

TRANSFER OF MONEYS FROM THE GOVERNMENT
ACCOUNT.

(T.R. 30—INSTRN. 17-18.)

certificate in Form 86 with columns 1 to 8 filled in. The officer receiving the remittance should estimate, with reference to the amount and kind of remittance received and the number of men available at his office for examining it, the period for which the shroffs or clerk accompanying it are likely to be detailed at the receiving office, and intimate it to them in writing so as to enable them to make suitable arrangement for their stay in the station. After finishing the examination of the remittance, the receiving officer should complete the certificate in Form 86 and return it to the remitting treasury. If the halt has exceeded ten days he should state in column 12 the daily allowance which he recommends for the period in excess of ten days and explain the reasons for his recommendation on the reverse of the certificate. A certificate in Form 86 should be attached to every bill for the travelling and other allowance of shroffs or clerks deputed to accompany a remittance.

(b) When a halt exceeds ten days, the Officer of the Reserve Bank of India authorized for the purpose, or when the charges are debited to the Government, the Treasury Officer will decide whether full daily allowance should be granted for the period in excess of ten days or whether a reduced rate should be allowed. In the case of charges debitable to the Bank, the Currency Officer will deal with claims relating to a halt exceeding ten days but not exceeding one month, and the Chief Accountant of the Reserve Bank will deal with claims relating to a halt exceeding one month. On receipt of the shroff's certificate (Form 86) from the receiving officer, the Treasury Officer should forward it to the Currency Officer for necessary action if there has been a halt in excess of ten days and the charges are debitable to the Reserve Bank. The authority competent to deal with the claim should indicate in column 13 of the certificate the rate at which daily allowance may be drawn for the period in excess of ten days comprised in any one halt.

(c) When a person from outside the district is engaged as a temporary shroff under subsidiary rule 20 (d) travelling allowance should be paid at the ordinary rates for his journey from his residence to the place of appointment.

18. The Treasury Officer who despatches a remittance may grant to a shroff or other treasury official who is to accompany it an advance of travelling allowance up to the amount likely to be incurred for his journey. If, in any case the amount advanced proves insufficient the receiving treasury may, on the application of the shroff or other treasury official concerned pay him such further advance as may be necessary. An advance made by the receiving treasury should not be met from the permanent advance but should be drawn from the treasury and charged in the accounts and the particular should be reported to the remitting treasury at once, so that the latter may recover the amount from the travelling allowance bill to which it relates.

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A Treasury Officer is not authorized to make any advance of travelling allowance to a clerk or shroff of the Reserve Bank who accompanies a remittance.

If a Currency Officer receiving a remittance from a treasury grants an advance of travelling allowance to a treasury official accompanying the remittance, the amount of the advance will be noted on the treasury officials certificate with the Currency Officer's signature. The remitting treasury should deduct this amount from the travelling allowance bill of the Government servant concerned. Such advances will only be made by a Currency Officer in exceptional circumstances.

19. All contingent charges incurred at the station where a remittance is received such as coolie, cart or boat hire, should be paid by the receiving officer and charged in his accounts. The remittance officer should not meet such charges.

Subsidiary Rules under Treasury Rule 30 ---cont.

ADDITIONAL RULES FOR REMITTANCES BY RAILWAY.

36. When a large remittance is to be despatched by railway, notice shall be given before hand to the railway authorities at the station of despatch, so that a wagon or wagons of convenient size may be made available at the right time.

37. When treasure is loaded for despatch by railway the doors on one side of the wagons shall, if possible be secured from inside and all doors that can be opened from outside shall be secured by good padlocks. The Treasury Officer shall supply the padlocks and take an acknowledgment from the escort officer for them. A sufficient stock of padlocks shall be maintained in each treasury from which remittances are sent by Railway.

38. Small remittance need not be sent by wagon, but may be sent in the same compartment in which the escort in charge of the remittance travels. An escort travelling in charge of currency or Bank notes not sent by wagon shall have the box in the same carriage and shall sit in the end compartment of the carriage with the box under the seat against the outer planking. If the box is too large to go under the seat, the space of a whole compartment shall be reserved on the usual terms.

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39. The Treasury Officer (or a responsible Government servant deputed by him for the purpose) shall jointly with the Police Officer deputed to travel in charge of the escort by railway superintendent the loading of the wages. He shall also hand over to that office a copy of the memorandum of instructions printed in Appendix 18 and as many blank receipts as there will be reliefs enroute and shall take his receipt for these documents.

40. The strength of the escort deputed to accompany a remittance to the railway station of despatch and to protect the loading shall be determined in accordance with the general or special orders of the Government regarding the escorting of such a sum by road.

The receiving officer shall arrange for fresh escort of a strength determined in the same way to meet the remittance at the railway station where it is to leave the railway. During the railway journey, the treasure shall be protected by a guard of reduced strength fixed in accordance with the general or special orders of the Government. The guard shall be accommodated in an adjoining brake van if the remittance is carried by goods train, and otherwise in the end compartment of the carriage next adjoining the wagon containing the treasure. Neither door of the compartment occupied by the escort shall be locked. The general principle to be observed in fixing the strength of the guard for a railway journey is that ordinary it shall never be less than a petty officer with two men and that, when the remittance is loaded in more than one wagon two men shall be allowed to each wagon. When a wagon containing treasure is to be detached from the train for any reason the stationmaster or the guard in charge of the train will warn the Police guard in charge of the treasure in order that the necessary arrangements may be made to guard it.

41. As the members of the Police guard in charge of a remittance have to be constantly on duty, the Police Department shall arrange to relieve them at convenient points on the journey, allotting to each party a stage of about twelve hours with due regard to any general or special instructions that have been issued as to the exact length of particular stages. When an escort officer starts a railway journey in charge of a remittance, he shall telegraph to his relieving officer the probable time of his arrival at the station where he is to be relieved.

Instructions under Treasury Rule 30—cont.

20. (a) The receiving officer should make the necessary arrangements for the transport of the treasure at the destination so as to avoid delay at the railway station and inconvenience to the Police Department.

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(b) The receiving officer should return the padlocks which were used on the doors of the railway wagons to the remitting treasury through the escort officer if he is returning to the station where the remitting treasury is situated. Otherwise, the receiving officer should give the escort officer a receipt for these padlocks and return them as soon as possible through the shroff of the remitting treasury or if no shroff accompanied the remittance by parcel post or railway parcel.

21. *Payment of freight, etc.*—(a) The railway fares for the Police guard should be paid in cash or by railway warrant according to the local practice. The freight on the remittance should be paid by credit note. If the expenditure on railway fares is to be incurred in cash, the Police or other officer who is to make the payment may draw a sufficient amount of money from the treasury as an advance to be accounted for afterwards. The treasure should always be booked through to the final station.

(b) The railways have agreed to carry consignments of treasure belonging to the Reserve Bank of India at the concessional rules available to the Government.

(c) Remittances of coins should be booked at railway risk.

22. *Requisition for despatch.*—The remitting officer or the officer arranging the remittance should ascertain the nature and extent of the accommodation required for the remittance and prepare a formal requisition for the conveyance of the remittance, stating the value of the treasure, the number of wagons in which it is loaded, the station to which it is to be despatched and the stations at which a fresh Police guard will take over charge. (This formal requisition is different from the notice to be given to the railway authorities beforehand under subsidiary rule 36). The requisition should be given to the station master as soon as the treasure has been loaded and the station master will then give the Police Officer in charge of the escort a paper stating that he (the escort officer), is in charge of treasure loaded in certain specified wagons.

Subsidiary Rules under Treasury Rule 30—cont.**ADDITIONAL RULES FOR REMITTANCES BY STEAMER.**

42. (a) A remittance of currency or Bank notes by sea shall be sent in the charge of an escort, if freight is paid at cargo rates; in that case, the value of the notes shall not be entered in the bill

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of loading but only the number of pieces. If it is cheaper to pay freight at the rate for specie and the steamer company will then accept responsibility for the face value of the notes, the freight shall be paid at the rate for specie and no escort need be sent. If, however, in any case the steamer company will not accept responsibility for the face value of the notes even if freight is paid at the rate for specie, the remittance shall be sent as ordinary cargo at cargo rates in charge of an escort, although this course may entail some additional expense.

(b) Remittances of coin by sea shall ordinarily be sent insured or at the shipping company's risk without an escort.

(c) The consignee shall arrange to take delivery of the treasure on arrival at the station to which it is booked; otherwise it will be carried on to the next station at the consignee's risk and the consignee will have to pay the demurrage charges.

Instruction under Treasury Rule 30—cont.

REMITTANCES TO AND FROM BRANCHES OF THE STATE
BANK OF INDIA.

23. Subsidiary rules 9—42 and instructions 10—22 apply *mutatis mutandis* to remittances to and from a branch or Treasury Pay Office, of the State Bank of India transacting the cash business of a treasury subject to the modifications indicated in the following instructions and to any instructions issued by the Reserve Bank.

24. When the Agent of branch at the State Bank wishes to remit surplus notes or coin from the currency chest or surplus small coin from his balance, or desires that a remittance of notes or coin be sent to his branch, he will report the particulars to the Madras Local Head Office of the State Bank. The Local Head Office will communicate with the Currency Officer and issue orders to the Agent regarding the remittance; if the remittance concerns the Treasury Officer, the Currency Officer will issue orders to him simultaneously.

25. The Agent of a branch of the State Bank will supply the Treasury Officer of the district on request with any coin and notes required for remittance to a sub-treasury in the district (whether as a treasury or a currency remittance), except when the Currency Officer has decided that it is more convenient to supply coin and notes direct to a sub-treasury from the Issue Department of the Reserve Bank of India or from a treasury or a branch of the State Bank in another district.

26. All charges incurred in connection with remittances of coin and notes to and from branches of the State Bank are met by the Reserve Bank.

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27. The procedure prescribed in subsidiary rules 9-18 and instructions 10-11 for the packing and despatch of remittances should be observed by the branches of the Bank, but in the absence of special arrangements to the contrary made with the Agent, the Treasury Officer should arrange for the actual conveyance and, where necessary, for the escorting of the remittance. The State Bank should bear the cost of any shroffs engaged to deal with heavy receipts, but may engage temporary shroffs to accompany remittances at the cost the Reserve Bank in accordance with the provisions of subsidiary rule 20 (a) after obtaining the sanction of the Currency Officer when it is required under that rule. The power vested in the Director of Treasuries and Accounts by subsidiary rule 20 (d) to employ additional shroffs does not apply to treasuries which transact their cash business through the Bank. The provisions of instruction 17 regarding halts by treasury shroffs do not apply to shroffs employed by the State Bank; their daily allowance is regulated by the Bank's rules.

28. The following rules should be observed in the examination of a remittance of coin or notes made to the Bank from a treasury. They should be fully explained to every shroff who accompanies a remittance made to the Bank :—

(a) All boxes should be weighed on receipt of a remittance. The result of the weighing should be entered on the receipt given to the officer or shroff in charge of the remittance.

(b) The remittance should be examined in a room separate from the General business of the Bank, or if a separate room cannot be made available, at some distance away from the place where the ordinary banking transactions are taking place.

(c) The contents of each bag of coin should be emptied into another and passed through the scales. The shroff should see that the index of the scales is steady before the contents are thrown out.

(d) The treasure should then be secured in separate chests and kept distinct from other treasure under the joint keys of the Manager or Agent of the Bank and of the shroff of the remitting treasury until regularly examined and brought to account.

(e) Nothing should intervene between the shroff of the remitting treasury and the Bank's examining shroffs, so that an uninterrupted view may be obtained by the former of the examination of the treasury. The shroff of the remitting treasury should sit within the railed enclosure along with the Bank's examining shroffs.

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(f) As soon as the detailed examination of the remittance is completed, light-weight coin should be weighed against full-weight coin and a certificate of the result granted on the spot to the shroff of the remitting treasury.

(g) The weighment and the detailed examination of a remittance should be conducted separately, not simulatneously; the weighment should be completed before the detailed examination is begun.

(h) If the work of weighment or detailed examination be not finished within the day, the bags of coin or bundles of notes not finally taken over by the Bank should be placed in chests under double locks; the key of one of the locks should be retained by the shroff of the remitting treasury and the key of the other by the Bank authorities.

(i) The Bank's shroffs who begin the weighment and examination of a remittance should continue at the same duty until they have completed the examination of the remittance, or such portion of it has been taken over for examination; they should not be replaeed by othe except when that is unavoidable owing to sickness.

(j) When the remittance is not accompanied by a shroff, th Manager or Agent of the Bank should proceed with the examination only after asking the local Treasury Officer to depute a subordinate to the present at the examination and see that it is carried out by the Bank with sufficient precautions. The Treasury Officer should depute for the purpose a subordinate of some standing and not a low-paid clerk. The charges actually incurred in connection with the deputation of such a subordinate should be debited to the Reserve Bank.

(k) The shroff or shroffs accompanying the remittance should before finally leaving the Bank, sign in a book kept for the purpose a memorandum of the uncurrent and spurious coins and of any deficiency found in the remittance.

(l) If a shroff accompanying a remittance finds that any of the above rules is not complied with or that impediments of any kind are placed upon a free and open scrutiny of the proceedings during the examination by the Bank's officers or shroffs, he should immediately report the facts to the Manager or Agent of the Bank.

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REMITTANCES TO AND FROM TREASURY PAY OFFICES OF THE STATE BANK OF
INDIA.

29. The Treasury Pay Office is responsible for all the work connected with the receipt, examination and despatch of all remittances. Subject to the provisions of subsidiary rule 9 (c) above, the detailed procedure to be followed is as follows :—

(i) Currency remittances.

(a) All currency remittances sent for deposit into the currency chest, including withdrawn rupee coins should be sent direct to the treasury strong-room (and *not* to the Treasury Pay Office first and then to the treasury strong-room). Since the Treasury Officer and the two officials of the State Bank in-charge of the Treasury Pay Office are in joint charge of the currency chest, currency remittances should be addressed to them jointly. The escort should wait at the treasury strong-room till the Treasury Pay Office Official comes there, when the Treasury Officer and the Treasury Pay Office Officials should weigh the sealed boxes containing the remittance, give the escort a joint receipt for them and place them in the strong-room to be kept there under double locks until the remittance can be examined. The examination should be done without avoidable delay.

(b) Remittance of treasure from the premises of the Treasury Pay Office to the currency chest and *vice versa* will be made on the Bank's responsibility. For currency remittances from the currency chest at the Treasury Pay Office to the parent branch of the State Bank or *vice versa* or to or from sub-treasury chests, the Government will provide the police escort, and the cost should be debited to the Reserve Bank.

(c) A currency remittance should be counted in the presence of the Treasury Officer and of the Clerk in-charge and the Treasurer of the Treasury Pay Office in the manner laid down in sub-sidairy rule 15 (ii) under Treasury Rule 11 and the Clerk in-charge and the Treasurer of the Treasury Pay Office should attend at the strong-room for this purpose when required. The Treasury Officer should arrange for the counting to be done at a convenient time by agreement with Clerk in-charge of the Treasury Pay Office. In order that the counting of currency remittances may be done, as far as possible, by the normal staff of the Treasury Pay Office, the Treasury Officer and the officials of the Treasury Pay Office should when necessary make suitable arrangements, in consultation, for the work to be done at times outside the office hours of the Treasury Pay Office on its working days and/or on Bank holidays. The

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parent branch of the State Bank of India should make special arrangements to depute additional staff to the Treasury Pay Office to deal with the examination or despatch of currency remittance within the prescribed time when, in unavoidable circumstances, such a course become necessary.

(ii) Treasury remittances.

All treasury remittances should be sent to the Treasury Pay Office, which should make the necessary arrangements for examining them and making the necessary remittances to the Mint. There is however, no objection, if the State Bank so desires, to the Treasury Officer's allowing such remittances to be kept temporarily in the currency chest strong-room in separate receptacles on the sole responsibility of the Bank's official's in charge of the Treasury Pay Office and on the distinct understanding that neither the Government nor the Treasury Officer will have any responsibility whatever for any such receptacle or its contents or for any loss.

REMITTANCES OF SURPLUS FUNDS FROM A SUB-TREASURY TO A PAY OFFICE OR OUT-STATION OF THE STATE BANK OF INDIA.

30. When a sub-treasury is authorized to remit surplus funds to a Pay Office or out-station of the State Bank of India, one key of the remittance box to be used for this purpose should be retained at the Pay Office or out-station and the second key should be in the custody of the Sub-treasury Officer, and neither key should be taken by any member of the escort. The Government will not, however, be responsible for the remittance once it is handed over to the State Bank's messenger.

