

**GENERAL PRINCIPLE AND METHODS OF  
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Existing HeadsRevised HeadsLoas and Advance--Cont.

		6575	Loans for other special areas programmes
700	Loans for general financial and trading institutions	7465	Loans for general financial and trading institutions
705	Loans for agriculture	6401	Loans for crop husbandry
		6408	Loans for food storage and warehousing
		6506	Loans for land reforms
706	Loans for minor irrigation soil conservation and area development	6402	Loans for soil and water conservation
		6705	Loans for command area development
709	Loans for food	6408	Loans for food storage and warehousing
		6860	Loans for consumer Industries
710	Loans for animal husbandry	6403	Loans for animal husbandry
711	Loans for dairy development	6404	Loans for dairy development
712	Loans for fisheries	6405	Loans for fisheries
713	Loans for forest	6406	Loans for forestry and wild life
714	Loans for community development	6515	Loans for other rural development programmes
715	Loans for agricultural financial institutions	6416	Loans for agricultural financial institutions
720	Loans for industrial research and development	6885	Loans for other Industries and minerals
721	Loans for village and small industries	6851	Loans for village and small industries
722	Loans for machinery and engineering industries	6858	Loans for engineering industries
723	Loans for petroleum chemicals and fertilizer industries	6802	Loans for petroleum
		6855	Loans for fertilizer industries

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Existing HeadsRevised HeadsLoans and Advances--Cont.

		6856	Loans for petro-chemical industries
		6857	Loans for chemical industrie
724	Loans for aircraft and ship-building industries	6858	Loans for engineering industries
725	Loans for telecommuni- cation and electronic Industries	6859	Loans for Telecom and electronic industries
726	Loans for consumer Industries	6860	Loans for consumer Industries
		6854	Loans for cement and non-metallic industries
		6407	Loans for Plantations
728	Loans for mining and metallurgical Industries	6853	Loans for non-ferrous mining and metallurgical industries
		6854	Loans for cement and non-metallic mineral industries
		6861	Loans for atomic energy industries
729	Loans for other industries	6875	Loans for other industries
		6885	Loans for other industries and minerals
730	Loans to industrial financial institutions	6885	Loans for other industries and minerals
731	Loans for water and power development services	6701	Loans for major and medium irrigation
		6801	Loans for power projects
		6711	Loans for flood control projects
734	Loans for power projects	6801	Loans for power projects
735	Loans for ports, light-houses and shipping	7051	Loans for Ports and light-houses
		7052	Loans for shipping
736	Loans for civil aviation	7053	Loans for civil aviation

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737 Loans for roads and bridges	7075 Loans for other transport services
738 Loans for road and water transport services	7055 Loans for road transport
744 Loans for other transport and communication services	7056 Loans for inland water transport
	7075 Loans for other transport services
	7275 Loans for other communication services
746 Loans to railways	7002 Loans to railways
760 Loans and advances to State Governments	7601 Loans and advances to State governments
761 Loans and advances to UT governments	7602 Loans and advances to UT Governments
765 Advances to foreign Governments	7605 Loans to foreign Governments
766 Loans to Government Servants, etc	7610 Loans to Government Servants, etc.
767 Miscellaneous Loans	7615 Miscellaneous Loans
768 Inter State settlement	7810 Inter State settlement
769 Appropriation to contingency fund	7999 Appropriation to Contingency Fund

PART - II

800 Contingency Fund	8000 contingency Fund
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PART - III -- PUBLIC ACCOUNTI. Small Savings, Provident fund etc.

801 to 812	8001 to 8012
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J. Reserve Funds

815 to 835	8115 to 8235
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K. Deposits and Advances

836 to 853	8336 to 8554
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<u>Existing Heads</u>	<u>Revised Heads</u>
	<u>L. Suspense &amp; Miscellaneous</u>
856 to 880	8656 to 8680
	<u>M. Remittances</u>
881 to 897	8781 to 8797
	<u>M. Cash Balance</u>
899 Cash Balance	8999 Cash Balance

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Revision of the structure of classification  
of transactions in Government Accounts  
from 1st April 1987

The present structure of classification of transactions in Government Account on a function-cum-programme/activity basis was introduced from 1st April 1974 on the recommendation of the committee headed by Shri A.K. Mukherjee, the then Deputy Auditor -General of India, on Reforms in the structure of Budget and Accounts. This functional classification was evolved with the twin objectives of reflecting Government transactions in terms of functions, programmes and schemes and securing correlation between Accounts classification and plan heads of development. Over the years development activities of the Government have grown with the result the plan heads differed and divergencies between accounts classification and plan heads of development had also increased. As recommended by the Mukherjee Committee, a continuous review of the classification to take care of the requirements in accounts from time to time was made. Taking into consideration the result of the review during the last 10 years, a revised structure of accounts including Sectors, Sub-sectors, Major Heads and Minor Heads has been brought out by the Government of India in the Ministry of Finance, Department of Expenditure to be introduced from 1st April 1987. While the broad structure of accounts namely the Sectors, Sub-Sectors, Major Heads including Sub-Major Heads and Minor Heads has been retained intact, certain changes have been introduced. New Sub-Sectors have been introduced. New Major Heads have been introduced and some Major Heads have been elevated to the level of sub-sectors. New minor heads have been introduced and some Minor Heads have been raised to the level of Major Heads.

The important changes introduced are as follows:

(i) Coding Pattern:

A four digit Arabic numerical code has been assigned to the Major Head followed by a two digit code for the relevant sub-major head and further followed by a three digit code for the minor heads. The codification pattern has been designed in such a way that the first digit would indicate whether the Major Head is a Receipt Head or a Revenue Expenditure Head or Capital Expenditure Head or Loan Head. Adding 2 to the first digit of the Receipt Head will give the number allotted to the corresponding Revenue Expenditure Head, adding another 2 - capital Expenditure and another 2 - the Loan Head of Account. The last three digits of the four digits would represent the same functioning in all the four section, except in a few cases where more than one function would have been grouped together under a single Major Head. The following is illustrated for example:

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Major Head code in the Section for

Function	Receipt Heads		Expenditure Heads		Loans and Advances
	Revenue Account	Revenue Account	Revenue Account	Capital Account	
1. Medical and Public Health	0210		2210	4210	6210
2. Shipping	1052		3052	5052	7052
3. Crop Husbandry	0401		2401	4401	6401
4. General Education	0202		2202	4202	6202
5. Technical Education	0202		2203	4202	6202
6. Sports and Youth services	0202		2204	4202	6202
7. Art and culture	0202		2205	4202	6202

It would thus be seen that the first digit is "0" or "1" representing the Revenue Receipt, "2" or "3" will represent the Revenue Expenditure, "4" or "5" the Capital Expenditure and "6" or "7" the Loan Head of Account.

Sub-Major Heads have been allotted a two digit code namely "01", "02", etc.

