care is needed to ensure that this is done correctly.

(ii) In the first place, the exact nature of the body must be ascertained, and the description must be entered in the draft e. g. a firm carrying on business in partnership through A. B. one of the partners or a company, association or society incorporated or registered under the provision of any rule or Act. When the party is a company the address of the registered office should be given.

3. Government servants executing deeds on behalf of Government should distinguish between the power merely to sign such deeds and the power to grant lease, etc., without reference to Government. If the power to make a grant has not been delegated reference should be given to the orders of Government itself. If the power has been delegated, a reference should be made to the order of delegation.

4. (i) If a lease is to be executed on behalf of a corporation, there must be either a resolution of the governing body, or some other form of authorisation and there should also be an inspection of the articles of association or the bye-laws to show that the execution of the document by the person signing it is in order.

(ii) When the deed is in favour of an incorporated body the agreement is with the body itself, and should be so expressed. A common mistake is to describe the agreement as being made with the manager or managing body. Such expression should be avoided.

5. When the deed is in favour of a firm, the agreement is with the actual partners trading under the name of the firm and not in favour of any legal person as a part from the partners individually. For this reason, it is important that the name of the partners should be known and that it should also be known whether the party executing the lease has power to bind the partners. Particular caution is needed when the deed relates to land, as the powers of partners to bind each other in this respect are strictly limited.

6. All references to specified sums of money, terms of years and so on should invariably be expressed in words, and not in figures. Abbreviations should be used as little as possible.

7. Schedules, maps and plans form part of a draft and should always be included in any draft which is to be sent to the Legal Remembrancer for scrutiny.

ANNEXURE 'B'

[Referred to in Rule 18-1 (b), and 18-2]

Execution on behalf of Governor of certain contracts and assurances of property made in the exercise of the executive powers of the State sanctioned vide Government Order No. 3 of 1957 dated 23-2-1957, 18-SR of 1960 dated 28-7-1960, 13-Camp dated 16-10-1958, 37-Camp/57 dated 28-9-1959, etc.

The undermentioned contracts and assurances of property made in the exercise of the executive powers of the State shall be executed on behalf of the governor by various officers subject to any limit fixed by Government from time to time.

I. In case of all Departments and Secretariats—

Contracts and other instrument relating to advances for the purchase of motor cars : By the Secretary incharge of the Department concerned.

II. In the casre of Chief Secretariat—

Agreements relating to scholarships, lonas for studies etc. : By the Secretary (General Department).

III. In the case of the Department of Community Development and National Extension Service :—

Contracts and other instruments relating to the business of the Department : By the Secretary to Government, Development Commissioner, District Development Officers, Block Development Officers and Project Officers.

IV. In the case of the Department of Information—

All contracts relating to business of the Department : By the Secretary to Government, Director of Information and Principal Information Officer.

V. (1) Contracts or the lease of lands, buildings, orchards :—

(a) In the case of Revenue Department : By the Secretary to Government, Financial Commissioner, Commissioners, deputy Commissioners and Tehsildars.

(b) In the case of Rakhs Departments : By Director, Rakhs and Farms, or the Assistant Director, Rakhs and Farms.

(c) In the case of Agriculture Department : By director Agriculture, Joint Director, Agriculture or Deputy Director, Agriculture.

(d) In the case of Horticulture Department : By the Joint Director of Horticulture or the Deputy Director of Horticulture.

(2) Contracts for the supply of food and fodder for animals and for supply of dairy produce : By the Director of Animal Husbandry or the Deputy Director Animal Husbandry or any other Officer authorised by him.

(3) Contracts for the removal of grass leaves, etc. in Government Orchards : By the Director of Agriculture or Deputy Director Agriculture or Joint Director of Agriculture or Joint Director of Horticulture or Deputy Director of Horticulture.

(4) All contracts and instruments relating to conveyance of foodgrain Stock, and other matters connected with Food and Supplies Department : By the Directors Food and Supplies Department.