Certain sub-treasuries have been authorized to receive surplus funds from the adjacent Pay Offices or out-stations of the State Bank of India. Such surplus funds should be received only when the sub-treasury is in need of funds and should be in round hundreds of rupees in currency notes and rupee coins. The amounts so received in a sub-treasury should be deposited in the currency chest and intimation slip sent in the usual manner giving clear indication that the deposit is from the funds of the State Bank. Separate currency chest slips should also be sent giving indication that the amounts deposited were received from the Pay Office or out-station of the State Bank of India.

Note.—No treasury or Sub-Treasury Officer should, under any circumstances, either receive funds from a Pay Office or out-station of the State Bank of India when that would necessitate his sending a remittance, or pay funds to a Pay Office or an out-station of the State Bank of India when that would necessitate his obtaining a remittance from elsewhere.

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[TR 30, SR 43-44]

C. RESERVE BANK OF INDIA REMITTANCES.

Subsidiary rule under Treasury Rule 30—cont.

Introductors.

43. These rules are designed primarily for the guidance of Treasury Officers in dealing with the payments into and withdrawals from treasuries in connection with the facilities afforded by the Reserve Bank to Government officers and others for the remittance of moneys from one place to another. These remittances are arranged for by the issue of telegraphic transfers, drafts, etc., on the Reserve Bank account.

44. Remittances between places where the Reserve Bank has its own offices or is represented by its State Bank agencies, having full currency chest facilities, will not pass through the Government account. At places where the Reserve Bank is not so represented, all treasuries and sub-treasuries in India with currency chest facilities and such other treasuries or sub-treasuries as may be nominated by the Reserve Bank in this behalf, will be regarded as "Treasury Agencies" of the Reserve Bank for the issue and payment of Telegraphic transfers and drafts drawn by or upon them. The connected debits and credits in the treasury accounts, which will be carried initially against the balance of the Government owning the treasury or the sub-treasury, as the case may be will be cleared by the Accountant-General by daily adjustments advised to the Central Account Office of the Reserve Bank in accordance with such directions as may be given by the Comptroller and Auditor-General with the approval of the President.

NOTE. -1.—At places where the cash business of the treasury is conducted by sub-offices of the State Bank of India having limited currency chest facilities (*i.e.*, Treasury Pay Offices), Reserve Bank remittances will be drawn by or upon the treasury or sub-treasury at such places acting as Treasury Agencies of the Reserve Bank and not the Treasury Pay Office of the State Bank, though the cash and clerical work in connection therewith will be transacted by the later on the orders of the Treasury or the Sub-treasury Officer as the case may be.

The names of treasuries and sub-treasuries which, for the purpose of this rule, are regarded as Treasury Agencies of the Reserve Bank will be found in the separated "publication List of Treasuries and Sub treasuries in India issued by the Central Government.

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NOTE 2.—For the purpose of the rules in this section, the term “ Draft ” includes also Reserve Bank dividend payment orders referred to in subsidiary rule 45 below.

45. The various types of remittances between one “ Treasury Agency ” and another or between treasury agencies and places where the Reserve Bank is represented, will consist of—

(i) For Scheduled Banks, Approved Non-Scheduled Banks, Indigenous Bankers, Co-operative Banks and Societies and for the general public—

(1) Telegraphic Transfers.

(2) Reserve Bank Drafts.

(ii) On Government Account—

Reserve Bank of India Government Drafts to be superscribed “ On Government Account only ”.

(iii) For the Reserve Bank’s domestic purposes—

(1) Security Deposit Interest Drafts.

(2) Dividend Warrant Payment Orders.

The rates at which and the conditions and limitations under which Telegraphic transfers and drafts on the several accounts can be issued by Treasury Agencies, will be regulated by such general or special instructions as may be issued by the Reserve Bank with the approval of the President.

NOTE 1.—Bank Drafts on Government account *at par* will be granted within prescribed limits to Government officers and others at and on all offices and agencies (including Treasury Agencies) of the Reserve Bank for remittances on behalf of the Government and for other *quasi* public purposes set forth in *Appendix* 21. These remittances at par with be granted for transfers of funds within India.

NOTE 2.—Drawings on behalf of the Government of Tamil Nadu affected by the Treasury Agencies in Tamil Nadu on the Coorg Mercara treasury and on the sub-treasuries at Sanwarpett and South Coorg töluk, Virajpet in Coorg should be treated as extra-State and charged accordingly.

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46. The procedure to be observed by Treasury Officers in respect of the issue and payment of Telegraphic Transfer and Drafts on the Reserve Bank account will be governed by the following rules, but the Treasury Officers shall comply with any general or special instructions that may be issued to them in this behalf by the Currency Officer.

47. Subject as hereinafter provided, the various forms to be used in connection with drawings on or by Treasury Agencies will be designed by the Reserve Bank.

The form of initial accounts to be kept by Treasury Agencies in respect of remittances drawn and encashed by them and the methods by which accounts of such remittances are to be rendered by them to the Accountant-General, will be governed by such directions as may be given by the Comptroller and Auditor-General with the approval of the President—See Articles 78-85 of the Tamil Nadu Account Code. Volume II.

Telegraphic Transfers, Issues and Encashments.

48. A person applying for a Telegraphic Transfer must pay the amount of such transfer together with the prescribed charges, including the cost of telegram, before the Telegraphic Transfer is issued.

The application must be made in the form prescribed by the Reserve Bank, which may be obtained from the treasury. The application form duly filled in will serve as a chalan for the money tendered. The Treasury Officer shall retain the application for transmission to the Accountant-General along with the daily "Schedule of Reserve Bank of India Remittances Drawn" (instruction 33 below) and grant the remitter a receipt in the form prescribed by the Reserve Bank for the purpose.

49. In issuing a Telegraphic Transfer, the following rules shall be observed by the Treasury Officer :--

(i) The telegram to the office making payment of the Transfer should be sent in Reserve Bank Cypher Code authenticated by the Reserve Bank of India Treasury Agencies Private Check Signal.

(ii) A post copy of the telegram should be despatched to the Paying office at the same time as the telegram is issued.

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50. In paying a Telegraphic Transfer, the following precautions shall be observed :—

(i) The person claiming payment should be required to produce the telegraphic advice from the place where the transfer has been issued.

NOTE.—A Scheduled Bank applying for payment of the amount of a telegraphic transfer need not be required to produce the telegram received from the remitter, but a mere letter from the agent of the branch concerned advising receipt of intimation regarding the telegraphic transfer and demanding payment should be considered adequate for the purpose of the above rule.

(ii) If the person to whom the Transfer is payable is not known to him, the Treasury Officer should require identification by a well-known and responsible person who should certify that the payee is known to him.

(iii) The payment of the Transfer should be reported at once by a letter to the issuing officer.

(iv) If the Treasury Officer has any reason to doubt whether any person claiming payment is entitled to it, he should telegraph to the issuing office for confirmation.

(v) If the post copy of the telegram authorizing payment is not received within three days of the date on which it should arrive the Treasury Officer should communicate with the issuing officer and ask for his confirmation of the telegram.

51. Remittances will be payable in legal tender currency, *i.e.*, notes or coins, at the convenience of the officer making payment. In other words, the payee will have no right to demand payment in any particular form of currency though in practice, his requirements will be met as far as possible.

52. The provisions of subsidiary rule 72 below apply *mutatis mutandis* to payments of Telegraphic Transfers as they apply payments on Drafts.

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DRAFTS—DRAWINGS AND ENCASHMENTS

Explanations

53. The person or office that draws (*i.e.*, issues or grants) a draft is called the *drawer*, the person or office on which it is drawn and by which it is payable is called the *drawee* the person or party to whom a Draft is granted is called the *remitter* and the person or party to whom it is payable is the *pavee*.

54. A Bank Draft on Government account is not transferable and is only payable to or on the receipt of the person named therein as the payee or his lawful agent. All other Drafts, unless the contrary intention appears from the form itself, are transferable, the original payee being entitled to transfer his right by endorsement. This he may do by simply signing his name on the back, in which case it becomes payable to bearer, or he may write above his signature, "Pay to C.D." or "Pay to C.D. or order" in which cases C.D. stands in the same position as the original payee did originally and has the same power of transfer. The writing by which such a write is transferred is called an endorsement the endorsement to "C.D. or order" is a *special endorsement*, and the persons to whom a Draft is successively transferred are *endorsees*, and the persons in rightful possession of a Draft is the holder.

Form of Drafts

55. Drafts shall be issued in special forms to be obtained from the Currency officers under instruction 37 below.

56. Immediately on receipt of a parcel of forms of Drafts, shall be carefully examined by the Treasury Officer and a proper acknowledgement sent to the Currency Officer. The acknowledgement shall certify that the forms have been counted and found correct.

57. The forms of Drafts and of Advices (subsidiary rule 61 below) shall be placed in store under the key of the Treasury Officer who should each morning issue the book or books containing Drafts forms and the Advice forms, for the day's use. He must be careful not to issue a book of a later serial number before an earlier, and therefore should see that the store is so arranged as to prevent mistakes. Every evening the unused forms will be returned to him, and he should see that this serial is unbroken, that no form is kept back unissued unless it be spoilt and that the number of draft forms expended in the day agrees with the total number listed in the "Schedule of Reserve Bank of India Remittances Drawn" for the day. (Instruction 35 below).

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Officers signing Drafts shall destroy spoilt draft forms after noting in the remarks column of the "Register of Reserve Bank" of India Remittances Drawn" (Form T.A.25 in the Tamil Nadu Account Code-Volume II) under their full signature the printed numbers of the forms destroyed and certifying that the forms have been cancelled and destroyed.

Issue of Drafts

58. A person requiring a draft shall tender with the money a formal application in prescribed form which may be obtained from the treasury. The application form duly filled in will serve as a chalan for the money tendered. The application shall be retained by the Treasury Officer for transmission to the Accountant-General along with the daily "Schedule of Reserve Bank of India Remittances Drawn". (Instruction 33 below).

NOTE 1.—A person applying for a Bank Draft on Government Account should certify on the application that the Draft is wanted for *bonofide* public purposes and describe 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 Directors of Treasuries and Accounts. Questionable grants should be reported to the Currency Officer with a view to the issue of the instructions for future guidance.

NOTE 2.—When the purchaser of the Draft demands a receipt for the amount of the Draft and the exchange charges thereon, the Treasury Officer may grant the purchaser a receipt in the form prescribed by the Reserve Bank for the purpose.

59. Drafts shall be prepared and signed from time to time as they are applied for, immediately on the receipt of cash or its equivalent, the business of signing them must not be postponed till the close of office and on no account may the office be closed till all Drafts applied for have been issued. Each must be signed legibly with the full signature of the Treasury Officer.

60. At the time of signature of a Draft, the Register (Form I.A. 25 in the Tamil Nadu Account Code, Volume II), together with the application for the Draft, the advice (subsidiary rule 61 below) and the book of forms shall be laid together before the Treasury Officer. The Treasury

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Officer shall initial each entry in the Advice and the corresponding entry in the register at the same time as he signs the Draft after he has satisfied himself that—

- (i) the several documents agree,
- (ii) the authority for issue is sufficient,
- (iii) the date and office of issue and the name of the payee are legibly and distinctly entered in that body of the Draft.
- (iv) in addition to the amount being entered in figures, the amount of whole rupees is entered a second time in words and fractions of a rupee in words or figures; that the words are written continuously without lifting the pen and that when the amount consists of rupees only and does not contain fractions of a rupee, the words end with the word "only" and
- (v) a sum a little in excess of that for which the Draft is granted is entered in words across the Draft at right angles to the type.

NOTE 1.—“Under thirty rupees” will mean that the Draft is for a sum not less than Rs. 20 but less than Rs. 30 and similarly, “under eight hundred rupees” will mean that is for less than Rs. 800, but not less than Rs. 700.

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

Advice of Remittances Drawn.

61. An Advice of all drawings effected on a particular treasury the Bank on any particular date shall be sent to the Treasury or the Office drawn upon in the special form prescribed by the Reserve Bank. The Advices shall be completed, signed and despatched by the Treasury Officer before the treasury closes on the day of issue.

Advices of Drafts drawn on the Bank shall be sent direct to the Manager or Agent, as the case may be, of the Bank.

Note.—Whenever two or more sheets are used for advising the issue of drafts, each such sheet should be signed by the Treasury Officer.

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62. If alternations be made in a Draft prior to issue, the corrections shall be noted in the Advice, and each alteration, both in Draft and Advice, shall be authenticated by the drawer's full *signature* in order to prevent hesitation on the part of the drawee. If the drawer should enter the amount so carelessly as to enable to a stranger to alter it, and fraudulently to obtain payment of a larger amount, the drawer, and not the drawee, must bear the loss. But the Treasury Officer drawn on must remember and apply the numerous defensive checks provided for him by these rules.

Regularity of Signature.

63. Variation in the signature of the drawer often entails much trouble on the paying office, and the drawer will be held responsible for inconvenience or delay which may be caused to individuals in consequence of change in or illegibility of his signature or other serious irregularity on the fact of the draft, as the drawee would be justified in suspending payment in cases of doubt arising from such cases. An officer in charge of a treasury shall sign his name in English or have it written in English characters below the signature in any Indian script.

64. When any change of Treasury Officer occurs, a specimen of the signature of the relieving officer shall be forwarded by the outgoing officer to all officers usually drawn on. The following form will be convenient:—

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

.....
Relieved Officer

The

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.....
Relieving Officer.

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

NOTE 2.—In the case of an officer who signs in any Indian script, his name should also be written in English characters in the notice, as well as after his signature.

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NOTE 3.—When an officer who was formerly in charge of a treasury resumes charge of it after a lapse of time, his signature need not again be circulated among treasury and other offices.

NOTE 4.—Specimen signatures of the receiving officer shall also be forwarded to all Postmasters, who draw money and also make remittances into the treasury concerned, in the form prescribed in the above rule. The Treasury Officer shall also furnish to the Postmasters concerned the specimen signatures of the Treasury and the Accountant who are authorised under Subsidiary Rule 16 (f) under Treasury Rule 10 to acknowledge remittance under Rs. 500 into the Treasury.

Encashment of Drafts.

65. The Advices received from the issuing treasuries or the Bank shall be opened in the presence of the Treasury Officer, and each dated and initialled by him after he has satisfied himself of its genuineness by examining the signature of the drawer and, if necessary, the post mark. They shall then be sorted and arranged according to the office from which they are received and pasted chronologically in guard files in such a way that advices received from each drawing office may be kept together. These files, shall be kept under lock and key.

NOTE 1.—The Treasury Officers should particularly guard against the possibility of the fraud of altering after signature the amount shown in the Advice, by a comparison of the total amount reported in words in the heading with the real total of the figured amount of an Advice. Any alteration of any entry, whether of names or figures, in an Advice require the drawer's full signature, so that it is scarcely possible that any fraud should be attempted by altering the Advice before he has signed it, since at the time of signing he would notice any uncertified correction.

NOTE 2.—All covers containing "Advices of remittances sold" received from the issuing treasuries or the Bank shall be superscribed with the words "Remittance Advice".

66. The Advices arranged in the manner prescribed in the last preceding rule will facilitate the examination and identification of Drafts, etc. presented for payment. The entries made in an advice should be such as to place sufficient obstacle to the encashment of Drafts forged or

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fraudulently altered, and their sequence should effectually bar the use a second time of a particular serial number, and suggest suspicion even of the Advice where a high number follows a low one.

Necessary notes of references touching irregularities of cancellation issue of certificates of non-payment, Advices of seconds or third, and of any other points of importance shall be made on the Advice.

67. (a) On a drafts being presented for encashment, the Treasury Officer shall compare it with the Advice, and satisfy himself carefully that it is in order, and that it is receipted on the back by a person able to give a legal acquittance. It must be borne in mind that in the case of a Draft on Government account the liability to the payee named in the Draft can only be discharged by payment to—

- (1) the payee or his lawful agent on identification, or
- (2) the payee's banker who should certify that the amount has been placed to the payee's credit, or

(3) a person holding a letter of authority from the payee, whose signature must be known to the Treasury Officer and if the letter directs the Treasury Officer to pay the money to ascertain named person, that person must be identified to the Treasury Officer before payment can be made.

The only endorsement on such draft should be payee's receipt or that of his lawful agent

(b) In all other cases where payment is not made on an endorsement in favour of a recognized bank, the Treasury Officer shall not only satisfy himself of the genuineness of the claimant's signature to the receipt on the back of a Draft but, if the claimant himself is not in attendance, he must assure himself that the presenter of the Draft is the agent or messenger of the legal holder, duly authorized to receive the payment. If the presenter is unknown to the treasury officials, or, if known, should there be reasonable grounds for questioning his being in lawful possession of the Draft, the Treasury Officer shall demand a letter from the legal holder, authorizing the presenter to receive payment on his behalf. Similarly, in cases where payment is made on an endorsement to a recognized bank, the Treasury Officer must assure himself that the presenter of the Drafts is the authorized agent or messenger of the Bank.