Minor Heads have been allotted a three digit code starting from "001" under each Sub-Major Head/Major Head (Where there is no Sub-Major Head). The coding pattern for minor heads have been designed in such a way that in respect of certain Minor Heads having a common nomenclature under the various Major/Sub-Major Heads, as far as possible the same three digit code is adopted to serve as a standard. Example:-

<u>Standard 3-digit Code</u>	<u>Common nomenclature</u>
001	Direction and Administration
003	Training
004	Research
005	Investigation
010	Minimum needs programme
050	Land
051	Construction
052	Machinery and equipment
150	Assistance to I.C.A.R
190	Assistance to Public Sector and Other undertaking

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<u>Standard 3-digit code</u>	<u>Common nomenclature</u>
798	International Co-operation
799	Suspense
800	Other Receipts, Other Deposits, Other Loans, Other Grants, Other Expenditure, etc.,

In the case of Minor Heads code numbers "001" to "100" and from "750" to "900" have been reserved for certain standard Minor Heads. Non-Standard Minor Heads have been allotted codes from "101" in the Revenue Expenditure series and "201" in the Capital and Loan series. Where the description under Capital/Loan is the same as in the Revenue Expenditure Section, the Code number for the Minor Head is the same as allotted in the Revenue Expenditure Section.

Code numbers from "900" are reserved for 'Deduct' receipts or 'Deduct' Expenditure heads.

(ii) Identification of Major Head:

The Revenue Receipt Major Heads, the Revenue Expenditure Major Heads, the Capital Expenditure Major Heads and the Loan Major Heads are identified as follows:-

Revenue Receipts	<u>0020</u> to <u>1606</u>
Revenue Expenditure	<u>2011</u> to <u>3606</u>
Capital Receipt Head	<u>4000</u>
Capital Expenditure Head	<u>4046</u> to <u>5475</u>
Public Debt and Loans and Advances	<u>6001</u> to <u>7615</u>
Inter-State Settlement	<u>7810</u>
Appropriation to Contingency fund	<u>7999</u>
Contingency Fund	<u>8000</u>
public Account	<u>8001</u> to <u>8797</u>
Cash Balance	<u>8999</u>

(iii) Salient features of the change in nomenclature or elevation of Major Heads to Sub Sectors, and Minor heads to Major Heads level are indicated in a note accompanying the table of concordance of Major Heads introduced from 1st April 1987. A copy of the table of Concordance of Major heads and also the note of salient features is given in Annexure.

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(iv) While the salient features indicate in a broad way, changes in the revised structure, the important changes introduced in the new classification vis-a-vis the existing pattern are detailed below:-

(1) REVENUE RECEIPTS: There are 3 sectors namely 'Tax Revenue', 'Non-tax Revenue' and 'Grants-in-Aid, and contributions'. While the section 'Tax Revenue' and its sub-Sectors have been retained without any change, the sub-Sectors in the sector 'Non-Tax Revenue' have been revised as shown below:

<u>Existing</u>	<u>Revised</u>
<u>B. Non-Tax Revenue</u>	<u>B. Non-Tax Revenue</u>
(a) Currency, Coinage and Mint	(a) Fiscal Services
(b) Interest Receipts, dividends and profits	(b) Interest receipts

The sub-sector 'Social and Community Services' under 'Other non-tax revenue' has been revised as 'Social Services'

(2) REVENUE EXPENDITURE: The Sub-Sectors under '(A) General Services' have been retained. The major change introduced here is the existing Major head '260 Fire Protection and Control' has been down-graded as a minor head under the new major head '2070 Other Administrative Services'. The minor head 'Central Survey and Statistics' now under '265 Other Administrative Services' has been shifted to the sector 'Economic Services' and placed under the sub-sector 'General Economic Services'.

(ii) B. SOCIAL AND COMMUNITY SERVICES: This is renamed as 'B Social Services'.

There are no sub sectors under this sector at present. 8 new Sub sectors have been introduced in the new classification as below:-

- (a) Education, Sports, Art and Culture.
- (b) Health and Family Welfare.
- (c) Water Supply, Sanitation, Housing and Urban Development'
- (d) Information and Broadcasting
- (e) Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes
- (f) Labour and Labour Welfare.
- (g) Social Welfare and Nutrition.
- (h) Others.

The Changes introduced are:

(i) The Major head "279 Scientific Services and Research" has been shifted to the sector 'Economic Services'. The sub-Major head "Civil Supplies" appearing presently under "288 Social Security and Welfare" is now shifted to "Economic Services" and elevated to the level of a Major Head.



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(ii) The Major Head "277 Education" is split up into three Major Heads as "General Education", "Technical Education" and "Sports and Youth Services". The sub Major head "Primary Education" is renamed as "Elementary Education". The new sub Major heads are 'Elementary Education', 'Secondary Education', 'University and Higher Education', 'Adult Education', 'Language Development' and 'General' all appearing under "2202 General Education" as shown below:-

277 Education

- A. Primary
- B. Secondary
- C. Special Education
- D. Pre-University Education
- E. University and Higher Education
- F. Technical Education
- G. Sports and Youth Welfare
- H. General

2202 General Education

- 01. Elementary Education
- 02. Secondary Education
- 03. University and Higher-  
Education
- 04. Adult Education
- 05. Language Development
- 80. General

On the receipt side, a consolidated Major Head is now provided as '0202 Education, Sports, Art and Culture' to accommodate the receipts of '2202 General Education', '2203 Technical Education', '2204 Sports and Youth Services' and '2205 Art and Culture'. Similarly, the Capital Major Head is only one as '4202 Capital Outlay on Education, Sports and Art and Culture'. The Loan Major head is also only one as '6202 Capital Outlay on Education, Sports Art and Culture'.

(iii) The sub major Head "Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes" appearing under "288 Social Security and Welfare" is raised to the level of a Major head with the corresponding changes in the Capital and Loan Section as "4225 and "6225".

(iv) The existing Major heads '280 Medical' and '282 Public Health, Sanitation and Water Supply' have been revised as '2210 Medical and Public Health' and '2215 Water Supply and Sanitation'. Corresponding Receipts, Capital and Loan heads also are provided.

(iii) "ECONOMIC SERVICES" This sector has at present 7 Sub-sectors which are revised into 10 sub sectors as shown below:-

C. ECONOMIC SERVICES

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

C ECONOMIC SERVICES

- (a) Agriculture and Allied activities
- (b) Rural Development
- (c) Special areas Programmes
- (d) Irrigation and Flood control.
- (e) Energy
- (f) Industry and Minerals
- (g) Transport
- (h) Communications
- (i) Science, Technology and Environment
- (j) General Economic Services.

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It may be seen that "Rural Development", "Special areas Programme", "Flood control", "Energy" and "Science and Technology" are given importance in the revised structure.