(5) Leases of houses, land and other immovable property defined as evacuees Property : By the Custodian and Deputy Custodians Evacuee Property within their respective jurisdiction.

(6) Agreements and bonds relating to rehabilitation loans : By the Secretary to Government, Provincial Rehabilitation Officer or such other Officers whom the Government may authorise in this behalf.

(7) Contracts connected with ferries dues for grazing cattle on places other than canal banks, fisheries, Nadroo contracts and leases of orchards etc. by the commissioner of the Province or the Deputy Commissioner concerned.

(8) Contracts or other instruments for the purchase of livestock and purchases, supply and conveyance of materials, stores, etc. connected with Agriculture, Animal Husbandry, Rakhs and Farms, and other Departments included in the Agriculture Portfolio : By the Secretary to Government or by the respective Heads of Departments or such other selected officers whom they may authorise in this behalf.

(9) Contracts relating to purchase of cloth and stores for preservation of records as also for disposal of waste paper etc. : By the Director Land Records.

(10) Contracts relating to Co-operative Departments : By the Registrars Co-operative Department.

VI. In the Department of Forests—

(1) Agreements relating to Forest leases and appropriation of Forest products : By the Secretary to Government, Chief Conservator or Conservator of Forests and Divisional Forest Officers.

(2) Contracts and other instruments relating to all matters connected with.—

(a) Game Preservation : By Conservator of Forests.

(b) Fisheries and State Rakhs : By Director Fisheries.

VII. Central furniture, Stores : By Secretary to Government.

VIII. In the Departments of Health and Medical Education.—

(1) Stationery and Printing :—

(a) Contracts for the supply of stationery and bonds of employees when it is necessary that they should be executed by the obligee;

(b) Contracts for printing work ;

(c) Contracts relating to disposal of waste paper and purchase of local stores etc.;

(d) Contracts for clearance, handling, conveyance and delivery of consignments and supply of labour etc.;

(e) Agreements with Government auctioners ;

(f) Contracts for supply of uniform materials ;

(g) Contracts for preparation of uniforms ;

(h) Agreement for supply of bicycles, type-writers, and other office equipments ; and

(i) Contract for machinery and printing.

By the Secretary to Government, the Controller Stationery and Printing or Managers of Government Presses.

(2) Education:—

(i) Contracts for purchase, Supply and conveyance of furniture, materials and other stores and contracts relating to all matters connected with the department including purchase of books etc. for libraries;

(ii) Agreements relating to employment of persons in Gazetted cadre ;

(iii) Rent deeds relating to houses hired for schools etc.;

(iv) Agreements relating to Departmental Training inside or outside the State ;

- (v) Agreements connected with grants-in-aid to Educational Institutions and Universities of Jammu and Kashmir, Srinagar;

By the Secretary to Government, Director Education.

Deputy Director Education, Chief Inspectress.

District Inspectors of Schools, Inspectresses of Girls Schools.

Zonal Education Officers, Assistant Director Research and Publication and Principals of Colleges.

- (vi) Agreements relating to construction of school buildings etc. through Local Construction Committee : By the Chairman of the Committee .—

(3) (a) Medical—

- (i) Contracts for purchase and supply of medicines and stores ;
- (ii) Contracts for supply of hospital equipments ;
- (iii) Contracts for supply of ration and other articles for Hospitals ;
- (iv) Service contracts in connection with employment of persons in the Department ;
- (v) Leases of buildings, land etc. for dispensaries etc. ;
- (vi) Contracts for purchase, supply and conveyance of furniture, materials and other stores and contracts relating to all matters connected with the Department ;

By the Secretary to Government, the Director or Deputy Directors, Health Services, Superintendents of Hospitals and Chief Medical Officers.

(a) Jails—

Contracts relating to all matters connected with the business of the Department : By the Secretary to Government or Inspector General of Prisons.

IX. In the Department of Food and Supplies—

Agreements with ~~retail~~ dealers for distribution of rationed articles, all contracts and agreements relating to all matters connected with supplies and Price Control Department : By the Director Supplies, Jammu and Kashmir.