NOTE I.—The term "recognised bank" referred to in the sub-sidiary rule include a scheduled bank under Reserve Bank of India Act, 1934, or a bank or firm mentioned in Appendix 12.

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NOTE 2.—The letter of authority for receiving payment at the treasury referred to in this rule is not liable to stamp duty.

68. Drafts payable at the district treasury cannot be endorsed for payment at sub-treasury.

69. Before issuing pay orders on a Draft, the Treasury Officer shall satisfy himself that the draft has been advised; that it corresponds in all particulars with the Advice; that it bears the genuine signature of the drawer; that it has not been tampered with; and that it is not a cancelled or a lapsed Draft or one of which a duplicate has been paid. A Draft may be paid.—

(i) without Advice if there is no reason whatsoever to doubt its genuineness, and if sufficient security is offered. In the case of well known and reliable holders, this security may be dispensed with at the discretion of the Treasury Officer. The Treasury Officer shall in all cases apply for the necessary Advice without delay.

(ii) even though differing from the Advice, at the discretion of the Treasury Officer provided there is no suspicion of fraudulent alteration, nor any possible doubt of the genuineness of the Draft special caution shall be exercised before paying on as Draft an amount larger than that named in the Advice.

70. As each Draft Telegraphic Transfer drawn by the treasury paid it must be stamped "paid", the date of payment being at the same time noted in the Advice under the initials of the Treasury Officer.

Doubtful Drawings.

71. In the case of erasure, alteration or other serious cause for suspicion, the Treasury Officer shall, before payment, refer to the drawer the post office of the Currency Officer, as the case may require. Any material alteration of a Draft, after it has been drawn or endorsed, affecting the date, sum, or time or place of payment will invalidate it; but the mere correction of a mistake such as by inserting the words "or order" in the endorsement of a Draft will have no such effect.

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Form of Receipt.

72. For the sufficiency of the receipt, it is necessary to see that it is not for a part only of the Draft, and that it is given by the legal holder. On no account may a Draft, be paid by instalments, receipt for the full amount must be given on the reverse, and the full amount must be paid

(a) If the legal holder be dead, payment can be made only to his legal representative a Draft for less than Rs. 100 may, however, be paid without a certificate of administration.

(b) If the receipt be signed by an agent or attorney, note of the existence, and of the record in the treasury, of the power of attorney should be made on the Draft.

(c) If more than one person be named in a Draft, all must join in order to give a valid endorsement or receipt.

(d) A Draft payable to A.B. cannot be cashed on the receipt of his partner C.D. without production of a formal power of attorney a bill payable to A.B. and C. can be paid on the receipt as A.B. and C. of any member of the firm.

(e) Drafts payable to an incorporated company or any corporate body may be paid on the receipt of the official authorized-generally or specially, by its regulations or by power of attorney to receive moneys payable to such company or body.

In the case of Draft's payable to an unincorporated body, payment may be made to a person holding authority to receive moneys payable to such body, but the Treasury Officer shall first satisfy himself that the authority has been duly conferred.

(f) A Government Officer which he sends a Draft to a treasury, not for cash payment, but for credit of its amount in the treasury accounts, must, before he signs the receipt, add to the words "Received payment" the further words "by transfer credit", omission to do this facilitates fraudulent appropriation of the money.

Instructions under Treasury Rule 30—cont.

RECORD OF DRAFTING AND ENCASHMENT.

31. A record of Telegraphic Transfers and Drafts drawn by the treasury will be kept in a register (Form. TA 25) in accordance with the directions contained in this behalf in the Tamil Nadu Accounts Code, Volume II.

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32. As each Draft or Telegraphic Transfer is paid, entry must be made in the Register of Reserve Bank of India Remittances Encashed (Form T.A. 26 in the Tamil Nadu Account Code, Volume II).

33. At the close of each day, separate schedules for drawings and encashments during the day will be prepared in special forms prescribed by the Reserve Bank for submission to the Accountant-General in accordance with the directions contained in the Tamil Nadu Account Code, Volume II. The application forms for remittances drawn and also the receipted Draft and the payees receipts in respect of Telegraphic Transfers encashed shall accompany the schedules mentioned above.

34. The following are the checks 'which the Treasury Officer shall each evening apply to the several' documents connected with remittances drawn and encashed. The Registers of Remittance drawn and encashed and the connected schedules check one another directly; the total payments for the day as booked under the head "882. Reserve Bank of India Remittances" in the Cash Book, after allowing for receipts and payments, if any, at sub-treasuries which will be entered under a separate sub-head. The total of the several advices for the day must also agree with the total in the column "Amount" in the schedule of drawings, and this agreement shall be, at times, checked by the Treasury Officer himself.

34-A. Where the name of the payee and for endorsee appears on the instrument in English and the signature is made in English, the Treasury Officer should in addition to the precautions prescribed in the Treasury Rules for making payment to the proper person on identification, see that the signature tallies letter for letter with the name as spelt on the instrument. Where the name of the payee or endorsee is spelt incorrectly, the spelling of the endorsement must correspond with that of the misspelt name, but, if the payee wishes, he may add his name in brackets.

Subsidiary Rules under Treasury Rule 30—cont.

OTHER RULES.

Issue of Duplicates.

73. When satisfactory evidence has been given that a Draft has been either lost or destroyed, and application is made within a reasonable period after issue but before it has elapsed (sub-sidiary rule 81 below), a duplicate may, without reference to the currency Officer be granted to

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the party who obtained the original or to the payee, or to the legal representative of either but to no other person. If the Draft should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawee, but the issue of this certificate will be no bar to the payment of the last Draft, if presented before the duplicate is paid.

In the event of the loss of both original and duplicate, a triplicate may be issued on the same terms as the duplicate the non-payment of the others being certified. Neither duplicate nor triplicate can be issued without reference to the Currency Officer, if the Draft has lapsed (subsidiary rule 81 below). Issues of duplicate or triplicate shall be promptly advised to the drawee, in order that proper note may be made on the advice originally received.

74. The duplicate and triplicate shall be drawn in exactly the same terms as the original instrument with the same date, the same number, the same amount and the name of the same payee; so, that, if a lost Draft has been endorsed, the endorsee must apply for a duplicate through the original payee. It will be issued under the signature of the officer in charge of the treasury at the time, although he be not the person who signed the original Draft.

75. No duplicate or triplicate order than six months shall be paid without previous reference to the Currency Officer.

Cancellation and Refund.

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

77. All parts being surrendered, a Draft may be cancelled and its amount refunded to the remitter on application provided that the draft bears no endorsement or other evidence to show that it was delivered to the payee and provided further that the signature of the remitter on the letter of request for cancellation agrees with that on the relevant draft application form. If the draft bears any endorsement by the payee/endorsee(s) or crossing by any Bank the remitter should be asked to have the endorsements crossed cancelled by the maker thereof where the above requirements are not satisfied the remitters' explanation stating

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The reasons for his request for cancellation of the draft and the difficulties in complying with the requirements should be obtained and forwarded to the Reserve Bank of India for issue of necessary instructions. No exchange which has been levied can be refunded.

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

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

Instruction under Treasury Rule 30— cont.

35. The amount refunded will be entered in the “Register of Reserve Bank of India Remittances Encashed” and also in the proper columns of the schedule of such encashments for the day on which the cancellation takes place, in accordance with the direction contained in this behalf in the Tamil Nadu Account Code, Volume II.

Subsidiary Rules Treasury Rule 30—cont.

Exchange of Drafts

79. A Treasury Officer may issue a Draft in exchange for one drawn on him.

(i) *If on Government account.*— Only if the payee be a Government officer and requires the Draft to be exchanged for reasons to be stated in his application.

(ii) *In other cases.*— Only if the holder has been removed to the neighbourhood of another treasury or of an office or agency of the Bank.

NOTE.— A Draft is said to be exchanged when the holder being unable to appear and take payment in cash applies for a new one endorsing the original “Received payments” by Draft on.....

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

36. When a Draft is exchanged for another, the original Draft will be treated and entered as a Draft presented for encashment and the amount again credited received as for the issue of a new Draft.

SUPPLY OF FORMS.

37. Forms of Drafts and all other forms prescribed by the Reserve Bank for use in connection with the remittances dealt with in this Section will be supplied to the Treasury Officer by the Currency Officer under whose jurisdiction the treasury is situated. Indents for such supplies will be in *Form 87* or in such other form as the Reserve Bank may prescribe and will ordinarily be for twelve months' supply.

Subsidiary Rules under Treasury Rule 30—cont.

Unpaid Drafts

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

Lapse of Drafts

81. Drafts which are not paid before the end of the third account year after that in which they are issued, shall be treated as lapsed and shall be so marked in the Advice. Should any one apply for payment of a lapsed Draft, he should be directed to address the Currency Officer for orders.

SPECIAL RULES FOR REMITTANCES OF POLICEMAN

82. In the case of policemen's remittances, the Superintendent of Police concerned shall forward the Draft to the payees direct, There is no objection, if such a course is preferred, or is required by departmental regulations, to his sending the Draft to the Superintendent of Police of the district in which the payee resides who will deliver it to the payee after satisfying himself as to his identity Descriptive rolls of the payee duly filled in and signed shall, at the same time, be sent to the Treasury Officers concerned.

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83. The Drafts are payable to the parties described in the roll. In cases of doubtful identify, payment may be made on security at the discretion of the Treasury Officer.

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

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

Note.—These Drafts, may also be cancelled as provided for in subsidiary rule 77 above.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

CHAPTER VII—RESPONSIBILITY FOR MONEYS WITHDRAWN
TREASURY OFFICER.*Instructions under Treasury Rule 31*RESPONSIBILITY OF TREASURY OFFICER IN RECOVERING AMOUNTS DIS-
ALLOWED BY THE ACCOUNTANT-GENERAL AND THE EXAMINER OF
LOCAL FUND ACCOUNTS.

1. When the Accountant-General disallows a payment as unauthorized the Treasury Officer should promptly recover the amount disallowed without regard to any representation or protest and, if the item is a recurring one should also refuse to make similar payments in future until the Accountant-General authorizes him to do so. The Treasury Officer should not enter into any correspondence regarding any such recovery.

If a Treasury Officer receives an order to make a recovery from the Government servant who has been transferred to another district, he should immediately forward it to the Treasury Officer of that other district.

Note.—A recovery should when necessary be made in instalments, as prescribed in Article 58 of the Tamil Nadu Financial Code, Vol. I.

2. (a) The Treasury Officer should invariably recover from the next contingent bill of the office concerned any amount which the Accountant-General order him to recover on account of contingencies.

(b) The Treasury Officer should ordinarily recover from the next pay bill of the Government servant concerned any amount which the Accountant-General orders him to recover on account of pay and similarly from the next travelling allowance bill any recovery ordered on account of travelling allowance. When, however a recovery has to be made on account of travelling allowance and the Government servant concerned does not present a travelling allowance bill within a month he should be requested to refund the amount at once in cash and if he fails to do so, it should be recovered from his next pay bill.

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(c) If a recovery has to be made but no bill from which it can be made is likely to be submitted in the near future and the Government servant who has to make good the amount does not refund it promptly in cash when requested to do so, the Treasury Officer should report the circumstances to the Accountant-General and ask for his orders.

(d) The Treasury Officer should invariably recover from the bill of a local body for any non-statutory grant any amount which the Examiner of Local Fund Accounts, orders him to recover on account of over drawal of grant-in-aid by that local body. He should also send a report to the Examiner as soon as the recovery is effected.

(e) A recovery should be shown distinctly at the foot of the bill (not on a sub-voucher), and the number and date of the objection statement or other authority should be distinctly quoted.

3. Objections and orders which arise out of the examination by the Accountant-General of the treasury accounts are communicated to the Treasury Officer by letters, audit memoranda, or periodical objection statements in Form 105 and further remarks on the Treasury Officers replies in Tamil Nadu Treasury Code Form 105-A. To these the earliest attention should be given and it is most important that these objection statements should be returned punctually within a fortnight of receipt and also that the replies in them should be such as will enable the Accountant-General to adjust the items under objections without further correspondence. When it is necessary to communicate objections to other officers as in the case of officers subordinate to the Collector it should be done immediately on receipt of the objection statements and early replies should be asked for. If these are not received in time for the return of the objection statements to the Accountant-General, the fact should be noted in the reply column of the statement and the receipt of the reply and its transmission to the Accountant-General should be carefully watched. A copy of the objection statement should be kept in the treasury.

4. *Register of recoveries.*—Every treasury should maintain a register of recoveries in Form 106 in which separate pages should be set apart, as may be convenient for each Government servant or department entitled to draw bills etc., on the treasury. As soon as any order to make a recovery is received whether through an objection statement or a separate slip, an entry should be made in the register. Before any bill is passed for payment, the register should be consulted to see whether any recovery has to be made when any amount is recovered it should be duly noted in the register along with the number and date of the voucher.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

DRAWING OFFICERS

*Subsidiary Rules under Treasury Rule 32.*GENERAL RULES REGARDING THE FORMS OF VOUCHERS
FOR DISBURSEMENTS MADE, ETC.,

1. A Government servant is responsible for the safe custody of moneys received by him from the treasury for expenditure on behalf of the Government and shall maintain the prescribed accounts for watching the correct disposal of the money (e.g., by disbursement of pay, allowances etc., among the staff) and for checking the cash balance in the office.

2. (a) Subject to the provisions of clause (b) below a Government servant shall obtain, for every disbursement which he makes on behalf of the Government including every repayment of moneys which have been deposited with the Government, a voucher setting forth full and clear particulars of the claim, using as far as possible the particular form, if any, prescribed for the purpose and shall obtain at the time of making payment, either on the voucher or on a separate paper to be attached to it, an acknowledgment of the payment signed by the payee by hand and in ink. In doing so, he shall observe carefully the directions in subsidiary rule 2 under Treasury Rule 16 in regard to the preparation of vouchers and the stamping of receipts. When possible, he shall require the payee to note the actual date of payment in his acknowledgment. When it is not possible for the payee to note the actual date of payment either because he is illiterate or because he is required to present a signed receipt before payment is made the disbursing officer shall enter the actual date of payment on the relevant voucher with his initials either separately for each payment or for groups of payments, as may be found convenient.

If a payee is not able to write his signature on the acknowledgment shall be taken in the form of his mark or preferable his thumb-impression attested invariably by some known person See subsidiary rule 2 (h) under Treasury Rule 16.

If a payee signs his acknowledgment in a language other than English he shall be required to write also the amount acknowledged in word and that language in his own handwriting. His acknowledgment including the amount acknowledged and any remarks made by him, shall be translated into English and his signature shall be translated in Roman characters. Signatures in Hindi or Tamil need not be translated. If a payee cannot sign his name in a script known to the disbursing officers or

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(T.R. 32—S.R. 1—2)

member of his staff if he can sign in a script known to one of them but cannot write the amount acknowledged in words in it, the procedure applicable when a payee is not able to write shall be followed.

A cash memorandum shall not be treated as a proper voucher (or a valid receipt) unless it contains a specific signed acknowledgment of the receipt of the moneys by the signatory from the Government servant concerned, and is duly stamped with a ten paise stamp if the amount paid exceeds Rs. 20 or in cases where this is not practicable, it is stamped "PAID", and initialled by the drawing and disbursing officer.

Note.—As adjustment bills for 'nil' amount involve no payment is not necessary to insist upon any acknowledgement of payment in respect of such bills.

Exception 1.—The facsimile signature is prescribed for obtaining the payees' acknowledgements of payments on account of the pay and allowances of Government servants—See subsidiary rule 4 below.

Exception 2.—The facsimile signature of the executive authority of a municipality may be accepted as the payee's signature on an acknowledgement of the payment of a municipal tax on a Government building.

Exception 3.—In the Electricity department, when cheques are sent to the suppliers or contractors by post, the receipt for the payment may be obtained by the disbursing officer after the cheques are received by the payees.

Exception 4.—Petty purchases not exceeding Rs. 10 made at a time on cash basis by the officer-in-charge of the following commercial concern are exempted from the operation of the rule:—

- (i) Deleted.
- (ii) Deleted.
- (iii) Deleted.
- (iv) Agricultural Engineering Workshops, Madras.

Disbursing officers, should, however, record on the sub-vouchers the words 'cash paid' over their date signature.