(i) The existing Major head '305 Agriculture' has been split up into 9 Major heads with five falling under sub sector (a) 'Agriculture and Allied activities' and the remaining four falling under (b) 'Rural Development'. The various functions under Agriculture will be accommodated under sub sector 'Agriculture and allied Activities' if they are directly related to Agriculture and will be accommodated under 'Rural Development' if the expenditure on agriculture is in furtherance of Rural Development.

ii) The Major head '299 Special and backward Areas' is now brought under sub sector (c) 'Special Areas Programme' with separate major heads for the existing sub major heads namely 'Hill Areas', 'North Eastern Areas' and 'Other Areas Programme'. The sub major head 'Dangs Districts' (Gujarat State) has been down-graded to the level of a Minor Head.

iii) The new Major head '2415 Agriculture, Research and Education' will accommodate transactions falling under the existing heads of account '305 Agriculture', '307 Soil and Water Services', '310 Animal Husbandry', '311 Dairy Development', '312 Fisheries' and '313 Forest'.

iv) The Major head '314 Community Development' is now split up into 2 new Major heads '2505 Rural Employment' and '2515 other Rural Development Programmes' under sub sector 'Rural Development'.

v) '320 Industries' the existing sub Major heads are now raised to the level of Major heads. The New Major head '2852 Industries' deals with 'Ferrous and conventional industries' While Non-ferrous, Mining and Metallurgical Industry and Opium and Allied Industry are accommodated under two new Major Heads, '2853 Non-Ferrous Mining and Metallurgical Industry' and '2875 other Industries' respectively. The assistance to investment in Industrial, Financial Institutions and for Industrial Development of Backward Areas are to be accounted for under a new Major head '2885 other Outlays on Industry and Minerals'.

vi) the existing Major heads "331", "332", "333" and "334" under the sub Sector 'Water and Power Development' have been raised to the level of sub sectors 'Irrigation and Flood Control' and 'Energy'. The idea of multi-purpose river projects has been given up each of the projects being identified with reference to their functions under 'Major and Medium Irrigation', 'Flood Control', 'Power Development', 'Navigation' and 'Other Transport Services'. They are given new Major heads in the new set up.

### C. CAPITAL EXPENDITURE

1. The existing minor head "Stationery and Printing" is now elevated as a major head "4058. Capital Outlay on Stationery and Printing", the corresponding Revenue Expenditure head being '2058'.

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2. 477 CAPITAL OUTLAY ON EDUCATION:-The nomenclature of the new head of account is "4202". Capital Outlay on Education, Sports, Art and Culture". The existing minor heads "Technical Education", and "sports and Youth Welfare" are now raised to the level of Sub-Major Heads in the Capital section though they appear as separate major heads on the Revenue Expenditure side. Please see also note under 'Revenue Expenditure'.

3.495-CAPITAL OUTLAY ON OTHER SOCIAL AND COMMUNITY SERVICES:

The minor head 'Zoological and Public Gardens' is now taken to "4406. Capital Outlay on Forestry and Wild Life" as two new minor heads "111. Zoological Park" and "112. Public Gardens" under a new Sub-Major Head "Environmental Forestry and Wild Life".

4. 505- Capital Outlay on Agriculture

The existing minor head "Storage and Warehousing" is given a functional status in the new set up as a major head "4408. Capital Outlay on Storage and Warehousing", the corresponding Loan Head being '6408. Loans for Storage and Warehousing'.

5. 530. Investments in Industrial Financial Institutions:

It is now downgraded as sub-major Head under "4885 Capital Outlay on Industry and Minerals" and '6885 Loans to Industries and Minerals'.

6. Investments which were hitherto treated as separate schemes with separate sub-heads under each programme are now raised to the level of minor heads each indicating a programme and provided for uniformly under each function. they have a common code number '191'.

D. LOANS AND ADVANCES:

695. Loans for other Social Security and welfare:

The minor head "Relief for Natural Calamities" is now upgraded as a major head "6245. Loans for Relief on account of Natural Calamities".

**Salient features of the proposed revised Structure of  
Heads of account indicating important changes**

(1) "Science and technology" which is at present a major head in the Sector "Social and Community Services" is proposed as a sub-sector under "Economic Services" with a revised nomenclatures "Science, Technology and Environment" with major heads for

- (a) Atomic Energy Research
- (b) Space Research
- (c) Oceanographic Research
- (d) Other Scientific Research and
- (e) Ecology and Environment, (the last of which to cover research expenditure on prevention of Air and water pollution).

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(2) "Rural Development" is proposed to be upgraded as a sub sector under "Economic Services", carving it out mainly from the existing sub-sector "Agriculture and Allied Services", with major Heads for the following functions:

- (a) Rural Employment
- (b) Special Programmes for Rural Development (to cover IRDP, DPAP, Desert Development Programme)
- (c) Land Reforms and
- (d) Other Rural Development Programmes

(3) "Co-operation" presently treated as an omnibus function under "Economic Services" is proposed to be split up function-wise and brought under the respective sub-sectors below "Economic Services". The residual major heads under "Cooperation" in the new structure is proposed to account for expenditure of a regulatory nature under "Cooperation" like "Registrar of Cooperatives", "Audit of Cooperatives" etc., besides a few composite cooperatives, which cut across several functions, and which cannot be identified with special functions (e.g. Multipurpose Co-operatives Assistance to Credit Co-operatives etc.)

(4) The composite major head "Multipurpose River Projects" is proposed to be split up and brought on to the functional major heads for "Irrigation", "Power" etc.

(5) The functions under the sub-sector "Industry and Minerals" are proposed to be rationalised to indicate main categories of Industries clearly like "Iron & Steel Industries", "Non-ferrous mining and metallic Industries", "Village and Small Industries", "Petro-Chemical Industries", etc.

(6) A separate sub-sector has been proposed for "Energy" with major heads (Functions) for "Power", "Petroleum", "Coal and Lignite" and "Non-conventional Energy Sources". The last of the major heads is to cover programmes relating to "Biogas", "Solar Energy", etc.

(7) A Separate function has been proposed for "Technical Education" carrying it out from the existing composite function for "Education" to cover all types of Technical Education including Management Development institutions etc.

(8) "Medical and Public Health" function is proposed to be rationalised, bringing out clearly the distinctive features of "Urban Health" and "Rural Health" Services, besides, "Medical education, and Training".

(9) "Water Supply and Sanitation" has been proposed as a separate function, the sanitation component to cover inter-alia, the implementation of programmes relating to prevention of Air and Water pollution.

(10) "Nutrition" presently forming part of the function "Food" under "Economic Services" is proposed to be brought out as a separate function with additional details of

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programmes under the Sub-sector "Social welfare" below the sector "Social Services", in keeping with the Plan classification.

(11) "Minor Irrigation" will now cover distinctly the Programmes relating to "Surface Water" and "Ground Water".

(12) "Civil supplies" dealing with Public Distribution system presently a programme under "Social & Community Services" is proposed to be shifted as a major head (function), under the sub-sector "General Economic Services" below "Economic Services".