X. In the Department of Works, Irrigation and Power, Roads and Buildings, Irrigation, Electric and Mechanical Department and Flood Control Department.

(1) (a) All instruments relating to purchase, supply and conveyance or carriage of materials, stores, machinery, etc.;

(b) All instruments relating to the execution of works of all kinds connected with buildings, roads, bridges, canals, tanks, reservoirs and embankments etc. and instruments relating to the construction of Water-Works, Sewage Works, etc.;

(c) Bonds of auctioners, security bonds for the due performance and completion of works ;

(d) Security bonds for the performance of their duties by Government servants whom the officers below have the power to appoint : By the Secretary to the Government, Chief Engineers, Roads and Buildings, Irrigation, Flood Control , Electricity as the case may be, Superintending Engineers, Executive Engineers, Assistant Engineers and Sub-Divisional Officers, Roads and Buildings, Irrigation, Electricity, Flood Control as the case may be.

(2) Leases for grazing cattle on canal banks or road sides, for cultivation of lands, leases of water for Irrigation and other purposes and

instruments relating to the sale of grass, trees and other produce on the road sides or the plantations : By the Secretary to Government, the respective Chief Engineers, Superintending Engineers, Project Officers and Sub-Divisional Officers.

(3) Leases of houses, land or other immovable property, agreements for the recovery of fines, on account of drift wood or other timber passing into a canal : By the Secretary to Government or the respective Chief Engineers, Superintending Engineers, Executive Engineers.

(4) Agreements relating to loan of tools and plants to contractors and others : By the Secretary to Government or the respective Superintending Engineers, Executive Engineers.

(5) Agreements for catering contracts in Dak Bungalows and Rest Houses : By Chief Engineers and Executive Engineers.

(6) All deeds and instruments relating to any matters other than those specified in items 1 to 5 : By the Secretary to Government.

(7) Low and middle Income Group Housing Schemes, Agreements relating to house building advance to Government servants under the low and middle income group housing scheme : By the Secretary to Government.

XI. In the case of Home Department—

1. Police Department—

Contracts for the supply of clothing etc. for the preparation of uniforms etc. contracts and other instruments for the purchase, supply and conveyance, carriage and of materials, stores, machinery etc. : By the Secretary to Government, Inspector General of Police or Deputy Inspector General of Police or any subordinate officers whom the Government may authorise in this behalf.

2. Transport Department—

(a) All Contracts for purchase of motor cars etc. for State Motor Garage : By the authority competent to make the advances;

(b) All contracts for the purchase, supply and conveyance and carriage of materials, stores, machinery and tools etc. : By the Secretary to Government or Transport Commissioner ;

(c) All contracts for the lending of tools, plants, equipment and machinery to contractors ;

(d) All contracts for the handling of goods and merchandise subject to such financial limits as are fixed under rules and orders in force : By the Secretary to Government or Transport Commissioner or such other officer as may be authorised by the Commissioner in this behalf.

XII. Excise and Taxation Department—

(i) All contracts, deeds and other instruments relating to the business of the Excise Department.

(ii) Contracts for miscellaneous stores, chemicals and apparatus etc. ; and

(iii) Security bonds in connection with employment of special temporary staff or security bonds for due performance of their duties by Government Servants : By the Secretary to Government or Excise and Taxation Commissioner or Deputy Excise and Taxation Commissioners.

XIII. Treasuries—

(1) Security bonds or mortgage deeds as security in connection with employment of Treasurers, Cashiers and Clerks charged with disbursement of money or custody and handling of securities : By the Secretary to Government, Finance Department.

(2) Instruments relating to re-assignment of insurance policies which are assigned to Government in accordance with rules regulating State Insurance Fund : By the Secretary to Government, Finance Department (Insurance).

(3) Deeds of transfer shares held by Government : By the Secretary to Government, Finance Department.