(b) If, in very exceptional circumstances, it is quite impossible to furnish a proper voucher with the payee's acknowledgment in support of a payment, a certificate of payment showing the particulars of the claim, signed by the disbursing officer and endorsed by his immediate superior, shall be placed on record.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

If a disbursing officer anticipates any difficulty in obtaining an acknowledgment in the proper form from a person to whom any moneys are due, he shall decline to deliver the cheque of cash to him or to make a remittance to him, as the case may be until he receive a proper acknowledgment of the payment with all the necessary particulars.

Whenever a payment is made by remittance, a note of the date and mode of remittance shall be made on the bill or voucher at the time of remittance. When a remittance is made by postal money order, its purpose shall be briefly stated in the acknowledgement portion of the money order form in continuation of the entry. "Received the sum specified above on" and sufficient space shall be left below the manuscript addition for the signature or thumb-impression of the payee.

Whenever a disbursing officer of the Public Works, Electricity or Forest Department tenders money orders to the Post Office for issue with a cheque in lieu of cash he shall demand an individual receipt for each such money order.

(d) When an article is obtained by the value payable by post, the value payable cover, together with the invoice or bill showing full details of the items paid for, shall be treated as a voucher, and the disbursing Officer shall note on the cover that the payment was made through the Post Office and includes the certificate copy marked postal commission.

(e) disbursing officer may retain a certificate copy marked 'Duplicate of a receipted voucher, when this is necessary in order to complete the record in his office, but the payee shall not be required to sign any such copy or to give a duplicate acknowledgement of the payment.

3. No voucher shall be treated as valid voucher unless it bears a district pay order, specifying, the amount payable both in words and in figures separately and signed or intialled, and dated by hand and ink by the responsible disbursing officer. Cashiers and other Government servant, who are authorised to make payments on passed vouchers shall not make any payment on voucher unless it bears pay order satisfying these requirements.

DISBURSEMENT OF PAY AND ALLOWANCES OF GOVERNMENT SERVANTS.

4. (a) The head of an 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 acknowledge

RESPONSIBILITY FOR MONEYS WITHDRAWAL

ments, duly stamped when necessary. These acknowledgements shall be taken as a rule on the office copy of the bill. When the head of the office concerned considers that an establishment is so large or scattered that the payees' acknowledgements cannot, without undue inconvenience be obtained on the office copy of the bill, he shall maintain a separate acquittance roll in Form 88 and obtain the payees' acknowledgements in it.

The leave salary of the non-gazetted Government servant who is on leave in India shall be drawn in the district in which he was last on duty and he must make his own arrangements, for having it remitted to him when necessary. As an exception to the procedure prescribed in the preceding paragraph, when a Superior non-Gazetted Government servant is on casual or other leave any moneys due to him may be remitted to him by postal money order at his expense, if he has made a written request for this to be done in that case, the receipt given by the Post Office and the payee's receipt shall be attached to the office copy of the bill or to the acquittance roll, as the case may be. The leave salary of a last grade Government servant shall be remitted to him by postal money order at Government expense, the money order commission being debited to contingencies. Alternatively a Government servant who is on casual or other leave may make a written request that any moneys due to him be paid to a specified Government servant belonging to the same office; payment shall then be made accordingly, provided that the Government servant nominated produces an acknowledgement signed by the absentee (and stamped when the amount exceeds Rs. 20) and that the disbursing officer is satisfied that the absentee's written request and acknowledgement of the payment may be accepted. The same procedure may be followed also for the disbursement of moneys due to a Government servant when he is in camp. The Government servant who receives the moneys shall sign on the back of the absentee's acknowledgement in token of his having received the moneys on the absentee's behalf. The acknowledgement shall be attached to the office copy of the bill or to the acquittance roll, as the case may be, and the remark "separate receipt attached" shall be entered in the appropriate place in the office copy of the bill or in the receipt column of the roll. Any such payment is made entirely at the risk of the Government servant to whom the amount is due, and no claim shall be against the Government under any circumstances on account of any loss which he may suffer in connection with it. The leave salary of Superior non-Gazetted Government servant also be paid when required by means of a bank draft the commission on the bank drafts obtained for payments outside the State being met by the Government.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

A double Lock cash chest as in the case of treasuries shall be opened in big offices where cash handling is heavy undisbursed pay amounts exceeding Rs. 5,000 (Rupees Five thousand only) shall be placed in and withdrawn from the Double Lock cash chest in the presence of the offices in charge of the chest, if and when necessary and the balance proved each time of transaction. The single lock cash chest balance should be verified physically at the time of closing cash balance and if the single lock cash chest balance exceeds Rs. 5,000 (Rupees five thousand only) it should be transferred to the Doublelock cash chest.

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 the preceding paragraph before the end of the month in which they are so drawn, the moneys drawn for him shall ordinarily be refunded by short drawal in the next bill, and drawn a fresh the drawing officer consider that the earlier refunding of any such moneys 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 any period not exceeding three months, but he will continue to be personally responsible for them and must make satisfactory arrangements for keeping them safely. Undisbursed pay, allowances and leave salary shall not, under any circumstances, be placed in deposit.

If a Government servant does not receive the salary drawn on his behalf and the pay disbursing officer, acting upon a requisition made by a registered society (under section 40 of) the Tamil Nadu Co-operative Societies Act, 1961, in accordance with rule 53, of the Tamil Nadu Co-operative Societies Rules, 1963, pays the amount due to the society the amount so paid shall be treated as final charge under the head of account to which his pay and allowances are debited. The amount be remitted into the treasury will then be less by the amount paid the abatement and the head of account to which his pay and to the society and the amount so omitted shall be taken as allowances are debited.

Note—(1) In cases where the recovery or dues to the Co-operative Societies is effected at the time of disbursement in pursuance of requisitions made by the societies acknowledgments for the net amounts should be obtained from the Government servant concerned.

(2) In respect of cases failing under the last paragraphs and acknowledgement shall however be necessary from the Government servant concerned and the receipt obtained from the society shall constitute sufficient acknowledgement.

(b) As far as possible, a clerk who has help to prepare a bill for establishment pay, etc., shall not be allowed to have anything to do with the disbursement of the pay, etc.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

(c) Every office shall maintain a register in Form 20, to watch the disposal of undisbursed pay and allowances. The same register shall also be used when necessary, for watching the disposal of the undisbursed balances, if any of amounts drawn on contingent bills in excess of the permanent advance.

(d) The drawing officer shall either check each acquittance roll himself by adding up the items, comparing the total, with the total of the corresponding establishment bill and the money received from the treasury and seeing that any difference between the totals is properly accounted for, or have it got checked by a responsible Government servant. The Government servant who checks an acquittance roll shall sign a statement at the foot of it as follows :—

“Checked in accordance with subsidiary rule 4 (d) under Treasury Rule 32”.

(e) A disbursing officer shall not make the last payment of pay allowances, etc., to a Government servant who is finally leaving the service of the Government on retirement, resignation or dismissal or is placed under suspension until he has satisfied himself that no amount is due to the Government from the Government servant. In regard to the recovery of overpayments, etc., from any such Government servant, he shall follow the detailed procedure laid down in subsidiary rule 34 under Treasury Rule 16. A disbursing officer shall also not pay any pay, allowances, etc., due to a deceased Government servant to the heirs of the Government servant after his death, until he has satisfied himself that no amount is due to the Government from the Government servant.

DISBURSEMENTS OUT OF THE PERMANENT ADVANCE.

5. Every Government servant who has been granted a permanent advance shall regularly check the correctness of the balance with the help of his contingent registers or, if the advance is used for other purposes besides meeting contingent expenditure with the help of a register in Form 89, which he shall maintain for the purpose.

Instructions under Treasury Rule 32.

APPLICABLE TO DEPARTMENTS GENERALLY.

1 *Custody of vouchers and acquittances.*—All vouchers and acquittances are important documents and should be filed and preserved carefully in the office concerned when they are not sent elsewhere for audit in accordance with the rules.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

2. *Cancellation and destruction of sub-vouchers to contingent bills.*—(a) Sub-vouchers to contingent bills should be 'cancelled' in such a manner that they cannot subsequently be used fraudulently to claim or support a further payment.

(b) Whenever a drawing officer signs a fully-vouched contingent bill for presentation at the treasury for payment or a detailed contingent bill for submission to controlling authority, he should at the same time cancel all the sub-vouchers which relate to the bill but are not attached to it and are retained for record in his office. He should endorse the word "cancelled" across each such sub-voucher in red ink or by a rubber stamp and initial it with the date. He should certify on the bill that all the sub-vouchers relating to it other than those attached to it have been so cancelled that they cannot be used again. When the amount of a sub-voucher exceeds the permanent advance it should be cancelled in the manner described above, as soon as the payment has been made and entered in the contingent register.

Whenever a controlling authority forwards a detailed contingent bill to the Accountant-General, he should cancel in the manner described above all the sub-voucher received with the bill but not forward with it to the Accountant-General and should certify on the bill that all such sub-vouchers have been so cancelled that they cannot be used again.

Exception.—In the Electricity Department a drawing officer may authorise the Divisional Accountant to cancel the sub-vouchers to be retained for record in his office. After obtaining a certificate from the Divisional Accountant that he has duly cancelled all such sub-vouchers relating to a bill, the drawing officer may certify on the bill that all such sub-vouchers have been cancelled.

(c) Sub-vouchers which are sent to the Accountant-General should not be cancelled either by the drawing officer or by the controlling officer. They will be cancelled in the office of the Accountant-General after audit under the rules of the Audit Department.

(d) No sub-vouchers should be destroyed until three years have elapsed from the date of the payment—See Article 326 of the Tamil Nadu Financial Code, Volume I.

2-A. *Disbursement Certificate in support of Part and Final payment of Provident Fund Deposits.*—Disbursing Certificates in the following Form in respect of all cases of part and final withdrawals from Provident Fund should be furnished to the Accountant-General, immediately after payments have been made.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

Certified that the amounts of Rs. (in figures) (Rupees in word representing the whole/part of the balance of credit in the.....
 Provident Fund Account No.....
 of Thiru/Thirumathi/Selvi.....
 and authorised in Funds there quote the letter of authority issued by the Accountant-General, Madras) has been drawn on.....
 and to Thiru/Thirumathi/Selvi..... on
 on the manner indicated in the authorisation.

2-B. *Premia receipts in support of withdrawals from Provident Fund Deposits for payment of insurance premia.*—(i) Insurance premia receipt in support of amounts withdrawn from the various Provident Funds on behalf of non-gazetted staff (other than gazetted officers and non-gazetted officers who are allowed to draw their own bills at treasuries) need not be forwarded to the office of the Accountant-General. They should be watched and scrutinised by the disbursing officer himself through the register in Form 99. This responsibility should be discharged by the disbursing officer in respect of every withdrawal made by him on behalf of a subscriber and entered in his register even though subsequent to the drawal of the amount, the non-gazetted Government servant is transferred to another office or become eligible to draw his own bill or is promoted to gazetted rank—See paragraphs (ii) and (iii) below :

Note.—If any particular case, a non-gazetted subordinate becomes a disbursing officer in the same office and has himself to discharge this responsibility in respect any previous withdrawals made on his behalf, he should submit such premia receipt or receipt to the office of the Accountant-General.

(ii) Premia receipts in support of amounts withdrawn from the Provident Funds by gazetted Government servants and by such non-gazetted Government servants as are authorised to draw their own bills, should be forwarded by them to the Office of the Accountant-General for scrutiny and return. This should be done by every subscriber who was gazetted officer or an officer empowered to draw his own bills at the time of the withdrawal of the amount irrespective of the fact whether subsequent to the withdrawal the Government servant proceeds on leave and reverts to non-gazetted status or is not empowered to draw his own bill.

(iii) Premia receipt of subscribers on foreign service, or transferred temporarily under the jurisdiction of another audit office, whether gazetted or non-gazetted should be sent to the office of the Accountant-General for scrutiny and return.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

SPECIAL TO THE PUBLIC WORKS DEPARTMENT.

3. In the case of Public Works Department every voucher should be en faced with the word 'checked', over the dated initials of the Divisional Accountant, as well as of any clerk who may have applied a preliminary check. Voucher not submitted to audit (see Article 232 of the Tamil Nadu Account Code, Volume III) should be cancelled by means of perforat or endorsing stamp and kept carefully, to be made available for test audit whenever demanded by the Accountant-General.

Stamps affixed to vouchers should be so cancelled that they cannot be used again and if with this object they are punched through care should be taken that the acknowledgment of the payee is not destroyed thereby.

Vouchers relating to new supplies of tools and plant should be completed by noting on them the name of the month in the accounts of which the articles acquired were brought on the Account of Receipt of Tools and Plant (Form P.W.A. I in Volume III of the Tamil Nadu Account Code).

SPECIAL TO THE PUBLIC WORKS AND ELECTRICITY DEPARTMENT.

4. Government servants should encourage contractors, supplies of stores and other person making claims against the Government to submit their bills and claims on the proper departmental forms. A disbursing officer should not however, reject a bill prepared in another form if it contains all the necessary details of the claim, but should add any additional particulars that are required.

5. When a contractor or supplier endorses in favour of a bank a bill payable by the Government, payment should be made; to the bank only if he has also receipted the bill and after verifying the genuineness of the signature in both the receipts and the request to pay the amount to the bank. For this purpose the disbursing officer should require the contractor or supplier to furnish a specimen signature in his presence. If the contractor, or supplier has authorized an agent to draw bills or receive payment on his behalf, the disbursing officer should require the agent to furnish a specimen signature in his presence and the contractor or supplier to attest it in his presence. Before paying the amount to the bank the disbursing officer should compare the signature on the receipt and the request to pay the amount to the bank with the specimen signature furnished separately in his presence and satisfy himself that they are genuine. The disbursing officer should keep a file or the specimen signatures of contractors and suppliers and their agents reference

RESPONSIBILITY FOR MONEYS WITHDRAWAL

6. The disbursing officer should see that in every voucher relating to charges for works the following particulars are prominently specified:

- (1) the full name of the work as given in the estimate;
- (2) the name of the component part (or sub-head) of it, if separate accounts are kept for the several component parts;
- (3) the charges, if any, which are of the nature of recoverable payments and the names of the contractors or other firm from whom they are recoverable; and
- (4) the head of account to which the charges are to be debited and that to which any deduction made in the voucher is to be credited,

7. When a voucher or account exhibits any expenditure from which revenue may *prima facie* be expected to accrue, e.g., when a bill includes a charge for removing material from a building or other work which is being dismantled or is undergoing repairs or for clearing jungle cutting trees in the compound of a building or on the bank of the canal the account or voucher should show how the old materials remove the trees cut have been disposed of and if they have been sold, the approximate date when the sale-proceeds will be credited in the accounts. The Divisional Officer should make a note on each voucher which includes of this kind as to whether the timber, etc., as any sale value and if so, by what approximate date the value realised by sale in auction or otherwise will be credited in the accounts.

8. The disbursing officer should deal with bills received from firms for the supply of stores in original and submit them to the Accountant-General as vouchers. He should not keep a copy of any such bill in his office, except as provided for under subsidiary rule 2 (e).

SPECIAL TO THE FOREST, PUBLIC WORKS AND ELECTRICITY DEPARTMENTS.

9. When any moneys due by the Government to any person otherwise than as pay and allowances of a Government servant and payable by means of a departmental cheque (*i.e.* amounts due on work bills in the Public Works and Electricity Departments and all bills in the Forest Department) are attached by a prohibitory order of a Court of-Law the disbursing officer should give effect to the Court's order, unless, he has reason to think that the amount payable is exempt from attachment, in which case he should report the matter to the Government for order before making the payment.

RESPONSIBILITY FOR MONEYS WITHDRAWAL

In giving effect of the Court's order, he should deduct the attached amount from the bill and pass it for the net amount only; if the prohibitory order was issued by a Court not situated at his headquarters he should also from the bill the money order, bank draft commission required for remitting the amount to the Court. If the Court which issued the prohibitory order is situated at his headquarters, he should remit the attached amount deducted from the bill to the Court by drawing a cheque in its favour on treasury and sending it to the court; if court is not situated at his headquarters, he should draw the amount from the treasury on a cheque and send it (less the money order, bank draft commission) to the Court by postal money order or by bank draft as the case may be *see* also subsidiary rule 2 (k) under Treasury Rule 16.