(13) "Statistics & Census" which are presently programmes covered by function in the sector "General Services" are proposed to be shifted to the sub-sector "General Economic Services" below "Economic Services".

(14) "Tourism" presently a function under the sub-sector "Transport" of "Economic Services" is proposed to be shifted to the sub-sector "General Economic Services".

(15) "Aid Materials and Equipments" representing the adjustments on account of foreign aid received in the shape of materials, equipments is presently accounted for in the sector "General Services", pending their readjustments to appropriate functional heads. These are now proposed to be brought on to the sector "Grants-in-Aid, Contributions etc.", as they are in the nature of Non-revenue items.

(16) the nomenclature of the existing sector "Social and Community Services" is being changed as "Social Services".

## CHAPTER 4.

## DIRECTIONS REGULATING INTER DEPARTMENTAL TRANSFERS.

Introductory .. . . .	Arts 55	General .. . . .	Arts 68 - 71
Adjustments between Government	56 - 57	List of departments and under takings recongized by gover- ment at commercial Annexure.	
Adjustments with outside bodies	58		
Inter-departmental adjust- ments	59 - 67		

## INTRODUCTORY

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

Note:- The Expression "Government" used in this chapter includes the Government of Coorg.

## ADJUSTMENTS BETWEEN GOVERNMENTS.

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

*Local Rulings under Article 56.*

(1) The Government of Tamil Nadu shall not prefer, on a reciprocal basis, petty and isolated claims of Rs.1,000 or less against the Government of India for services rendered. These services rendered by the Commercial Undertakings of the Central and State Governments will be outside the purview of this reciprocal arrangement.

(G.O.Ms.No.786, Finance (SV), dated 24th August 1967).

(2) Contrary to the usual procedure of raising debits for supply of goods on accepted invoices from the consignees the Government of India and the State Governments have agreed that the cost of account of fertilisers supplied by the Government of India will be raised without waiting for consignees receipts. The Accountant-General will link up the debit raised by the Government of India with the consignee's receipted copy of issue voucher, which will be forwarded to him by the Board of Revenue (Food Production). As the Government of India have decided with effect from 1st July 1966 to give a consignment credit for a period of two months, the debits for supplies effected on or after 1st July 1966 will be raised by the Government of India on the expiry of a period of sixty days from the date of despatch of fertilizers.

(Memo.No 118315/SPL/G8-10, dated 31st July 1969)

(3) Petty and isolated claim for an amount not exceeding Rs.1,000 (Rupees one thousand only) shall not be preferred by the Governments of Tamil Nadu and Kerala against each other on a reciprocal arrangement.

(Memo.No.48811/Codes-I/71-3, dated 23rd June 1971).

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**DIRECTIONS REGULATING  
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57. (Deleted)

**ADJUSTMENTS WITH OUTSIDE BODIES.**

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

*Local Rulings under Article 58.*

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

(2) Petty and isolated claims not exceeding Rs.2, need not be made by the Government and a local body against each other. This reciprocal arrangements shall take effect from 1st October 1968.

Memo No.120509/S.VI/67-6 dated 2nd April 1969

**INTER-DEPARTMENTAL ADJUSTMENTS.**

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

*A. Service Departments:-* These are constituted for the discharge of those functions which either (a) are inseparable from and form part of the idea of Government, or (b) are necessary to, and form part of, the general conduct of the business of Government

Examples of the first-class are--the departments of Administration of Justice, Jails and Convict Settlements, Police, Education, Medical, Public Health, Forest, Defence.

Examples of the second class are--the departments of Survey, Government Printing, Stationery, Public Works (Buildings and Roads Branch), Purchase Organization of the Ministry of Works, Production and supply (Central Government).

*B. Commercial Departments or Undertakings:-* These are maintained mainly for the purposes of rendering services or providing supplies, of certain special kinds, on payment for the services rendered or for the articles supplied. They perform functions which are not necessarily Governmental

functions. They are required to work to a financial result determined through accounts maintained on commercial principles.

Note:- Government has the power in respect of these direction to decide whether a particular department or particular activities of a department shall be regarded as a Commercial department or undertaking. A list of departments and undertakings at present recongnized by the Central Government as commercial is given in the Annexure to this chapter.

*Local Ruling under Article 59.*

A list of departments and undertakings at present recongnized by the Government of Tamil Nadu Commercial is also given in the Annexure to this chapter.

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

The following exceptions to the rule in this article have been authorized:-

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

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

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

*Local Rulings under Article 60.*

1. Prison labour supplied to the Public Works Department the quinine-manufacturing department in the Penitentiary, Madras, and the Penitentiary Branch Press, Madras, should be charged for. The adjustments should be based on the value of the prison labour at the rates prescribed for the purpose.

2(i). Transfer of land from one Department of the Government to another shall be on a "No Profit" 'no los' basis.

ii. Transfer of buildings and superstructures on such lands between department of the Government shall be at the present day cost minus depreciation of the stucture(s) standing on the land Valuation for this purpose shall be obtained from the public works Department at the time of Transfer.



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**DIRECTIONS REGULATING  
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iii. The allotment of land to, and recovery of cost of buildings from the Public Sector undertakings shall be at Market Value'.

iv. The transfer of land and buildings between the Union and State Governments shall be regulated by the provisions of articles 294, 295, 298 and 299 of the constitution and subsidiary instructions issued by the Government which are reproduced as Appendix 24 of Tamil Nadu Financial Code Volume II.

v. When any movable properties such as furniture, bicycle etc., are transferred from one service Department to another under Tamil Nadu Government the transfer shall be made free of charge. However the transaction should be recorded in the stock Register of the Department, that transfers of the articles as an issue and taken as receipt in the stock register of the department to which it is transferred with due acknowledgement for the receipt.

Exceptions (i) Transfers of land or buildings to the Governor's official residences should be charged for. The expenditure should be debited against the grant for the maintenance and improvement of official residences of the Governor.

(ii) Transfer of Land to the industries Department or the Department of Employment and Training for purposes of Craftsmen Training Schemes should be made on payment of cost.

Note:- (1) The term Departmental occurring in Sub Rules (i) and (ii) above means a Ministry or Department of the Government of Tamil Nadu.

(2) For the definitions of the term 'Market Value' see the para 2 of appendix 24 of Tamil Nadu Financial Code Volume II.

3. The cost of special forms and stationery supplied by the Stationery and Printing Department to the Hindu Religious and Charitable Endowments (Administration) Department should be debited to the latter department.

4. The Amritnagar Colony, Government Tuberculosis Sanatorium, Tambaram may charge other departments for the supply of articles made.

(Memo.70657/Codes/62-5, dated 18th September 1962.)  
(G.O.Ms.Mo.1921 E. and P.H.(H) dated 9th August 1961.)

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

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

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

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

*Local Rulings under Article 61.*

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

2. Except when the Government order otherwise in any particular case rents should be charged for office accommodation supplied by the Public Works Department to commercial departments, Government commercial undertakings and departments of the Central Government.