XIV. Trade Agencies—

Contracts for purchase and supply of materials, machinery etc. on behalf of various Government Departments : By the Trade Commissioner, Delhi or Trade Agents.

XV. All deeds and instruments relating to matters connected with any Department (not hereinbefore specified) : By the Secretary to Government in that Department.

XVI. All contracts and Assurances of property made in exercise of the executive power of the State relating to the Department (Land Records and Nazool) shall be executed on behalf of the Governor by the various officers specified hereunder :—

1. Land Records :

Contracts and other instruments relating to binding of registers and printing of forms etc. : By Director Land Records.

2. Nazool Department contracts relating to lease of Land : By Assistant Commissioner Nazool (Jammu and the Tehsildar Nazool, Srinagar within their respective jurisdictions).

XVII. All contracts and instruments made in the exercise of the executive power of the State relating to Purchase of material, stores and machinery for various industrial concerns and centres and Mining leases including contracts for extraction of minerals granted under the law, shall be executed by the Director of Industries and Director of Geology and Mining respectively on behalf of the Governor.

XVII.A. All deeds and instruments relating to matters connected with Labour Department by the Labour Commissioner.

XVII.B. All deeds and instruments relating to matters connected with employment exchanges by the Director Employment Exchange.

ANNEXURE ' C '

Rules regulating the black- listing of contractors as sanctioned under Council Order No. 187 of 1934.

To regulate and make uniform the procedure to be followed in black-listing a contractor, the following rules are laid down :

1. A black-list shall be maintained by the Chief Secretariat, General Department, of all contractors, who have been debarred by competent authority from obtaining contracts from Government. A copy of this list shall be supplied to Administrative Departments on the 1st April of each year (under confidential cover) for the information of authorities competent to sanction contracts on behalf of the State.

The General Department shall be responsible for sending a copy of every amendment and addition made to this list within two weeks of the amendment or addition.

Whenever any competent authority passes an order black-listing a particular contractor, immediate information thereof shall be sent (marked confidential) to the Secretary in the General Department for necessary amendment or addition to the list.

2. No contract shall be sanctioned in favour of a contractor who is on the black-list.

3. Administrative Department concerned on their motion or on a report received from a Head of Department may after such enquiry as may be deemed proper black-list a contractor.

4. A contractor may be black-listed for the following reasons :—

(a) if he refuses to work or becomes incapable of working or has been declared an insolvent by a court of competent jurisdiction or has been convicted of any such offences or has been made the subject of an order by a criminal court which implies, in the opinion of the competent authority a defect of character which unfits him as a contractor;

(b) if he has been found guilty by the competent authority of unfair dealing, dishonesty, bad workmanship, wilful neglect of duty or any other defect of character which unfits him as a contractor ; and

(c) if he is found to have taken part in anti-State or subversive activities.

5. Whenever any Administrative Department of the Government shall be of the opinion that there are good grounds for black-listing a contractor it shall cause the reason thereof to be reduced to writing.

6. The order shall contain the substance of imputation against him under different heads of charges and he shall be given an opportunity to show cause against these charges. After hearing the contractor if he appears, the administrative Department shall pass final orders in his case.

7. Every contractor considering himself aggrieved by an order passed under rule 6 shall be entitled to prefer one appeal and only one on a properly stamped petition to the Council of Ministers against the original order. No further appeal or revision shall lie.

8. A contractor ordered to be black-listed may apply for a review of the order to the authority passing it on any of the following grounds :—

- (a) that there are some new facts or circumstances that call for a reconsideration of the order, or
- (b) that any material irregularity has been committed in passing the order, or
- (c) for any other sufficient reasons.

There shall be only one application for review.

9. The period of limitation for a petition of appeal or review shall be 60 days from the date of the communication of the order to the person aggrieved. In computing this period, however, the date on which it is communicated or published and the time requisite for obtaining its copy shall be excluded.