He should invariably obtain a receipt for the attached amount from the court either before or after remitting the amount to the Court. The receipt should show that the payment is on account of an attached debt and should set forth *inter alia* the name and capacity of the actual creditor to whom the amount is due from the Government and on what account it is due and the number and date of the court's attachment order in accordance with which the amount is paid to the court. If the attached amount relates to a disbursement in respect of which the rules require that sub voucher for amounts in excess of Rs. 100 should be sent to the Accountant-General the court's receipt should, if it is for an amount of the 100 or more, be attached to the relevant bill in which the particulars of the creditor's claim are recorded (or sent to the Accountant-General later on to be attached to that bill) and a reference to that bill should be enfaced on it in red ink. A reference to the court's receipt should be similarly enfaced on the bill, if possible.

When the attachment relates to an amount for which a bill has to be drawn on the treasury, the procedure laid down in subsidiary rule 33 under Treasury Rule 16 should be followed (*See* also Articles 37-38 of the Tamil Nadu Financial Code Volume II.)

10. Payments due to a contractor may be made direct to a financing bank provided that the department concerned has obtained (1) a legally valid document, such as a power-of-attorney or transfer deed, signed by the contractor and authorising the bank to receive the payments due to him by the Government and (2) the contractor's written acceptance or

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RESPONSIBILITY FOR MONEYS WITHDRAWAL

the correctness of the account prepared to show what is due to him by the Government or his signature on the bill or other claim preferred against the Government on his behalf, before settlement of the account or claim by payment to the bank. A receipt given by a bank in favour of which a contractor has executed a power-of-attorney or transfer deed authorising it to receive payments due to him by the Government constitutes a valid discharge for the payment due to him, but contractors should as far as possible, be induced to present their bills duly receipted and discharged through their bankers.

INTER GOVERNMENT TRANSACTIONS

CHAPTER VIII—INTER—GOVERNMENT TRANSACTIONS.

*Instructions under Treasury Rule 33.*PROCEDURE FOR MAKING ADJUSTMENTS BETWEEN THE TAMIL NADU
GOVERNMENT AND OTHER GOVERNMENTS.

1. The Tamil Nadu Accounts Code and Volume IV of the Comptroller and Auditor-Generals' Code contain full instructions as to the procedure prescribed for making the necessary adjustments on account of the transaction between this Government and other Governments.

RESPONSIBILITY FOR MONEYS WITHDRAWN.

2. When a transaction relating to the Government arises in a Union treasury under the control of the Accountant-General, Central Revenues the name of the State should be noted prominently in red ink at the top right hand corner of every chalan, bill or other form used in that connection in order to enable him to classify the transaction correctly.

*Instructions under Treasury Rule 34.*RECEIPT AND DISBURSEMENT OF MONEYS RELATING TO THE UNION GOVERNMENT
IN THE TREASURIES OF THE STATE OF TAMIL NADU.

1. *General.*—Under Article 258 (1) of the Constitution the President with the consent of the Tamil Nadu Government has entrusted Government servants in charge of State treasuries and sub-treasuries in the State of Tamil Nadu with the functions of receiving disbursing and authorizing the Bank to receive and disburse moneys of the Union Government. In respect of these transactions, the Treasury and Sub-Treasury Officers should act in accordance with the Treasury Rules made by the President under Article 283 (1) of the Constitution and the executive instructions on the subject issued by him, in so far as these rules and instructions are special to Union transactions and do not refer to procedure already provided for in the rules of the Government of Tamil Nadu. All Government servant (other than Treasury and Sub-Treasury officers) should also observe the rules and instructions of the Union Government mentioned above when paying moneys into the treasury or withdrawing moneys from the treasury and disbursing them so agent of the Union Government:

INTER GOVERNMENT TRANSACTIONS

2. *Deposits.*—Tea cess fund deposits are dealt with separately from other deposits in the office of the Accountant-General. When the Treasury Officer remits any amount to the Secretary, Tea Cess Committee, Calcutta, by means of a Government Draft, he should obtain the Secretary's acknowledgment and forward it to the Accountant-General.

3. The leave salary of a gazetted Government servant of the Union Government and the pension of any employee of the Union Government may be drawn from any treasury in the State of Tamil Nadu. The Union Government have agreed that the leave salary of a gazetted Government servant of the Tamil Nadu Government and the pension of any employee of the Tamil Nadu Government may be drawn from any Union treasury.

INTER-GOVERNMENT TRANSACTIONS.

4. The detailed procedure for the adjustment of Union transactions which are initially included in the State Government Account is laid down in the Tamil Nadu Account Code and Volume IV of the Comptroller and Auditor-General's Account Code.

Instructions under Treasury Rules 35 and 36.

RECEIPT AND DISBURSEMENT OF MONEYS RELATING TO OTHER STATE GOVERNMENT IN THE TREASURIES OF THE STATE OF TAMIL NADU.

1. The Tamil Nadu Account Code and Volume IV of the Comptroller and Audit-General's Account Code contain full instructions regarding the procedure prescribed for making the necessary adjustments on account of transactions which are carried out in the treasuries of the State but relate to another State.

2. The leave salary of a gazetted Government servant and the pension of any Government servant belonging to other State Governments or the Government of Burma may be paid at any treasury in the State of Tamil Nadu. Other State Governments and the Government of Burma have agreed to similar payments being made to Government servants of the Tamil Nadu Government at treasuries within their respective jurisdictions.

INTER GOVERNMENT TRANSACTIONS

3. The leave salary of a gazetted Government servant or the pension of any Government servant may be drawn at any treasury of any State in India in accordance with the arrangements made by the Government with the other State Governments in India.

4. The Treasury Officer should receive moneys tendered with chalans countersigned by Forest Officers of the Governments of Bombay and Madhya Pradesh for credit to those Governments in respect of forest revenues.

NOTE.—Payments outside the State in respect of the following transactions shall be arranged to be made by the drawing officers themselves by means of Bank drafts, the cost of purchasing the Bank drafts, etc., being met from this contingent allotment of the drawing officers concerned :—

- (i) Repayments of earnest money, deposits by contractors and others residing outside the State ;
- (ii) Refund of examination fees remitted by candidates outside the State ;
- (iii) Payments to advocates, solicitors, etc., outside the State for rendering services to the State Government ;
- (iv) Other similar payments to private parties on account of supplies made or service rendered to Government ;
- (v) Recovery of leave salary and pension contributions in respect of employees lent to a local body situated in another accounts circle ; and
- (vi) Payments to or recoveries from local bodies situated in different accounts circle for services rendered or supplies made.

INTER GOVERNMENT TRANSACTIONS

CHAPTER IX—RECEIPTS AND DISBURSEMENTS OF
THE STATE IN THE UNITED KINGDOM.*Instruction under Treasury Rule 37.*

The detailed procedure for the adjustment of transactions relating to the Government Account in the United Kingdom is laid down in Volume IV of the Comptroller and Auditor-General's Account Code.

CHAPTER X—SUPPLEMENTAL.

Instruction under Treasury Rule 40.

The agreement between the Governor and the Reserve Bank of India is printed as Appendix I.

PART III

**USCELLANEOUS STATUTORY RULES AND
EXECUTIVE INSTRUCTIONS.**

CHAPTER I.—THE INDIAN COINAGE RULES

RULES MADE BY THE UNION GOVERNMENT UNDER SECTION 21 OF THE
INDIAN COINAGE ACT, 1906 (INDIA ACT III OF 1906).

1. These rules may be called the Indian Coinage Rules.
2. In these rules, unless there is anything repugnant in the subject or context,—

(a) the "Act" means the Indian Coinage Act, 1906 (India Act III of 1906) ; and

(b) "the Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act (India Act II of 1934).

3. A loss of $6\frac{1}{2}$ per cent below standard weight in the case of the rupee and of $12\frac{1}{2}$ per cent in the case of the half-rupee, quarter-rupee and eighth of a rupee shall be the limit of reasonable wear and a loss of 25 per cent below standard weight shall be the further percentage referred to in section 17 of the Act, in the case of all silver coins.

4. Where a rupee or a half-rupee which has been diminished in weight so as to be more than 2 per cent but not more than $6\frac{1}{2}$ per cent or $12\frac{1}{2}$ per cent, respectively, below standard weight, and which has not been fraudulently defaced, is tendered to any person authorized to act under section 16 of the Act, such person shall accept the coin at its nominal value, and the coin shall thereupon be withdrawn from circulation at the cost of the Central Government.

5. Where a rupee or a half-rupee which has been diminished in weight so as to be more than $6\frac{1}{2}$ per cent or $12\frac{1}{2}$ per cent, respectively, but not more than 25 per cent below standard weight, and which has not been fraudulently defaced, is tendered to any person authorized

THE INDIAN COINAGE RULE

to act under section 16 of the Act, such person shall, if the tenderer so requests, instead of returning the cut coin, accept it at the following rates, namely :—

(a) rupees weighing between $15/16$ ths and $7/8$ ths of their proper weight, at the rate of 14 annas ;

(b) rupees weighing between $7/8$ ths and $13/16$ ths of their proper weight, at the rate of 13 annas ;

(c) rupees weighing between $13/16$ ths and $3/4$ ths of their proper weight, at the rate of 12 annas (seventy-five naya paise) ; and

(d) half-rupees, at the rate of 6 annas.

6. Where a quarter rupee or an eighth of a rupee which has been diminished in weight so as to be more than $12\frac{1}{2}$ per cent but not more than 25 per cent below standard weight and which has not been fraudulently defaced, is tendered to any person authorized to act under Section 16 of the Act such person shall, if the tenderer so requests, instead of returning the cut coin, accept it as its nominal value, and it shall thereupon be withdrawn from circulation at the cost of the Central Government.

7. Silver coin received by Government officers under these rules and withdrawn from circulation shall, whether or not it has been cut, or broken under these rules, be sent by the first convenient opportunity to the mint at Calcutta, Bombay or to any principal treasury appointed by the Reserve Bank to receive such coin for remittance to the mint. Such coin will be credited in the officer's cash balance as 'uncurrent coin' at the actual value at which it has been received and on transfer to the mint will be credited at the rates prescribed in these rules, any loss incurred in re-coinage being taken as a charge of the mint.

8. Silver coin received by a person other than a Government officer under these rules and withdrawn from circulation shall, whether or not it has been cut or broken under these rules, be sent to the nearer treasury, where it will be paid for at the rates respectively prescribed in these rules, and thereafter it will be dealt within the manner prescribed in rule 7.

9. In cutting or breaking any diminished, defaced or counterfeit coin, Government officers and other persons authorized in this behalf shall not, unless specially empowered by the Central Government so to do completely divide the coin.

THE INDIAN COINAGE RULE

10. Persons authorised under section 20 of the Act to cut or break counterfeit silver coins should not receive and pay for the coin according to the value of the silver bullion contained therein as permitted under that section, save where from the excellence of the execution or for any other cause it seems desirable that the coin should be acquired as a specimen. The cost of paying for the coin will be charged to the Central Government. The broken pieces of coins so paid for should be forwarded to the mint at Calcutta, Bombay.

11. In determining the loss of weight in the case of silver coins to which solder or other metal has been attached, the weight of such Solder or other metal shall not be taken into account.

CHAPTER II—COIN

*Kinds of Coin and Legal Tender**Instructions issued by the Union Government*

1. Under the Indian Coinage Act, 1906 (India Act III of 1906), as amended from time to time, the following coins have been issued :—

(a) *Silver*.—Rupee, half-rupee, quarter-rupee and eighth rupee. The standard weight of the rupee is 180 grains troy, eleven twelfths fine, and the other silver coins are of proportionate weight ;

NOTE.—Under Act IV of 1918, silver eighth-rupees are no longer coined and issued. Coins previously issued continued to be legal tender under the conditions specified in this chapter.

(b) *Nickel*.—Eight anna piece, four anna pieces, two-anna piece and one-anna piece, the standard weights of which are 120, 105, 90 and 60 grains troy respectively ;

NOTE.—Nickel eight-anna pieces are not issued now. The coins already issued have been called in under section 15-A of the Indian Coinage Act.

(c) *Nickel Brass*.—Two-anna piece, one-anna piece and half-anna piece, the standard weights of which are 90, 60 and 45 grains troy respectively ;

(d) *Bronze*.—Single piece or quarter-anna, half-piece or one-eighth of an anna, and pie or one-twelfth of an anna. The standard weight of the piece is 75 grains troy, and the other bronze coins are of proportionate weight.

The rupee and the silver half-rupee are legal tender to any amount and the quarter-rupee and eighth-rupee for any sum not exceeding one rupee, provided they satisfy the conditions of currency laid down in instruction 10. Nickel four-anna, two-anna and one-anna pieces and bronze coins are legal tender for any sum not exceeding one rupee. Nickel eight-anna pieces are now legal tender only at Currency Offices.

2. Silver coins of the denominations specified in instruction 1 (a) above (including silver eighth-rupees) coined and issued under the Coinage Act of 1835 and subsequent Acts, are legal tender for the amounts stated

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in instruction 1 provided they satisfy the conditions of currency laid down in instruction 10 below. All silver coins issued under these Acts bear as device the head of the then reigning sovereign (King William IV Queen or Empress Victoria, Edward VII, King and Emperor, George V King and Emperor or George VI, King and Emperor) and no coin which does not bear such a device is legal tender.

3. Copper coin of the denominations specified in instruction 1 (d) and also double piece coined and issued under the Coinage Act of 1835 and subsequent Acts are legal tender for any sum not exceeding one rupee. All such coins bear as device the head of one of the then reigning sovereigns specified in instruction 2.

4. (a) Under the Native Coinage Act (India Act IX of 1876) Government Mints may coin money for Indian States, such coin being identical in weight and fineness with the corresponding British Indian coin.

The following coins have been issued under the provisions of this Act :—

Alwar State	..	..	..	Rupees.
Bikaner State	..	..	..	Rupees and Copper Coins.
Dhar State	..	..	..	Copper Coin.
Dewans (Senior and Junior)				Copper quarter- annas and pice
Sailaa State.	..	..	..	Bronze quarter anna.

The coins are legal tender in British India to the same extent as British Indian coin of the same denominations.

(b) The orders regarding the conditions of currency and the treatment of uncurrent coin applicable to British Indian coins apply to all coin of the same weight and value coined under the Native Coinage Act (India Act IX of 1876).

Receipt of Coin at Treasuries.

5. The following instructions regulate the receipt at treasuries and sub-treasuries of small coin and of coin which is not legal tender :—

(a) Nickel four-anna, two-anna and one-anna pieces and copper, bronze and small silver coins should be received in payments to the Government to any amount, although they are legal tender only for a sum not exceeding one rupee.

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(b) Silver coins issued before 1st September 1835, that is to say, all silver coins issued by the East India Company bearing [merely inscriptions in Indian characters, (chief among which are the coins known as "furukhabad" and "Murshidabad" rupees) should be received at the treasuries at the following rates :—

(1) at 8 annas a tola, for each tender of 500 coins or less; and

(2) for amounts in excess of this number, at bullion value calculated at the market rate of silver of the day, to be ascertained from the Manager, Reserve Bank of India, Bombay.

(c) Copper coin bearing any trace of mintage by the East India Company, e.g., coin having as a device a pair of scales and XX cash (or which the value is one-third of an anna), should be received in payment of Government dues up to any amount.

(d) Gold mohurs coined under the Gold Coinage Act (India Act XIV of 1918) should be received for exchange at Rs. 15 each if they are not counterfeit, and if not of less weight than 122 $\frac{1}{2}$ grains and if they have not been fraudulently defaced. A coin which does not fulfil these conditions, should be returned to the tenderer. The coins thus exchanged should not be transferred to the currency chest but retained in the treasury pending remittance to the Currency Office at the earliest opportunity.

(e) Sovereigns and half-sovereigns which have ceased to be legal tender—See Section 50 of the Reserve Bank of India Act, 1934 (India Act II of 1934)—should not be accepted either in payment or on account, but they should be received for exchange at offices of the Reserve Bank, any treasury other than a sub-treasury, and branches of the State Bank of India acting as an agency of the Reserve Bank other than branches conducting the cash business of a sub-treasury. The procedure for the receipt and disposal of these coins is laid down in the following paragraph.

6. (1) Each individual tender of sovereigns and half-sovereigns should be treated separately.

(a) A complete record of the various tenders received on each day should be maintained in a register in Form 90.

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(3) (a) The tender should first be examined for counterfeits and these should be rejected.

(b) Coin to which solder or other metal has been attached should be returned to the tenderer for the complete removal of the solder, etc.

(c) All other genuine coins should be accepted even if they appear to be sweated or otherwise defaced.

(d) If the coins are very dirty, the tenderer should be asked to remove the dirt before they are accepted for exchange, or if the tenderer has no objection, the dirt should be removed at the treasury.