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

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

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

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

NOTE 2.-When a special official is employed for acquisition of land for any department, the expenditure on pay, allowances, etc., of the special officer and his establishment and any expenditure on contingencies is debitable to that department as part of the cost of land. When the land is taken up by a Civil officer not specially

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employed for the work, only special charges incurred in connexion with acquisition of the land on establishment, contingencies, etc., shall be borne by the department for which the land is acquired.

*Local rulings under Article 62.*

1. The monetary limit fixed by both the Central Government and the Madras Government for the purpose of this Article is Rs.1,000.

(Memo.No.114229-A/SVI/67-2, dated 16th December 1967.)

"The State Government and the Central Government have agreed under reciprocal arrangements not to prefer petty and isolated claims for an amount not exceeding Rs.10,000/-against one another in each case.

The significant criterion in determining whether a particular claim is covered by the reciprocal arrangement mentioned above, will be that the claims should be both petty and of an occasional character and should cover services rendered and not supplies made unless the latter forms part of service. The terms service rendered will be taken to mean an individual act of service, like providing police escort to high dignitary and will not apply to supply of stores and contributions for officers on deputation, etc., claims relating to commercial undertakings under the Government of India or State Governments such as those of the Railways, the Post and Telegraph Department, the electrical undertakings etc., will fall outside the purview of the proposed reciprocal arrangements and will continue to be settled as hitherto.

If a doubt arises as to whether a particular claim would fall within or outside the purview of the proposed arrangement, it may be got clarified by mutual consultation".  
G.O.Ms.No.1011/Finance (BG II) Dept. dated 4th December 1967.

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

(1) The amount of the claim for which a decree is given,

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

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

Charges falling under category (1) above, viz., Decretal amounts, should in all cases be debited to the work concerned and booked as expenditure charged on the consolidated fund of the State. The charges referred to in

category (2) should be debited to the sub-head "Establishment-Contingencies" of the executing department. As regards charges mentioned in category (3) the amount should generally be borne by the department on whose behalf the work is undertaken. In exceptional cases, however, where it is established that the law suit has been caused by a deliberate act of an employee of the agent department for his personal gain, the charges should be adjusted by recovery from the individual concerned or by debit against the standing charges of that department according to the merits of each case.

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

NOTE 1.-The Defence Services shall not be required to pay rent for office accommodation supplied by the Public Works Department in Central buildings in any station in India, nor shall rent be charged for buildings of the Defence Services in any station in India occupied by departments of the Central Government other than those falling under clause B of Article 59.

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

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

*Examples \**

Jail manufacture, survey map-publishing, printing (publishing department), Mint (Miscellaneous services other than coinage), the State Broadcasting Department (Servicing, etc., done for radio sets installed in other Government institutions).

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

Workshops of a department, Mathematical Instrument Office, Dockyards.

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INTER-DEPARTMENTAL TRANSFERS**

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

*Local Rulings under Article 66.*

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

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

- \* Another example is the shoe forge attached to the Veterinary College, Madras.

*Local Ruling under Article 67.*

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

(i) Customs duty on imported stores.

(ii) Translation charges levied by the High Court under Translation and Printing Rules.

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

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

(v) Fees for the inspection of Government boilers.

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

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

(viii) Subject to the exceptions noted below, the Department of Government should add to the price of all articles sold by them a sum equal to the sales tax and enter it separately in their accounts and credit the amount into the treasury every month under the head "0045 Other Taxes and Duties" as an advance payment against the assessment.

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

**DIRECTIONS REGULATING  
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(ii) Transactions by or on behalf of the Department of Civil Supplies, Madras.

NOTE.-No addition on account of sales-tax shall be made to the price of goods sold by one Government institution to another institution in the same department or by one department to another department of the State Government.

2. An amount equal to the loss under "Examination Fees (Secondary School-Leaving Certificate)" on account of the concession granted to children and dependents of ex-Army men in each year should be credited in the final accounts of that year to the head "0075 Miscellaneous General Services" by debit to the head "2202 General Education.

3. Inter-departmental adjustments are permissible in the case of supplies of seeds, plants, etc., made by the Agricultural Department to other departments of the Government.

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68. Where under the directions in this Chapter, payment is required to be made by one department of a Government to another, such payment may, if the case so requires or if otherwise deemed necessary, include adequate charge for supervision on other indirect expenditure connected with service or supply for which payment is made.

"In cases, where inter-departmental adjustments between two service departments are in respect of services rendered by and do not involve manufacturing or production or supply of articles, etc., there should be no monetary or accounting settlement except where some fees are levied under a particular enactment. Such settlement should be made either in cash or through bank draft".

**ARTICLE - 69:**

"In case of transactions between two service Departments of the same Government where manufacturing or production or supply of articles or repair operations are involved, the adjustment should be done away with, if the cost of service or supplies is for Rs.250/- or less in each case".

"In respect of transactions for amounts in excess of Rs.250/-, the supplied department should present a bill at the Treasury/Pay and Accounts office for the cost of supplies or services along with the accepted invoice and chalan in quadruplicate indicating the designation of the supplying officer in the invoice. The Treasury/Pay and Accounts Office should pass the bill for payment by transfer credit to the head of account indicated in the chalan debiting the amount to the head of account indicated in the bill by the supplied officer".

"Commercial departments or undertakings, which are authorised to draw cheques should settle the claims in respect of the services rendered of supplies made to them through

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**DIRECTIONS REGULATING  
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cheques. The amounts due to such commercial departments or undertakings from other departments should be settled through bank drafts".

"The Public Works, Forest and other departments, if any, Vested with cheque drawing power should settle the claims through cheques".

"This accounting procedure in respect of inter-departmental adjustments is also applicable to transactions adjustable within the same department".

*Local Ruling under Article 69.*

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

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

(Memo No.148625/SVI/66-3 dated 25th March 1967.)

2. Credit notes should be used in payment of freight charges on articles transmitted by railway by the Secretariat, the Jail, Public Works, Animal Husbandry, Cinchona and Stationery Departments, the Engineering and Fisheries Branches of the Industries Department. His Excellency the Governor's Bodyguard, the Government Press and the units of the National Cadet Corps, provided the charges to be paid in each case exceed Rs.25/-. The Forest Department may, subject to the same monetary limit, pay freight charges on articles transmitted by railway by issuing credit notes when the transactions are so heavy that it is necessary to adopt this method of payment. In cases where the freight charges do not exceed Rs.25/-, payment should be made in cash.

The Director of Harijan Welfare may pay freight charges on articles transmitted by Railway by issuing credit notes even if the value of each consignment does not exceed Rs.25/-.

(Memo. No.17451/Code/65-11, dated 21st February 1966.)

NOTE 1.-In the case of the Engineering Branch of the Industries Department, the issue of credit notes should be restricted to the Southern Railways. In the case of the Fisheries Department, credit notes should not be issued on the Nizam's State Railway and the Bengal-Nagpur Railway.