10. Copies of orders or orders under appeal or review shall be attached to the petition.

11. Every petition of appeal or review preferred under these rules shall contain all material statements and arguments relied on by the contractor, shall contain no disrespectful or improper language and shall be completed in itself.

12. Every order passed under rule 5 of these rules shall specify whether a contractor shall remain on the black-list permanently or for a period to be specified in the order.

ANNEXURE 'D'

(Referred to in rule 18.8)

FORMS OF SECURITY

Forms of Security	Conditions
(i) Cash	<p>(1) Government will not pay any interest on any security deposit held in the form of cash. Such security deposits may be converted, at the cost of depositor, into any of the interest bearing forms of security mentioned in item (ii) to (v) below, if the depositor expressly requests in writing to that effect and the acceptance of the new form or forms of security is permissible under this rule and under the terms of agreement or bond. Cash actually received or recovered may be converted into an interest-bearing form of security even when it forms part of a deposit which is being paid in instalments but has not been realised in full.</p> <p>(2) Percentage deductions made from a contractor's bills held as security for the due fulfilment of a contract shall not be converted into any other form of security unless there is a special rule or order for such conversion.</p>

Forms of Security	Conditions
(ii) Promisory notes and stock certificates of the Central Government or a State Government.	(1) These securities shall be accepted at five per cent below their market price or at their face value, whichever is less and shall be dealt with in accordance with the rules, in Chapter IX of the Government Securities Manual.
(iii) Post Office Cash Certificates, National Saving Certificates, Treasury Savings Deposit Certificates, National Plan Saving Certificates and 10 years Defence Deposit Certificates.	<p>(1) These Certificates shall be formally transferred to the Governor. The Departmental authorities authorised to accept security under rule 18-8 shall accept the same with the sanction of the Postmaster of the office of registration at their surrender value at the time of tender.</p> <p>(2) Certificates which are not held in the name of the person furnishing the security shall not be accepted.</p>
(iv) Post Office Saving Bank Pass Book.	(1) A Pass Book for a deposit made under the Post Office Savings Bank Rules may be accepted as security provided that the depositor has signed and delivered to the Postmaster a letter in the prescribed form as required by those rules.

Forms of Security	Conditions
(v) Deposit receipts of Schedule Banks.	<p>(2) The Pass Book shall be sent to the Post Office as soon as possible after the 15th June of each year, so that the necessary entries on account of interest may be made in them.</p> <p>(1) The deposit receipt shall be made out in the name of the pledgee or, if it is made out in the name of the pledger, the bank shall certify on it that the deposit can be withdrawn only on , the demand, or with the sanction of the pledgee. The bank shall agree that on receiving a signed treasury challan and a withdrawal order from the pledgee in respect of the deposit, or any part thereof, it will at once remit the amount specified into the nearest Treasury along with the challan and send the treasury receipt to the pledgee.</p> <p>(2) The depositor shall agree in writing to undertake any risks involved in the investment and make good the depreciation, if any.</p> <p>(3) The depositor shall receive the interest when due, diirect from the bank on a letter from the pledgee authorising the bank to pay it to him.</p> <p>(4) The responsiblity of the pledgee in connection with the deposit</p>

Forms of Security	Conditions
(vi) Fidelity bonds from insurance companies in forms prescribed by Government.	<p>and the interest on it will cease when he issues a final withdrawal order to the depositor and sends an intimation to the bank that he has done so.</p> <p>A fidelity bond may be accepted as security form a Government servant but not from a private party. When a Government servant has furnished security in the from of a fidelity bond, the departmental authority authorised to accept security under rule 18-8 shall see that the Government servant pays the premia necessary to keep it alive on the due dates and continue to do so until he vacates his office. If the Government servant fails to submit the premium receipts in time he shall not be allowed to perform the duties of his post and dealt with in accordance with terms of his appointment.</p>
(vii) Any other form of security approved by Governmemnt for acceptance in any particular departments, such as mortgages on real property and personal security.	<p>These securities may be accepted only in accordance with the rules and conditions laid down in the relevant departmental regulations or by special orders of Government.</p>
¹ (viii) 10 years social security certificate.	<p>The pledging of 10 years social security certificates should be in accordance with the precedure laid down in the rules governing these certificates.</p>