(4) After examination, the coin accepted for exchange should be weighed by the sovereign scale against a special set of weights to be supplied in the Mint. The weightment should be correct to a half-grain. If a tender consists of more than one coin, they should be weighted in bulk up to the maximum capacity of the scale in as many different operations as may be necessary. Coin should not be weighed individually.

(5) The tenderer should be given every opportunity to watch the weightment and examination of his tender.

(6) After weightment, payment should be made at the rate of 9.24559 grains of standard gold per rupee. Payment should be made to the nearest anna.

(7) The coin received from each tender should after weightment, be placed in a cover, which should be sealed and marked with the register number of the tender, as given in the record mentioned in sub-paragraph (2) above.¹ A slip showing the register number and signed by the Sheriff who weighed the tender should also be placed inside the cover.

(8) The sovereigns and half sovereigns thus exchanged should be placed in the currency chest at the close of the day at the value paid for them to the tenderers against the withdrawal of an equivalent amount in Notes and coin from the chest. For this exchange, it will be permissible to keep the necessary amount of small coins in the currency chest. These transactions should not pass through the treasury accounts at all.

9. The coin should not be re-issued but should be dealt with under instruction from the Currency Officer,

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Exchange of small coins

7. Nickel four-anna, two-anna and one-anna pieces and bronze coins (and copper and small silver coins subject to any special instructions which may be issued for their withdrawal) should be issued freely to persons wishing for them, either in payment of claims against the Government or in exchange for rupees or for currency and Bank notes which the treasury may be cashing. Treasury Officers are responsible for seeing that a sufficient stock of small coins is maintained to meet all such demands.

8. (a) Rupees and currency and Bank notes should be issued freely in exchange for legal tender copper, bronze or nickel coin in parcels of the value of not less than two rupees at every treasury and sub-treasury and at the Bank conducting the cash business of a treasury or sub-treasury.

(b) Whenever large bodies of men are assembled on public works under construction for purposes of famine relief or otherwise, the local authorities should make special arrangement to supply on the spot notes and rupees in exchange for the legal tender copper, bronze or nickel coin which may be collected by the surveyors or foremen at such assemblages.

9. If the instructions in the preceding paragraph are carried out, legal tender copper, bronze and nickel coin should never circulate at a discount. If nevertheless such coin does, at any time, or anywhere, circulate at a discount or at a premium, the circumstances should be immediately reported to the Currency Officer with a full explanation of the supposed causes and of the remedial measures taken.

10. The statutory rules issued under the Indian Coinage Act are printed in Chapter I. The conditions of currency of the various coin under the Indian Coinage Act the statutory rules are explained below :—

(a) No silver coin is legal tender if it has been defaced. Defacement includes clipping, filing, stamping or such other alteration on the surface or in the shape of a coin as is readily distinguishable from the effects of reasonable wear.

(b) Silver coins which have not been defaced are legal tender as long as they have not diminished in weight by more than the amounts shown below :—

Rupees and half-rupee 2 per cent below standard weight Quarter-rupee and eighth-rupee 12½ per cent below standard weight.

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(e) No conditions of currency have been prescribed for nickel, bronze or copper coin. Such coins are, therefore, legal tender even if they are worn or defaced provided that they bear traces of Government mintage.

Cutting or breaking of counterfeit and Diminished Coin.

11. (a) Section 16 of the Indian Coinage Act (India Act III of 1906) as amended from time to time provides that, when any silver coin which has been coined and issued under the authority of the Governor-General-in-council is tendered to any person authorized to act under that section and such person has reason to believe that the coin—

(i) has been diminished in weight so as to be more than such per centage below standard weight as may be prescribed as the limit of reasonable wear, or

(ii) has been defaced,
he shall, by himself or another, cut or break the coin.

A loss of $6\frac{1}{2}$ per cent below standard weight in the case of the rupees and of $12\frac{1}{2}$ per cent in the case of the half, quarter and eighth-rupees, has been prescribed as the limit of reasonable wear.

(b) Section 20 of the Act provides that, when any silver or nickel coin purporting to be coined or issued under the authority of the Governor-General-in-Council is tendered to any person authorized to act under that section and such person has reason to believe that the coin is counterfeit, he shall, by himself or another, cut or break the coin.

12. A list of the persons authorised to act under sections 16 and 20 of this Act by the Governor-General-in-Council is given in Appendix 22. A memorandum giving certain hints for the detection of counterfeit coins is printed in Appendix 23.

Acceptance and disposal of counter-feit, diminished, defaced Shroff-mar and soldered coin.

13. The rules in Chapter I regulate the cutting of counterfeit diminished and defaced coins other than coins which have been fraudulently defaced and the rates which diminished and defaced coins should be accepted and paid for. These rules should be strictly observed in dealing with such coins. A memorandum indicating the special characteristics which ordinarily distinguish fraudulently defaced coins is given in Appendix 24

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14. Any person authorised to cut or break counterfeit gold mohurs and silver or nickel coin may at his discretion either return the cut coin to the tenderer, who shall bear the loss caused by such cutting or breaking or, in the case of gold mohurs or silver coins, receive and pay for the coin according to the value of the bullion contained in it.

14-A. Presenters of coin which have been cut or broken under section 20 of the Indian Coinage Act, may, if they so wish, send such coins at their own expense, together with the particulars of the authority who has cut the coins and proof of their having been cut by them, to the Mint at Bombay or Alipore, Calcutta, for expert opinion. On receipt of coins at the Mint with the necessary details and proofs, they will be examined and the Mint will issue to the presenters an outturn certificate for the face value of any or all coins found to be genuine with instructions to present the same for payment at the nearest Treasury. The Treasury would make payment on the outturn certificate in the manner stated in paragraph 26 *infra*.

15. Any authorised officer to whom a counterfeit coin is tendered may purchase if from the tenderer at its bullion value, or at a suitable price, not exceeding its nominal value, charging the cost to the Central Government, if from the excellance of the execution or for any other special cause it seems desirable that the coin should be acquired as a specimen. The officer purchasing the same should send it to the Mint at Calcutta or Bombay, reporting to the Mint Master the grounds upon which its purchase was considered desirable. In the case of coins purchased by Treasury Officers and sent to the Mint, each coin should be sent in a separate wrapper bearing the name of the treasury, a mark and a date whereby it may be subsequently traced in correspondance.

16. Judicial officers may send counterfeit coins to treasuries and sub-treasuries for remittance to the Mint. With these coins a short description of the case should be furnished and any implements, such as dyes, moulds, etc., which may have been found, should be sent. These receipts should be kept quite separate from coins withdrawn by the Treasury Officers, etc., which have to be remitted in accordance with instruction 14 above. Each remittance by a Judicial Officer should be put into a separate wrapper with details of the source of receipt of the coins and other particulars, if the State Government so direct, the Treasury Officer should send the counterfeit coins to the Mint through the Inspector-General of Police or other officer nominated by the State Government.

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17. Counterfeit silver coin or gold mohurs found in a remittance should be broken and sent to the Mint in accordance with instruction 15. Counterfeit nickel coins received in a remittance should be returned to the remitting treasury, if the Treasurer of the remitting treasury wishes them; to be returned and is willing to bear the cost of returning them, otherwise they should be sent to the Mint in accordance with instruction 15.

In the case of remittances to the Mints unaccompanied by Shroffs, the rejected coins should not be sent back to the remitting treasury except on a special application for their return, which must be made by the treasury immediately after receipt of the Mint advice. The cost of returning the coins will be borne by the Treasurer of the remitting treasury.

NOTE.—The rejected coins and slips from remittances received from the offices of the Reserve Bank and branches of the State Bank of India will be collected by their local representatives from the Mint periodically, preferably once a month. The representative will take with him to the Mint Master concerned, a letter authorising him to receive the rejected coins and slips in respect of any particular Mint Outturn Certificate. The Mints reserve the right to destroy all rejected coins not asked for within three months of the date of issue of the out turn certificate.

18. At places where there is neither a Currency Office nor a branch, sub-branch or Treasury Pay Office of the State Bank of India, Treasury and Sub-Treasury Officers are authorised to accept, for disposal in the usual manner, suspected coins tendered by Post and Telegraph Offices.

Diminished and Defaced Coins.

19. When a silver coin which has been diminished in weight so as to be more than 25 per cent below standard weight is tendered to any person authorized to act under section 16 of the Indian Coinage Act, such person shall cut or break such coin and return the cut coin to the tenderer who shall bear the loss caused by such cutting or breaking. Coins which have been diminished in weight but not by more than 25 per cent of the standard weight should, when tendered, be disposed of in accordance with the rules in Chapter I.

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20. Soldered and shroff-marked coins are defaced (but not fraudulently defaced) coins under the Indian Coinage Act and should be received and paid for as coins which have been diminished in weight. In determining the weight of coin to which solder or other metal has been attached, the weight of such solder or other metal should not be taken into account. Ordinarily, presenters should be required to remove as much as possible of the solder at their own cost.

21. When silver coin which has been fraudulently defaced is tendered to any person authorized to act under section 16 of the Indian Coinage Act, such person shall cut or break the coin and return the cut coin to the tenderer who shall bear the loss caused by such cutting or breaking. If the defacement is not fraudulent, the coin shall be received at the rates prescribed in Chapter I for coins diminished in weight but it shall not be re-issued.

22. The following instructions should be borne in mind in determining whether a coin is fraudulently defaced. A liberal interpretation is given in the Mint to the orders for rejection of coin as fraudulently defaced with the combined objects of (i) protecting innocent holders, such as these who hold their savings in the form of coin made up into necklaces and other ornaments, or those through whose hands defaced coin passes and who are unable to detect and refuse coins that have been defaced with fraudulent intent, and (ii) encouraging the return of defaced coin by the public, with a view to maintaining the standard of the coinage in circulation.

(a) A coin which bears on its surface radial strial shall be deemed to have been fraudulently defaced.

(b) Defaced coins bearing clear signs (i.e., such as must be obvious to the public) of defacing with fraudulent intent should be rejected as fraudulently defaced.

(c) Coins from which silver has been deliberately removed by filing clipping, scooping, or punching and coins other than soldered coins which have been remitted should be rejected as fraudulently defaced. Soldered coins having only a section of the milling unevenly filed where solder has been removed and the milling refilled, should not be treated as for fraudulently defaced.

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(d) Drilled coins which appear to have been used as ornaments, and which bear no other signs of reductions, are not fraudulently defaced, but should be accepted as defaced. If tendered in large numbers, however, a fraud should be suspected.

(e) "P.M." marked to coins should be accepted as defaced.

(f) "Sweated" coins that have been reduced by the action of acids are defaced but not fraudulently defaced, unless the signs of sweating are clear enough to be obvious to the public.

(g) Cut or broken coins that have been patched together with solder should be rejected as fraudulently defaced.

(h) Coins on which any part of the design on obverse or reverse has obviously been re-engraved by hand should be rejected as fraudulently defaced.

23. Soldered coins should be accepted provided that :

(i) They are in one piece.

(ii) They retain sufficient impression to admit of identification as genuine India coin. If unidentifiable they should be returned as unacceptable coin.

(iii) The solder has been carefully and sufficiently removed by tools or by heat treatment.

(iv) They have not been reduced by sweating with acid.

(v) Silver has not been scopped or filed from the coin under pretence of removing solder.

(vi) Pieces of the original coin have not been removed and replaced with solder or base metal.

24. Defaced nickel, bronze and copper coins are legal tender and should be accepted at Treasuries but if they are soldered, or otherwise unfit for re-issue they should not be issued to the public but should be dealt like other uncurrent coin.

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Acceptance of Burnt Coin.

25. (a) Burnt silver coins may be received at treasuries if they are identifiable as genuine India coins. When such coins have diminished in weight by more than 2 per cent below standard weight, payment should be made at the rates laid down in Chapter I. All burnt coins accepted at treasuries will be set apart for remittance to the Mint as uncurrent coins. Burnt coins which are not identifiable as genuine India coins should not be accepted at treasuries. The presenter should be directed to send them to the nearest Mint where, after the coins have been melted and assayed, outturn certificates will be prepared and issued for payment at the treasury or Bank direct, situated at the place of his residence or at any treasury or Bank direct, where he desires to receive the payment. Value for the silver contents after assay will be given at the market rate on the date of receipt of the coins at the Mint.

(b) Burnt copper, bronze and nickel coins may be received at treasuries, at their face value, provided they are identifiable as genuine India coins. Such coins, if unidentifiable, will not be accepted at treasuries or at the Mint.

26. Payments at treasuries, etc., of outturn certificates issued by the Mint Masters on account of burnt soldered, dumb, or defective coins sent to the Mint should be passed on for adjustment to the Accountant-General concerned. Outturn certificates not exceeding one rupee if uncashed for three calendar months and those for above one rupee if uncashed for six calendar months from the date of their issue will be credited to the Central Government at the end of the period. Certificates not cashed within the above stipulated periods and lapsed to Government should be returned to the respective Mint under prompt intimation to the Accountant-General concerned.

27. (a) For testing silver coin, minimum weights of 15.16, 7/8, 13/16, 3/4, 7/16, 3/8, 3/16, and 3/12 tola a piece are obtained from the Mint on application to the Mint Master. To enable a Treasury officer to determine whether a rupee, half-rupee, quarter-rupee or eighth-rupee is fit for re-issue or not, minimum weights of 176.4, 39.375 and 19.6875 grams respectively are also supplied by the Mint on indents.

(b) These weights are supplied by the Mint Masters, free of charge, to all treasuries and to the Bank conducting the cash business of a treasury. If they are supplied to replace weights lost, the person through whose default the loss has occurred will, if the Collector in the case of treasuries, or the Manager or Agent concerned in the case of

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branches of the Bank, so directs, pay a penal charge of one rupee for each weight lost, the recovery being credited to the Central Government in the account of the treasury or the branch concerned as a miscellaneous receipt. No adjustment in the Mint accounts is necessary.

(c) Weights other than minimum weights and scales of various sizes including minimum weights scales are supplied by the Mint on payment. If any treasury desires to purchase these from the Mint, it will send an indent for the supply to the Mint Master, Calcutta or Bombay, direct.

(d) Worn out and surplus minimum weights should be returned to the Calcutta or Bombay Mint for disposal.

28. (a) Coins should never be directly weighed against the minimum weight, that is to say, it is incorrect to place the minimum weight in one pan and the coin in the other, as if the arms of the scale are not of exactly the same length the weighing is false. At the beginning of work, the minimum weights should then be removed from its pan and the coins to be tested should be placed one after another on the pan from which the minimum weight has been removed. The minimum weight should only be put back in its pan to test the counterpoise occasionally during the day. If this method, which is the only correct one, be adopted, any error due to difference of length of arms of the balance, however minute, is avoided and wear and tear of the minimum weight will be greatly reduced.

(b) Minimum weights should invariably be replaced carefully in the boxes in which they are supplied and every care taken to avoid an abrasion.

Light Weight Coin in Remittances.

29. Uncut rupees and half-rupees found in remittances from treasuries, Currency Offices and branches of the Bank which have lost more than $6\frac{1}{2}$ per cent and $12\frac{1}{2}$ per cent respectively, but not more than 25 per cent in weight, should be cut on receipt and credited at one rupee per tola on their total weight. Coins that have lost more than 2 per cent, but not more than $6\frac{1}{2}$ per cent in the case of the rupee and $12\frac{1}{2}$ per cent in the case of the half-rupee, in weight through reasonable wear should be credited at their normal value, but if their number exceeds $\frac{1}{2}$ per cent of the whole remittance, the fact should be reported to the Collector, the Currency Officer or the Manager, as the case may be, of the Reserve Bank or the local Head Office of the State

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Bank of India in whose jurisdiction the remitting office lies, according as the remittance is received from a treasury, from an office of the Reserve Bank or from a branch of the State Bank of India, for taking such disciplinary action as may be considered necessary to improve the quality of shroffing.

Light weight and other coin in certain Indian States.

30. Some of the Indian States adjoining the State of Tamil Nadu have adopted the Indian rupee and the rules in force in India for the cutting and breaking of silver coins. Light weight and other coins cut and received in these States in accordance with the rules of the Central Government, will, when presented at the nearest treasury in India, be paid for at the rate of one rupee a tola on their total weight.

Withdrawal of Coin from Circulation.

31. The above instructions provide for the withdrawal of counterfeit, light weight and defaced coin from circulation, but in order to maintain the currency in the hands of the public in as good condition as possible, the following coins should also be withdrawn from circulation whenever they are received at a treasury, although they are legal tender :—

(a) Rupees and half-rupees of the mintage of 1835, 1840 and 1911 and rupees (but not half-rupees) of the mintage of 1862, 1874, 1875 and 1876.

(b) Silver quarter-rupees which are worn to such an extent that the device is faint or obliterated.