NOTE 2.-In the case of the Animal Husbandry Department, credit notes may be issued on all Railways.

**DIRECTIONS REGULATING  
INTER-DEPARTMENTAL TRANSFERS**

NOTE 3.-In the case of Police Department including the Fire Service Branch, credit notes should be issued for the payment of freight charges if the freight charges to be paid in each case are Rs.100/- and above, with the exception that credit notes may be issued for the payment of freight charges in all cases of dangerous goods which are obtained by Police Department from Ordinance Depots.

3. Petty supplies costing not more than Rs.50/- made to Government commercial undertakings should be paid for in cash as opposed to transfer in the accounts. This does not mean that such payments should always, be made in coin or currency or Bank notes. When, with the special sanction of the Government, a Government department or a Government commercial concern is permitted to settle accounts with other Government or departments by actual payment instead of by book-transfers, the payment should, as far as possible, be made by cheques or Government drafts, which should be crossed and marked "Not Negotiable" so as to ensure credit of the amounts to a Government head of account at the treasury. If, however, the payment to be made is below the minimum money limit for which a cheque or a Government draft can be issued, the amount may be paid in cash or remitted by money order when necessary.

NOTE.-The claims arising out of supplies made or services rendered by the Commercial concerns of the Government of Kerala to the Tamil Nadu Government and vice versa should be settled by means of non-negotiable bank drafts.

(Memo. No.35245-A/Codes/62-3, dated 22nd May 1962.)

(G.O. Ms. No.272, Finance, dated 12th March 1962.)

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

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

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



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6. Payment of taxes on Government buildings should be made by book adjustment in the case of district boards and municipal councils as these have banking account at the treasury.\* Taxes due to panchayats which have no banking account at the treasury may however be paid in cash.

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

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

NOTE.-Motor Vehicle Tax and other fees payable under the Motor Vehicles Rules in respect of Tamil Nadu Government Transport vehicles plying on inter-State routes between Madras and Kerala States may be paid in cash at a treasury in Kerala State after drawing the amount at Nagercoil treasury by presenting contingent bills.

8. The special rules applicable to the Public Works Workshops, Madras, are contained in the local ruling under Article 182 of the Tamil Nadu Account Code, Volume III.

9. Claims arising between the Madras Electricity Department and the Indian Railways should be settled in cash or by issue of crossed cheques.

10. In the case of State Transport Department, inter-departmental transactions shall be settled by actual payment, the payment being made, as far as possible, by cheques or Government Drafts, which should be crossed and marked 'Not Negotiable'. If, however, the payment to be made is below the minimum money limit for which a cheque or a Government Draft can be issued, the amount may be paid in cash or remitted by money order when necessary.

11. Charges for the hire of an ambulance by Government Departments shall be recovered in cash in cases where the charges amount to Rs.50/- and below and by book adjustment in cases where the charges exceed Rs.50/-.

(Memo. No.148625/SVI/66-3, dated 25th March 1967.)

70. [ Deleted.]

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

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\* Some Instruction 3, Chapter IV, Part III, Volume I of the Madras Treasury Code.

**DIRECTIONS REGULATING  
INTER-DEPARTMENTAL TRANSFERS**

ANNEXURE

Directions Regulators Inter Departmental Transfers  
(Government of Tamil Nadu)

List of Undertakings Recognised by Government as Commercial

(Note under Article 59.)

1. Tamil Nadu Small Industries Corporation Limited
2. Tamil Nadu Agro Industries Corporation Limited
3. Tamil Nadu State Industries Promotion Corporation Limited
4. Tamil Nadu Transport Development Finance Corporation Ltd.
5. Tamil Nadu Industrial Development Corporation Limited
6. Tamil Nadu Newsprint and Papers Limited
7. Tamil Nadu Cements Corporation Limited
8. Tamil Nadu Civil Supplies Corporation Limited
9. Madras Metropolitan Development Authority
10. Tamil Nadu Water Supply and Drainage Board
11. Tamil Nadu Co-operative Marketing Federation Limited
12. Tamil Nadu Tourism Development Corporation Limited
13. Tamil Nadu Fisheries Development Corporation Limited
14. Tamil Nadu Handloom Weavers Co-operative Society Limited
15. Tamil Nadu State Agricultural Marketing Board
16. Tamil Nadu Text Book Society Limited
17. Tamil Nadu Khadi and Village Industries Board
18. Tamil Nadu Leather Development Corporation Limited
19. Tamil Nadu Public Works Engineering Corporation Limited
20. Tamil Nadu Handicrafts Development Corporation Limited
21. Tamil Nadu Milk Producers Co-operative Federation
22. Tamil Nadu Industrial Investment Corporation Limited.

**CHAPTER 5.--DIRECTIONS REGULATING THE EXHIBITION OF RECOVERIES  
OF EXPENDITURE IN GOVERNMENT ACCOUNTS.**

	ARTICLES
Introductory .. .. .	72
Recoveries from private persons or bodies and Governments outside India ..	73
Recoveries by one Government from another	74
Recoveries by one department from another department of the same Government ..	75
Receipt and recoveries on Capital Account	76
Settlement of doubts or disputes ..	77

**INTRODUCTORY.**

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

In these Directions--

(i) The term 'recovery' means repayment by another Government department or an outside body or person of expenditure initially borne by a Government department and recorded as such in its accounts.

(ii) 'Government' includes the Government of Coorg.

**RECOVERIES FROM PRIVATE PERSONS OR BODIES AND GOVERNMENTS  
OUTSIDE INDIA.**

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

NOTE.--(1) Recoveries of rent made from Government servants occupying portions of private buildings leased by the Government should also be adjusted as revenue and not taken in deduction of charges.

NOTE.--(2) Recoveries of water and Electricity charges made from the inmate of a Government building, like a hostel on an ad-hoc basis shall be treated a revenue.

(G.O. Ms. No.832, Finance, dated 14th May 1963.)

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

CHAP. 5] DIRECTIONS REGULATING THE EXHIBITION [73-74  
OF RECOVERIES OF EXPENDITURE IN GOVERNMENT ACCOUNTS.

(ii) recoveries of expenditure on works in progress and transactions of stock and other suspense accounts:-

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

**RECOVERIES BY ONE GOVERNMENT FROM ANOTHER.**

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

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

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

In the case of projects, jointly executed by several Governments, where the expenditure is to be shared by the participating Governments in agreed proportions but the expenditure is 'al initio' incurred by one Government and shared by the other participating Governments recovered subsequently, such recoveries from other Governments, should be exhibited as abatement of charges under relevant expenditure head of account in the books of the Government incurring the expenditure initially.