ANNEXURE 'E'

[Refer Rule 18-8 B]

GUARANTEE BOND

In consideration of the Government of Jammu and Kashmir (hereinafter called the 'Government') having agreed to exempt

----- (hereinafter called) "the said contractors" from the demand, under the terms and conditions of an Agreement

dated-----made between-----for-----

(hereinafter called 'the said Agreement'), of security deposit for the due fulfilment by the said contractor (s) of the terms and conditions contained in the said Agreement, on production of a Bank Guarantee

for Rs. ----- (Rs. ----- only)

We----- (hereinafter referred to as (indicate the name of the bank)

at the request of ----- contractor (s) do hereby undertake to pay to the Government an amount not exceeding

Rs. ----- against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor (s) of any terms and conditions contained in the said Agreement.

2. We----- do hereby undertake to pay (indicate the name of the bank)

the amount due and payable under the guarantee without any demur, merely on demand from the Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of breach by the said contractor (s) of any of the terms and conditions contained in the said Agreement or by

reason of the contractor (s) failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.-----

3. We undertake to pay the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor (s)/ supplier (s) in any suit or proceeding pending before any court or tribunal relating thereto or liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be valid discharge or our liability for payment thereunder and the contractor (s)/ supplier (s) shall have no claim against us for making such payment.

4. We----- further agree that the (indicate the name of the bank)

guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged

or till----- Office/Department-----

certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor (s) and accordingly discharges this guarantee, unless a demand or claim under this guarantee is made on us in writing on or before the ----- we shall be discharged from all liability under this guarantee thereafter.

5. We----- further agree with the (indicate the name of the bank)

Government that the Government shall have the fullest liberty without our consent and without any affecting any manner our obligations here under to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said contractor (s) from time to time

or to postpone for any time or from time to time any of the powers exercisable by the Government against the said contractor (s) and the forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by the reason of such variation, or extension being granted to the said contractor (s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said contractor (s) or any such matter or thing whatsoever which under the law relating to sureties would, but for the provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor (s) /supplier (s).

7. We-----lastly undertake
(indicate the name of the bank)

not to revoke this guarantee during the currency except with the previous consent of the Government in writing.

Dated the-----day of-----

for-----
(indicate the name of the bank)

GOVERNMENT OF JAMMU AND KASHMIR
FINANCE DEPARTMENT

Circular

Subject:- Composite House Building Advance-Classification of Government employees.

Attention is invited to Rule 14.18-A of Financial Code Volume I which regulates the grant of House Building Advance etc. to the Government employees. For the purpose of grant of advance under this rule the Government servants are grouped in two categories viz., Lower category employees i. e. whose emoluments (pay including D.A and other allowance etc.) are up to Rs. 700/- p. m. and Higher category employees i. e. whose such emoluments exceeds Rs. 700/-per month. The amount of advance in favour of a particular Government servant is determined with reference to the category (thus defined) in which he falls. A doubt has been raised whether the income ceiling of Rs. 700/- referred to in the said rule will continue to hold good under the revised pay structure (introduced w. e. f. 1-4-1987) also.

Finance Department propose to revise the present classification, in the context of revision of pay scales. In the meantime it is hereby clarified that the amount of advance payable to a Government servant under the said rule should be determined with reference to the pre-revised notional pay plus allowances drawn on 31-3-1987 (vis-a vis the existing pay ceiling of Rs. 700/-).

These instructions will also apply, *mutatis mutandis*, in the case of any other advance/loan or any other benefit that may be admissible under any other rules or departmental regulations, the amounts of which are determined with reference to the pay ceiling fixed prior to 1-4-1987 (not revised so far after issue of SRO-370 dated :17-7-1987)

(Sd.) J. A. KHAN,
Commissioner/Secretary to Government,
Finance Department.