(c) Silver coins of full weight which have any defect in coinage e.g., coins which are split or scaled or which bear the impress of one die only or ring badly.

(d) Nickel and bronze coins which are defaced or which are so worn that the denomination and date are not easily decipherable.

(e) Copper coins which are defaced or badly worn or which for any other reason are considered to be unfit for circulation.

(f) All double pi ce.

(g) All silver eighth rupees.

32. Treasury Officers should remember that the state of the currency in the hands of the public is largely dependant on the strict observance at treasuries of the above instructions for the withdrawal of coin which are unfit for circulation. Treasuries and Shroffs are primarily

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responsible for this work and should be required to keep a rough memorandum book showing the tale of the coin examined by each man per day and the number of light weight and other defective coins discovered per thousand rupees tested. Constant supervision should be maintained by the Treasury Officers and if it appears that the number of coin withdrawn from circulation is small, special steps should be taken to see that all coins received at the treasury are properly shroffed.

33. All coin received by a Government servant under the instructions contained in the preceding paragraph and withdrawn from circulation should, whether or not it has been cut or broken, be sent at the first convenient opportunity to the Mint at Bombay or Calcutta or to any principal treasury appointed by the Currency Officer to receive such coin for remittance to the Mint. Such coin will be credited in the Government servant's cash balance as "uncurrent coin" at the actual value at which it has been received and on transfer to the Mint, will be credited at the Mint at the rates prescribed by the Central Government, any loss incurred in recoinage being adjusted in the Mint accounts.

34. Coin received by a person other than a Government servant and withdrawn from circulation under these instructions, should, whether or not it has been cut or broken, be sent to the nearest treasury, there it will be paid for at the prescribed rates and remitted to the Mint in the usual course.

35. The procedure for the remittance into the Mint of coins withdrawn from circulation is laid down in subsidiary rule 15 under Treasury Rule 30.

36. (a) The following special instructions should regulate the receipt at the Mint from Railways in India of silver coins presented by railway officers at treasuries and cut at the latter :—

(1) Remittances to the Mint, which may be made at such intervals as are found convenient, should, as far as possible, be in quantities weighing not less than 500 tolas at a time.

(2) A deduction of 1 per cent will be made by the Mint Master on account of melting charges subject to a minimum charge of Rs. 2.

(3) The credit to be given to the Railway will be calculated at the market rate of the bullion on the date of receipt subject to a maximum of one rupee per standard tola and the Mint Master will, after the coin has been melted, prepare an outturn certificate showing the value.

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payable to the Railway and forward it to the Chief Accounts Officer concerned for encashment at the local treasury. A copy of the certificate will also be sent to the Accountant-General, West Bengal, in the case of the Calcutta Mint and to the Accountant-General, Bombay in the case of Bombay Mint.

(b) The above instructions apply only to fraudulently defaced coin and coin which has been diminished in weight so as to be more than 25 per cent below standard weight cut and returned to a Railway Administration and not to counterfeit coin. As regards the latter, Railways are merely in the position of private tenderers and are not entitled to receiver credit from Mint for the market value or to have the coins assayed and reposed on by the Assay Office. When, however, any unusually large amount of counterfeit coins is tendered to railway officers, or the existence of such coins in circulation in large quantities in any locality is otherwise brought to their notice, a special report on the subject should be submitted to the Central Government.

(c) Railway Administrations should send to the Mint, through the State Government (or the Inspector-General of Police, the Deputy Inspector-General of Police in charge of the Criminal Investigation Department and Railways or any other officer holding a similar position whom the State Government may designate), only such counterfeit coins as are exceptionally well executed. Ordinary counterfeits should be sent to the treasuries to be cut or broken. They should submit to the Mint quarterly, not later than the 10th of the month following the quarter to which it relates, a return showing the total number of counterfeit coins received in the previous quarter including both the coins sent to the treasury and those sent to the Mint. Copies of the statement should be sent to the State Government (or the Inspector-General of Police the Deputy Inspector-General of Police in charge of the Criminal investigation Department and Railways or other officer whom the State Government may designate). Station Masters or other railway officials should also give the earliest possible information to the Police of the tender of any counterfeit coin.

37. Deleted.

RETURNS OF COINS CUT OR BROKEN OR WITHDRAWN FROM
CIRCULATION.

38. Uncurrent silver coin received at treasuries under instructions 5, 19, 20 and 29-31, should be entered in a separate register in Form 92 at the end of the day of their receipt and the several kinds of coin kept

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in separate bags under double lock. A separate record of uncurrent silver coins cut under the rules, but not paid for, should be maintained in Form 93 to assist in the preparation of the annual return of uncurrent silver coins cut.

39. The total amount of 1835, 1840, 1862, 1874, 1876, 1911, light-weight shroff-marked, soldered and other defaced, uncurrent and defective coins as well as coins called in by proclamation, withdrawn from circulation and held in treasury should be shown separately in the monthly Cash Balance Report.

40. A return in Form 94 should be submitted to the Currency Officer with the cash Balance Report showing the details and balances of all silver coins withdrawn from circulation.

41. Treasury Officers should, on the 20th April each year, submit to the Currency Officer, a return in Form 95 showing genuine silver coins or broken during the previous year on account of being reduced in weight. They should also submit to the Mint quarterly not later than the 10th of the month following the quarter to which it relates, a return in Form 96 showing counterfeit coins received in the previous quarter excluding receipts from Railways but including receipts from courts and from all other sources. The return should include the coins received by branches of the Bank conducting the cash business of a treasury. The necessary figures will be furnished by the Bank to the Treasury Officer immediately after the close of each quarter.

SUPPLY OF COIN

42. (a) In districts where the cash business of the treasury is not conducted by the Bank, the Treasury Officer is responsible for maintaining at his treasury a sufficient supply of all kinds of coin for issue to the public. He should, as far as possible, submit to the Currency Officer his requisitions for the supply of small coin and rupees with the Cash Balance Report. Ordinarily, remittances of coin will be sent to the district treasury and distributed to sub-treasuries from there by the Treasury Officer, but in certain cases, e.g., when a sub-treasury is on a Railway it may be more economical to send remittances to a sub-treasury and make the distribution from there.

(b) In districts where the cash business of the treasury is conducted by the Bank, the Manager or the Agent of the Bank is responsible for maintaining a sufficient stock of rupees and small coin to meet all demands from the public at the district treasury and also demand from the Treasury Officer for supply to sub-treasuries. When the Treasury Officer wishes to replenish the stock of coin at a sub-treasury he will obtain the necessary coin from the Bank unless the sub-treasury require-

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ments are large and it is more convenient and economical to obtain a direct remittance from the Currency Office or a Small Coin Depot. In the case of branches of the State Bank of India, the Agents will submit their indents for supply of coin to the Local Head Office, which will arrange with the Currency Officer for the necessary remittances.

FOREIGN COIN.

43. Save as hereinafter provided foreign coins and notes should not be received in treasuries except under some general or special orders of the Government.

44. Save as hereinafter provided foreign coins and notes the Manager or Agent of the Bank will supply the Treasury nearest the frontier (or at the next, on a certificate that the frontier treasury has not sufficient funds) at the rate of exchange at which it may have been issued to the troops ; the Officer Commanding the troops should certify the rate and also the fact that the money has been issued as pay.

45. Foreign coins may, in special circumstances, be paid into a treasury as part of deposit, eventually to be made over to a third party. The disbursement will be of the same coins, and so it is immaterial whether, for purposes of account, the market rate, the assay rate, or a purely arbitrary value is assigned to such currency.

PROCEDURE IN TREASURIES THE CASH BUSINESS OF WHICH
IS CONDUCTED BY THE BANK.

46. The instructions contained in this Chapter apply *mutatis mutandis* to treasuries the cash business of which is conducted by the Bank, except where special instructions are laid down. The Manager or Agent of the Bank will supply the Treasury Officer with the information necessary for the preparation of the returns mentioned in instructions 38--41.

CHAPTER III—CURRENCY AND BANK NOTES.

Instructions issued by the Reserve Bank of India.

Denominations of Notes.

1. Under the provisions of the Reserve Bank of India Act (India Act II of 1934), the sole right to issue Bank notes in India has been vested in the Reserve Bank with effect from the 1st April 1935 and the Government of India have ceased to issue currency notes. The Reserve Bank has taken over the liability for the currency notes issued by the Central Government.

2. Currency notes of the denominational values of one rupee, two and a half rupees, five rupees, ten rupees, twenty rupees, fifty rupees, one hundred rupees, five hundred rupees, one thousand rupees and ten thousand rupees have been issued by the Government of India. Under the provisions of the Reserve Bank of India Act, these notes are legal tender throughout India and the distinction between universal and non-universal notes does not exist. The issue of notes of the denominational values of two and half rupees and twenty rupees has been discontinued and currency notes of the other denominational value supplied by the Central Government have been issued by the Reserve Bank in addition to its own notes.

3. Bank notes issued by the Reserve Bank will be of the denominational values of five rupees, ten rupees, one hundred rupees, one thousand rupees and ten thousand rupees, unless otherwise directed by the Central Government on the recommendation of the Central Board of the Bank. Bank notes and currency notes issued by the Bank are legal tender throughout India.

Receipts and Issue of Notes.

4. The form of currency demanded by the public should be supplied but, in view of the waste involved in the use of silver coin as currency the use of notes should be encouraged as far as possible. Notes should therefore, be received freely by all Government servants in payment of Government dues or in settlement of other transactions and should be tendered to persons receiving payments from the Government, unless the payee requests payment in coin when the demand should be met as far as possible.

5. No restrictions are imposed on the issue of notes at treasuries in exchange for coin or for notes of other denominations.

6. Although no person has a legal claim to obtain coin for notes presented at treasury, this accommodation should be given whenever possible and all applications for exchange should be granted, provided

CURRENCY AND BANK NOTES

that the coins or notes applied for available subject to any general or special limitations which the Reserve Bank or the Central Government may find it necessary to impose from time to time.

7. Subject to any limitations which may be imposed in particular cases the Treasury Officer should whenever he is satisfied that no inconvenience will be caused to the treasury, exhibit in some conspicuous place a placard in English and the Indian language in local use notifying that he is prepared to give coin for notes.

NOTE 1.—Notes to a limited extent may be cashed for the convenience of travellers when the treasury is unable to cash them for the general public.

NOTE 2.—Facilities should be given as far as possible for encashment of notes at sub-treasuries.

8. Whenever there are reasons to believe that notes are selling in the local market at a discount or a premium in large amounts, the Treasury Officer should at once bring the fact to the notice of the Currency Officer.

9. The ordinary exchanges with the public mentioned in instructions 5—7 should be made from the treasury balance, when however the amount of rupees or notes of any denomination in the treasury balance is insufficient to meet the demand for exchanges, rupees or notes of the required denomination may be obtained from the currency chest in accordance with instruction 14 (iv) under Treasury Rule 11.

10. It is desirable from the point of view of the popularity of the note issue that clean notes only should be put into circulation. This has, at the same time, the advantage of making it more difficult for forged notes to escape detection, as these are frequently intentionally soiled or smudged in order to conceal their defects. In the case of district treasuries, however, it is not feasible entirely to discontinue re-issues, but Currency Officers will arrange to keep the treasuries in their jurisdiction supplied with sufficient stock of clean notes in order to meet all probable demands. Notes much soiled defaced or torn should not in any case be re-issued to the public and cut notes should not ordinarily be re-issued. Notes unfit for re-issue should be sent to the Currency Office (or the treasury named by the Currency Officer for the purpose) in the first remittance sent there in accordance with subsidiary rule 16 under Treasury Rule 30.

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11. Subject to the remarks in the preceding instruction, all notes fit for issue, may be issued to the public irrespective of the circle front which they were issued or deposited in the currency chests under the relevant orders.

Notes of the denominational values of two and a half rupees and twenty rupees should not be issued to the public but should be remitted to the Currency Office (or the treasury named by the Currency Officer for the purpose)—See subsidiary rule 16 under Treasury Rule 30.

12. In order to prevent the older issues of notes being stored for an indefinite period in a treasury, notes fit for re-issue should be arranged in the double lock treasury balance and the currency chest balance in the order of receipt and should be re-issued from these balances in the same order. Notes received across the counter in the course of daily transactions may be re-issued at once provided that they are in good condition.

13. Notes unfit for issue should be kept separately in the currency chest balance pending remittance to a Currency Office in accordance with subsidiary rule 16 under Treasury Rule 30.

Forged, defective and lost notes.

14. (a) In the event of a forged note being presented, the note and the presenter should be made over to the Police, if the Treasury Officer considers it advisable to do so. If however, the Treasury Officer is convinced that the presenter has presented the forged note in good faith, believing that it was genuine, he should impound the note and take the name and address of the presenter and his statement regarding the person from whom he received the note. The forged note and the presenter's statement should be sent to the Police for further enquiry. After the enquiry has been completed, the Police will forward the forged note to the Currency Office along with a report.

NOTE.—When a forged note is impounded, it should be stamped with the word "Forged" or the word "Forged" should be written on it in red ink in large letters before it is sent to the Police for enquiry.

(b) Notes disfigured by oil or other substances should be scrutinized with special care, as forged notes are sometimes intentionally thus disfigured to render detection difficult.

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(c) The managers of certain joint stock banks and exchange banks have instructions to send forged notes presented to them to the nearest treasury for impounding. When a Treasury Officer receives a forged note from a bank he should take action in accordance with clause (a) above.

(d) The Reserve Bank has authorized the Secretary and Treasurer of each of the Local Head Offices of the State Bank of India, every Agent or Sub-Agent in charge of a branch or sub-branch and every employee in charge of a Treasury Pay Office of the said Bank to impound forged currency and Bank notes.

(c) At places where there is neither a Currency Office nor a branch sub-branch or Treasury Pay Office of the State Bank of India Treasury and sub treasury Officers are authorised to accept for disposal in the usual manner, suspected currency or Bank notes tendered by Post and Telegraph Offices.

15. No person is of right entitled to recover the value of any lost, stolen, mutilated or imperfect currency or Bank notes but rules have been framed under the Reserve Bank of India Act prescribing the circumstances, conditions and limitations under which the value of such notes may be refunded as of grace. The rules are contained in Appendix 25.

16. Half, mutilated, mismatched or altered note and notes disfigured by oil or other substances in such manner as to render their identification doubtful, should never be received in payment of Government dues or cashed. The holder should be advised to apply to the Currency Officer competent to deal with the matter in accordance with the rules in Appendix 25 for instructions regarding the procedure under which the value of such notes can in some cases be recovered.

NOTE 1.—Notes with only a slight mutilation which does not interfere with identification or suggest fraud, may be received at the treasury and dealt with under subsidiary rule 16 under Treasury Rule 30. The features necessary for the identification of a note are, besides the number, which must including the serial letters, be all intact, the denomination, the place of issue where indicated the signature and the watermark.

NOTE 2.—Defective notes should be stamped with “Half not—Payment refused” “mutilated—Payment refused” “mismatched—Payment refused” or “Altered—Payment refused”, as the case may be or such words should be written in red ink in large letters before they are returned to the presenter.

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17. The value of lost, stolen or wholly destroyed notes of the denomination of Rs. 10 and below will not be refunded. Persons applying to a Treasury Officer for a refund of the value of lost, stolen or wholly destroyed notes of the denomination of Rs. 20 and above should be referred to the Currency Officer of the Office of issue to which the notes are alleged to belong for instructions regarding the procedure under which the value of such notes can in some cases be refunded.

Procedure in treasuries the cash business of which is conducted by the Bank.

18. The provision in instructions 1-17 apply *mutatis mutandis* to treasuries the cash business of which is conducted by the bank.

Indents for Notes.

19. The Treasury Officer is responsible for keeping the currency chest and treasury balances sufficiently stocked with all denominations of notes to provide for issues to the public in payment on behalf of the Government and in exchange for rupees. He should, as far as possible, submit to the Currency Officer his requisitions for the supply of notes with the Cash Balance Report. Ordinarily, remittances of notes will be sent to the district treasury and distributed to sub-treasuries by the Treasury Officer but in certain cases, *e.g.*, when a sub-treasury is on a Railway, it may be more economical to send remittances to a sub-treasury for distribution.

20. At places where the cash business of the treasury is conducted by the Bank, the Manager or Agent of the Bank is responsible for keeping in the currency chest a sufficient stock of notes to meet all demands from the public at the district treasury and also demands from the Treasury Officer for supply to sub-treasuries. When the Treasury Officer wishes to replenish the stock of notes in a sub-treasury, he will obtain the necessary supply of notes from the Bank unless the sub-treasury requirements are large and it is more economical and convenient to obtain a direct remittance from the Currency Office. In the case of treasuries, the cash business of which is conducted by the State Bank of India, the Agent of the Bank will submit his indents for supply of notes to his Local Head Office, which will arrange with the Currency Officer for the necessary remittance.