**RECOVERIES OF EXPENDITURE IN GOVERNMENT ACCOUNTS.**

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

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

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

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



**CHAPTER 6.--DIRECTIONS REGULATING THE EXHIBITION  
OF LOSSES IN GOVERNMENT ACCOUNTS.**

	ARTICLES
Introductory .. .. .	79
Receipts .. .. .	80
Buildings, Lands, Stores and Equipment ..	81
Cash in hand, whether in treasuries or in departmental charge .. .. .	82
Irregular or unusual payments ..	83
Inevitable losses .. .. .	84
Exhibition of losses in Appropriation Accounts	85

**INTRODUCTORY.**

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

**RECEIPTS.**

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

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

NOTE 1.-The term "Government servant" used in clause (2) of this Article includes persons who, though not technically borne on a regular Government establishment, are duly authorised to receive money on behalf of Government.

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

**BUILDINGS, LANDS STORES AND EQUIPMENT.**

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







## APPENDIX I

(See Article 2).

**THE INITIAL AND SUBSIDIARY ACCOUNTS RULES.**

In exercise of the powers conferred by sub-paragraph (3) of paragraph 11 of the Government of India (Audit and Accounts) Order, 1936, the Governor-General is pleased, after consultation with the Auditor-General of India, to make the following rules:-

1. (1) These rules may be called the Initial and Subsidiary Accounts Rules.

(2) They shall come into force on the 1st April 1937.

2. In these

(1) "Initial Accounts" means a primary record of all money transactions affecting the revenues of the Federation or of any Province as they occur;

(2) The Order means the Government of India (Audit and Accounts) Order, 1936;

(3) "Treasuries" includes all treasuries and sub-treasuries whether under the control of the Federation or of a State and other terms and expressions have the same meanings as have been assigned to them in the Order.

3. The Auditor-General of India from the date these rules come into force shall be relieved from the responsibility for keeping accounts of the undermentioned class or character:-

(a) Initial Accounts required to be kept in treasuries;

(b) Initial and Subsidiary Accounts that may be required to be kept in any office or department of the Federation, or, as the case may be, of any State.

(c) Accounts of stores and stock that may be required to be kept in any office or department of the Federation or of a State by order of the Governor-General or of the Governor of the State; and

(d) Trading, Manufacturing and Profit and Loss Accounts and Balance Sheets and any other subsidiary accounts that may be required to be kept by order of the Governor-General or of the Governor of a State in any department of the Federation or of the Province.

4. Nothing contained in Rule 3 shall be construed as derogating from the authority of the Auditor-General of India:-

(a) to require any treasury, office or department keeping initial or subsidiary accounts to render accounts of such transactions as are included in them to the audit and accounts offices under his control on such dates as he may determine; or

**APPENDICES**

(b) to prescribe the form in which such accounts shall be rendered and in which the initial accounts, from which the accounts so rendered are compiled or on which they are based, shall be kept.

**APPENDIX 2.**

(See Article 20)

**LIST OF MAJOR AND MINOR HEADS OF ACCOUNT OF CENTRAL AND STATE RECEIPTS AND DISBURSEMENTS.**

(The list of major and minor heads issued by the Comptroller and Auditor-General has been printed separately as Appendix 2 to this Account Code, Volume I. The portions of this appendix which relate to State transactions have been reproduced in Appendix A to the Tamil Nadu Budget Manual.)

**APPENDIX 3**

(See Article 29.)

**PRINCIPLES AND RULES REGULATING THE DISTRIBUTION OF CERTAIN CHARGES AND RECEIPTS BETWEEN GOVERNMENTS.**

**A - INTRODUCTORY.**

**B - PAY, ALLOWANCES, PENSIONS, ETC.**

I. Incidence of Pay and Allowances. other than Leave Salaries.

II. Incidence of Leave Salaries.

III. Deleted.

IV. Incidence of Pensions.

V. Incidence of charges for bonus in respect of Government servants who are employed on bonus terms and who serve under more than one Government.

VI. Deleted.

VI-I.Deleted.

VII. Deleted.

VII-A.Deleted.

**C - OTHER CHARGES.**

VIII.Incidence of expenditure involved in Audit and keeping Accounts.

IX. Incidence of Grants of Land and Alienations.

## APPENDICES

[No. 3]

X. Incidence of the cost of Police functions of Railways including the cost of protecting Railway bridges and cost of patrolling Railway lines in connection with the travel of high personages.

XI. Incidence of the cost of (1) Forest Surveys carried out by the Survey of India and (2) Forest maps prepared by that Department.

XII. Incidence of the charges relating to the maintenance and demarcation of and disputes over, boundaries.

## D - RECEIPTS

XIII. Incidence of Leave Salary and Pension Contributions recovered in respect of Government servants lent on Foreign Service.

## A. INTRODUCTORY.

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

## B - PAY, ALLOWANCES, PENSIONS, ETC.

I. Incidence of Pay and Allowances other than Leave Salaries.

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

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

(ii) When the Services of a Government servant are lent by one Government to another, the transit pay and allowances including travelling allowances while he is joining and leaving the new service shall be debited to the borrowing Government. This principle applies even in cases where the Government servant lent takes leave either before joining the borrowing Government or before rejoining the lending Government and holds good even in respect of joining time admissible to a Government servant returning from leave out of India of more than four months duration, the term 'four months' being interpreted to mean '90 days' in the case of Government servants subject to the Revised Leave Rules.

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

- 2. Deleted.
- 3. Deleted.
- 3 (1). Deleted.
- 3.(2). Deleted.
- 3.(2) (a). Deleted.
- 3.(2) (b). Deleted.
- 3.(3). Deleted.
- 4. Deleted.
- 4-A. Deleted.
- 4-A.(a). Deleted.
- 4-A.(b). Deleted.
- 5 to 12. Deleted.

*Local Ruling under Rule 12*

The rules regulating the payment of travelling allowance to officers of certain other Governments (including certain Foreign Governments and Indian States) appearing as witnesses on summons before the criminal courts in the State of Madras and to officers of the Madras Government appearing as witnesses on summons before the criminal courts of other Governments (including certain Indian States) and the incidence of these charges are contained in the publication "Criminal Rules of Practice and Orders" issued by the High Court Judicature at Madras.

II. Incidence of Leave Salaries.

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

The liability for the leave salary will be borne in full by the Department from where the Government Servant proceeds on leave, whether it be his parent department or a borrowing department with whom he is on deputation. The leave referred to above applies to all kinds of leave including study leave.

(G.O.Ms.No.977/P & A.R (FR II) Dept. dated 23.10.87)

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*Local Rulings.*

1. When a Government servant is transferred for service under a Government other than that under which he was first employed, a separate leave account should be opened for showing the leave earned under that Government and the leave the cost of which will be debited to that Government. This leave account will be in addition to the main leave account, which must be a complete record of all leave earned and taken under the Fundamental Rules throughout his service. The object of the maintenance of the subsidiary leave account is to ensure that the leave salary drawn by him during any leave taken after the date of transfer is charged to the borrowing Government until the entire leave earned under that Government has been exhausted.