CHAPTER IV—CONDUCT OF BUSINESS IN THE EVENT OF DEATH OR SUDDEN INCAPACITATION OF AN AGENT OF A BRANCH OF THE STATE BANK OF INDIA OR ITS SUBSIDIARIES.

(1) In the event of the Agent of a branch of the State Bank of India or any of its subsidiaries which conduct treasury business dying or becoming suddenly incapacitated for duty and it being not possible for the State Bank, or its subsidiary to make immediate arrangements for the transactions of business at the branch, the Government official named hereafter should, provided, the concerned Bank by prior arrangements requested that he should do so at once—

(a) visit the Bank in person, take over the keys of the Strong room and other receptacles of treasure, notes or books and ensure that the strong room is properly secured and direct the guard to report to him;

(b) telegraph information of the occurrence to the Local Head Office of the concerned Bank; and

(c) arrange for the due transaction of urgent treasury business at the branch.

The responsibility for performing the functions herein stipulated should in the first instance, be primarily that of

(i) The Collectors or District Revenue Officer or Joint Collector or in their absence at headquarters the senior most Personal Assistant of the Collector at headquarters at the time ;

(ii) Revenue Divisional Officers/Tahsildars at Sub-Divisional and Taluks or Tahsil Headquarters, as the case may be.

The concerned Government official should, on no account take any action in regard to Bank's private business which together with such treasury business which is not of an urgent nature may remain in abeyance till a responsible official of the concerned Bank takes charge of the Branch.—

When it is impossible for the concerned Government official to take the action mentioned above in person e.g., on account of his camp, he may delegate his functions in this connection to any

CHAPTER IV— CONDUCT OF BUSINESS

Local Funds.

other Government official not below the rank of a confirmed sub-treasury officer, who is within easy reach of the branch, he should nominate such Government official for this purpose specially on each occasion when the necessity arises.

Neither the Government nor any Government servant will in any responsibility either to the State Bank of India, or to its subsidiaries or to any third party by reason of anything done bonafide under their instructions. The Government officials concerned would, however, be responsible for the safe keeping as a bailee, of the keys of the Strong-room, etc., taken over by him and the accounting for the cash and other contents which he takes out from the Strong-room.

CHAPTER V—MISCELLANEOUS SUBJECTS.

Local Funds.

1. The expression 'local fund' covers*—

(1) the moneys received and administered by a body which though not part of the Government's departmental organization, has been placed under the control of the Government by a law or a rule having the force of law, whether in regard to its proceedings generally or to specific matters e.g., its budget creation of particular posts in its service and appointments to such posts, and the leave, pension and other rules applicable to its servants ;

(2) the moneys received and administered by any other specified body when the Government have published a special notification to the effect that they constitute a local fund ; and

(3) the moneys recovered from district boards for any specific purpose and constituted into a separate fund under any law or rule having the force of law, provided that the fund is specially notified by the Government as a 'local fund'.

† The transactions of local funds are not included as such in the Government Account except in so far as their cash balances are deposited with the Government under the rules and accounted for under the deposit head "847. Deposits of Local Funds." within the Public Account. The Government's function in regard to such deposits is that of a banker.

2. The main classes of local funds are :—

(1) (a) Defunct District Funds *i.e.*, the moneys of district boards governed by the Madras District Boards Act, 1920 (Madras Act XIV of 1920), as subsequently amended and the Funds, of the Chatram department of the Thanjavur Panchayat Union Council.

(b) Panchayat Funds [*i.e.*, the moneys of panchayats governed by the Madras Village Panchayats Act, 1950 (Madras Act X of 1950), as subsequently amended].

† See Article 6, Tamil Nadu Financial Code.

* See Articles 303 and 304, Tamil Nadu Financial Code.

CHAPTER V—MISCELLANEOUS SUBJECTS.

Local Funds.

(2) Municipal Funds [*i.e.*, the moneys of municipal councils governed by the Madras District Municipalities Act, 1920 (Madras Act V of 1920), as subsequently amended, and the moneys of the Madras Corporation governed by the Madras City Municipal Act, 1919 (Madras Act IV of 1919), as subsequently amended],

(3) Education Funds [*i.e.*, the Fee Funds of Universities, and the Elementary Education Funds of district boards and municipal councils governed by the Madras Elementary Education Act, 1920 (Madras Act VIII of 1920), as subsequently amended].

(4) Port and Marine Funds which do not relate to major ports including the Minor Ports Fund, the Minor Ports Pilotage Funds and the Tuticorin Port Fund governed by the Indian Ports Act, 1908 (India Act XV of 1908), as subsequently amended, the Tuticorin Port Trust Fund governed by the Tuticorin Port Trust Act, 1924 (Madras Act II of 1924), as subsequently amended, and the Landing and Shipping Dues Funds governed by the Madras Outports Landing and Shipping Fees Act 1885 (Madras Act III of 1885), as subsequently amended.

(5) Market Committee Funds (*i.e.*, the moneys of market committees governed by the Madras Commercial Crops Markets Act, 1933 (Madras Act XX of 1933),

(6) The Central Fund constituted to meet the leave salary and-contribution towards provident fund in respect of the Municipal Commissioners and the Panchayat Executive Officers during leave, and

(7) Library Funds (*i.e.*, the moneys of the local library authorities governed by the Madras Public Libraries Act, 1948 (Madras Act XXIV of 1948), as subsequently amended),

3. Local Bodies.—A. Panchayat Union Council and municipal councils:—

(1) *Banking account with the Government treasury.*—Every Panchayat Union Council and every Municipal Council should keep all its funds (other than funds invested in accordance with his instruction) in a single banking account with the Government treasury or sub-treasury, if there is one at its headquarters, provided that a municipal council which had a current account with the Madras State Co-operative Bank on the 5th April 1939 may continue to have it.

NOTE.—If the Panchayat Union Councils having a single banking account at the headquarters treasury or sub-treasury find it necessary to open another banking account with a sub-treasury in the district

CHAPTER V—MISCELLANEOUS SUBJECTS

Local Funds

it should transfer funds from its headquarters treasury or sub-treasury to the Credit of the banking with the other Sub-Treasury. Separate pass books should be maintained for each such banking account.

A municipal council at the headquarters of which there is no treasury or sub-treasury should keep its banking account with the nearest treasury or sub-treasury. If any such municipal council considers it absolutely necessary to keep a current account in a bank in addition to its account with the treasury, it should apply to the Government for special permission to do so. The Government will not ordinarily give such permission unless, there is a suitable bank situated at the headquarters of the municipal council or nearer to it than the nearest treasury or sub-treasury, and the permission, if given, will be subject to such conditions as the Government may prescribe.

All moneys payable to a Panchayat Union Council, or municipal council by the Government or through the agency of the Government will be paid into the local body's banking account with the treasury.

The Commissioner of a Panchayat Union Council and the executive authority of a municipal council should send his treasury pass book to the treasury or sub-treasury as the case may be, regularly once in a week or ten days to be written up. The Treasury or Sub-treasury Officer should see that the pass book is promptly returned to the local body after the entries have been brought up to date.

Note 1.—In places where the business of the treasury or sub-treasury Conducted by the Bank, the banking accounts will be kept at the Reserve Bank, Madras or any branch of the State Bank of India acting as the Agent of the Reserve Bank.

Note 2.—The executive authority of panchayat will be allowed to draw cheques in favour of contractors, or other suppliers of materials in respect of capital works, etc. There is no objection to issuing cheques on the Treasury in favour of a party, to whom the panchayat has to pay money Exceeding Rs. 10. Self cheques may be drawn by him only for payments to be made to the panchayat establishment.

Note 3.—Market committees having their banking accounts with the district treasuries, may, if they so desire, have banking accounts also in the sub-treasuries of the district concerned by transferring funds from the district treasuries to the credit of the banking accounts with the sub-treasuries. Separate pass books should have to be maintained for each such banking account.

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(2) *Investments outside the Government treasury.*—A Panchayat Union Council or a municipal council may invest the whole or any portion of the under mentioned ear-marked funds in the manner indicated below :—

(a) Provident Fund.

(b) Railway Cess Fund.

(c) Water and Drainage Fund (including savings due to the provincialisation of hospitals, if any), and

(d) Endowment Funds.

No other funds should be withdrawn from a local body's treasury account for investment without the special sanction of the Government which will not be given unless there are very special and exceptional reasons for giving it.

(3) *Permissible forms of investment.*—Investments should be in the form of securities or deposits as specified below :—

(i) Tamil Nadu Government securities and securities guaranteed by the Tamil Nadu Government as to payment of interest and repayment of principal ;

(ii) securities issued by the Government of India including savings certificates ;

(iii) fixed deposits for period up to three years in the Tamil Nadu State Co-operative Bank and Central Co-operative Banks approved by the Registrar of Co-operative Societies for the purpose ;

(iv) Post Office Savings Bank deposits (only in the case of Provident Fund balances likely to be required for early disbursement) ; and

(v) Defence Bonds, 1946 and Savings Certificates issued by the Government.

An investment of the kind referred to in item (iii) above shall be made only with the previous sanction of the Inspector of Municipal Councils and Local Boards, if the amount proposed for investment in any one of the banks together with the amount, if any, already invested in that bank exceeds Rs. 5,000. Every application to the Inspector for sanction to such investment or re-investment shall be submitted through the Registrar of Co-operative Societies.

CHAPTER V—MISCELLANEOUS SUBJECTS
Local Funds

Investments of the funds of local bodies should be made in item (i) above, except when there are special reasons for considering that it would be more advantageous to invest in one of the other permissible forms.

B. Panchayats.—As a general rule, all moneys received by panchayats constituted under section 3 (1) of the Madras Village Panchayats Act, 1950 (Madras Act X of 1950) should be lodged either in the nearest Government treasury or in the nearest Post Office Savings Bank or in both. A panchayat may, however, with the sanction of the Inspector of Municipal Councils and Local Boards, either lodge its money's in a current account with a bank or co-operative society, or subject to such conditions as to security and otherwise as the Inspector may lay down leave its moneys in the custody of the President or any other respectable persons. A panchayat may, with the sanction of the Inspector, invest any sums not required for immediate use in any manner which the Government may be general or special order approve.

C. Local Authority.—All moneys received by the Local Library Authority shall be deposited in the nearest Government treasury :

Provided that the Local Library may, with the sanction of the Government for specified reasons, have a current account with any of the local banks approved by Government or with any of the following banks, namely :—

- (1) A branch of the Post Office Savings Bank ;
- (2) The Tamil Nadu State Co-operative Bank ;
- (3) A Central Co-operative Bank approved by the Registrar of Co-operative Societies, Madras for the purpose.
- (4) The State Bank of India ;

Provided further that the local Authority may invest any sum not required for immediate use in "fixed deposit" in any of the local banks approved by the Government or in any of the banks mentioned in items 1 to 4 of the preceding provision or in Government securities with the sanction of the Government in any other security.

All orders or cheques against the library fund shall be signed by the Chairman of the Local Library Authority or by some person duly authorized by in this behalf. The Treasury (or bank) in which the fund is deposited shall so far as the funds to the credit of the Local Library Authority, admit, pay all orders or cheques against the fund which are so signed.

CHAPTER V—MISCELLANEOUS SUBJECTS
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In cases where the Chairman of the Local Library Authority has ceased to be a member of that Authority, the Secretary of the Local Library Authority if he is also the District Educational Officer of the district, may, if so, authorized by the Director, sign orders and cheques against the library fund to meet the expenditure relating to the day-to-day administration of the Authority and the libraries under its management.

The Local Library Authority shall submit to the Director by the 1st February of every year, its budget estimate of receipts the expenditure in the Form appended to those rules and the Director shall scrutinize and approve the estimates with or without modifications.

4. The Balance as the credit of each local fund should be verified by the Treasury Officer in consultation with the authority administering the fund. The Treasury Officer should obtain certificates of acceptance of balance in the accounts from the authorities administering the local fund accounts before the 5th May, have the difference, if any, reconciled before 15th June and send a certificate to the Accountant-General on or before the 30th June to the effect that the balance in the accounts have been accepted by the local bodies. It is not necessary for the Accountant-General to maintain detailed accounts of receipts and payments for local funds except where the local fund has banking account with more than one. Treasury and separate balances are not maintained by Treasuries. The balance as shown on the books of the Accountant-General will be the balance acknowledged by the Government.

NOTE.—The Pay and Accounts Officers/Treasury Officers / Sub-Treasury Officer's shall issue stop payment orders in the case of any administrator of the fund not furnishing the certificate of acceptance of balance as on 31st March every year within three months.

PERMANENT AND TEMPORARY LOANS PUBLIC DEBT.

5. When, under the Terms of a Loan Notification issued by the Government, subscriptions to any new loan under the terms of the notification are receivable at the treasury, the procedure to be observed by the Treasury and Sub-Treasury Officers in receiving such subscriptions and crediting them into the Government account will be regulated by the provisions of Chapter VII of the Government Securities Manual and by such supplementary instructions, if any, as may be issued by the Government in this behalf.

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6. The procedure to be followed by the Treasury and Sub-Treasury Officers and the Public Debt Officers in making payments in respect of the principal of any loan when its falls due, will be governed by the rules contained in Chapter VIII of Government Securities Manual and supplementary instructions, if any, issued by the Government in this behalf.

FLOATING DEBT.

Treasury Bills.

7. Unless the Government direct otherwise, Treasury Bills will be issued from and repaid at the offices of the Reserve Bank at Madras, Bombay and Calcutta.

Subject as hereinafter provided, the procedure to be observed by the Bank in connection with the sale and discharge of such bills will be governed by such instructions as may be issued by the Government to the Bank.

8. Treasury Bills can be paid on maturity only at the office or branch of the Reserve Bank from which they were issued. After payment the discharged bill should be transmitted to the Accountant-General in the same way as other paid vouchers.

Ways and Means Advances.

9. When Ways and Means Advances are taken by the Government from the Bank, the request to the Bank will be accompanied by a demand promissory note for the amount on behalf of the Governor. At the same time, the particulars of the advance, that is, the amount and the interest payable thereon, should be communicated by the Government to the Accountant-General.

10. When notifying a repayment, a copy of the instructions to the Bank should be endorsed to the Accountant-General concerned. The Bank will cancel the promissory note for the advance repaid and make a note on the promissory note if it is part payment. The note on final cancellation will be returned to the Government.

11. Interest on a ways and means Advance will be debited against the Government account by the Bank at the time of repayment.

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Transaction relating to Government of other Countries.

12. Unless the Government by any general or specific order directed otherwise, a Treasury Officer may not receive or authorise the Bank to receive moneys tendered on behalf of Government of other countries, nor make or authorize payment of any claims against such Governments that may be presented to him, except under the authority of the Accountant-General.

13. In receiving or authorizing the Bank to receive such moneys and in making or authorizing such payments as aforesaid, the Treasury Officer will be guided generally by the provisions of the relevant subsidiary rules and instructions under Treasury Rules 10 and 16, except in so far as they may be supplemented or modified by any general or special instructions issued by the Accountant-General. In all cases of doubt, the Treasury Officer should take the orders of the Accountant-General.

14. Moneys received into or paid out of the State Government Account in respect of transactions with the Governments of other countries, will be adjusted by payment to or recovery from the Governments concerned, by the Accountant-General.

Destruction of Accounts Records.

15. The general rules regarding the destruction of records appertaining to the accounts, audited by the Indian Audit Department are contained in Article 326 of the Tamil Nadu Financial Code Vol. 1. The preservation and destruction of treasury records are regulated by those rules and the rules in paragraph 6 of Standing Order No. 169, of the Board of Revenue and Appendices VIII and IX to Chapter XV of the Board's Standing Orders No. deviation from the periods laid down in these rules for the preservation of treasury records is permissible without the concurrence of the Accountant-General and no alteration should be made in these rules without his concurrence.

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N.B.—(1) This index deals only with the rules in the several chapters of the volume and does not cover the appendices or the forms. It has been compiled solely for the purposes of assisting references and no expression used in it should be considered as in any way interpreting the rules.

(2) The abbreviation T.R.(s), S.R.(s) and Instruction(s) stand for Treasury, Rule (s), Subsidiary Rule(s), and Instruction(s) respectively. The Treasury Rules are in Part I while the subsidiary Rules and Instructions under the Treasury Rules are in Part II.

*Treasury rule,
subsidiary rule and
instruction.*

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