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

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

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

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

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

In the case of self drawing officers the subsidiary leave accounts will be kept by the Accountant-General and the allocation of leave salaries to different Governments done by him.

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

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

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

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

3. When the leave-salary of a Government servant has to be allocated under these rules between an original lending Government and a second lending Government be debited first to the second lending Government to the full extent of the leave earned under it and a debit to the first lending Government will be made only when all leave earned under the second lending Government has been exhausted. Similarly, if the leave-salary has to be allocated among three lending Governments, the leave earned under the third or the last lending Government will first be exhausted, then the leave earned under the second and finally the leave earned under the first or original lending Government. This principle of debit of leave-salary according to the reverse order to that of employment shall also apply, subject to the provisions of Rule 1 when leave-salary has to be allocated among two or more borrowing Governments and in respect of different periods of service rendered by a Government servant under a particular Government. In the latter case, the leave-salary in respect of the leave earned in each period of service under the particular Government will be dealt with separately.

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4. The liability on account of leave salary in lieu of leave surrendered by Tamil Nadu Government Servants without actually going on leave will be borne by the State Governments. Similarly, the liability on account of encashment of leave in the event of death or retirement on superannuation of the State Government employee while on deputation to the Central Government and vice versa will be borne by the parent departments (viz) Central or State as the case may be, including to the exchange officers between two State Governments also.

(Govt. Lr.No. 70962A/P&AR (FR II) Department/89-5 dated 23rd February 1990.)

*Local Ruling*

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

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

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

4. Incidence of leave salary of officers of the Government of Tamil Nadu lent for service in Coorg - With effect from 1st April 1940, the Coorg Administration should pay leave contribution in respect of officers of the Government of Tamil Nadu subject to Fundamental Rules lent for service under that administration, including those who were serving in Coorg on 1st April 1940. Leave earned by service in Coorg but not taken before 1st April 1940 should, however, be allocated in accordance with the principles laid down in this section.

NOTE: - Officers lent for service in Coorg include also officers borne on joint cadre.

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5. Incidence of Leave Salary of Research Staff employed in connection with the Research Scheme financed by the Indian Council of Agricultural Research - The research staff employed on schemes of the Indian Council of Agricultural Research falls under two categories -

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

(2) those without such lien, directly recruited for temporary employment on such schemes. These may further be subdivided

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

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

Staff falling under category 2(a) and (b) - The leave salary in respect of personnel employed on old schemes is debitable to State revenues where substitutes are employed in the leave vacancy. In cases where no substitutes are entertained, the leave salary is debited to the grant of the scheme concerned. The leave salary of staff employed on new schemes and renewal of old schemes and falling under category 2(a) is debitable to State revenues, but that of those falling under category 2(b) to the funds of the Council and only to the extent of leave admissible under the Revised Leave Rules, 1963, of the Central Government, in respect of the period of employment under the Council's scheme.

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

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

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

8. Incidence of leave salaries of Government servants under the control of the Government of Tamil Nadu lent by one department to another or by one office to another under the same department - (1) If the borrowing department wishes to grant leave to a Government servant lent by another department



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during the tenure of the post in the borrowing department the latter department is entitled to sanction the leave, provided it is prepared to pay for it and after having verified from the lending department the Government servant's title to leave.

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

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

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

3-A. When a Government servant is granted an extension of service and the whole of the leave at his credit on the date of compulsory retirement lapses under Fundamental Rule 86 (a) or any other corresponding leave rule and no leave is carried forward on extension of service, the Government for whose benefit the extension is sanctioned will bear the entire charge for leave-salary in respect of the leave earned by him during the period of extension, any liability of any Government on that date as shown in his subsidiary leave account being automatically cancelled. When, however, such a Government servant carries forward any leave on extension of service, such liability continues, but only in respect of the leave actually carried forward. 4. Deleted 5. The Government which sanctions "leave not due" will bear the charge on account of such leave in the first instance in all cases, but in cases where the Government servant on return from such leave is transferred to another Government before the "leave not due" taken by him is completely earned by duty, such readjustment of the charge may be made as may be agreed upon the two Governments concerned.

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*Local Ruling under Rule 5.*

The following arrangements have been agreed upon between the Tamil Nadu Government and the Central Government and the Governments of Bengal, Assam, Bihar, Orissa, the Punjab and the Uttar Pradesh:-

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

In the case of transfers between the Tamil Nadu Government and the Government of Bombay, each case will be dealt with on its merits.

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

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

(Memo No, 116015/SVI/68-3, dated 5th February 1969)

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

*Local Ruling.*

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

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2. In the case of Government servants of the Tamil Nadu Government transferred to the service of foreign employers for definite periods prior to 1st August 1913 for whom no contribution for leave salary was recovered from the latter should be made in accordance with the rule in force at the time of the Government servant's transfer to foreign service.

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

(G.O.Ms.No.582, Finance (S.IV), dated 1st July 1967).

NOTE 1 - In the case of officers borne on joint cadres, allocation of leave salary will be made in accordance with the arrangements mutually agreed upon by the Governments concerned.

NOTE 2 - In the case of temporary Government servant governed by the Tamil Nadu Leave Rules, 1933, who are deputed to other State Governments, or Central (Civil) Government, the procedure laid down in this rule for the recovery of leave salary contribution will apply.

NOTE 3 - No leave salary contribution shall be paid by Defence Department in respect of Civil Government servants transferred to Military Service during the National Emergency, 1962, but leave salary in respect of leave actually taken while in Military service will be paid from Defence Estimates.  
(Memo No. 97722/Codes/64-3, dated 12th May 1965.)

NOTE 4 - In the case of Government servants serving in the vacation departments, earned leave to the extent of 30 days or part thereof, depending on whether the vacation is enjoyed in full or part, shall be deemed to have been availed of, by the Government servant and the lending Government shall be liable for the leave salary accordingly. The pay of the Government servant on the date preceding the date of commencement of vacation shall in such cases be taken as the rate of leave salary for computing the amount to be debited to the lending Government.

(Memo No.8248-A/Codes/60-4, dated 7th June 1966.)

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Exception - In respect of Government servants transferred from other departments to Irrigation Projects wherein the cost of establishments is chargeable to "2701. Major and Medium Irrigation", the following procedure of adjustment of leave salaries should be followed:-

The Project estimates should bear actual leave salary charges to the extent of leave at credit in the subsidiary leave account to be opened separately for the period of service in the project on the analogy of the subsidiary leave account opened in the case of Government servants subject to the leave rules in the Fundamental Rules. The calculation of leave earned will be made in this account without regard to the limit up to which leave could be accumulated by the Government servant. Similarly, the liability of the project for unearned leave on medical certificate and on private affairs for the period of service rendered therein should be worked out at the rate of 18 days for each completed year of service.

*Local Ruling.*

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

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

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

So long as the person concerned is on deputation, the leave salary contribution paid by the borrowing Government would be in complete discharge of their liability towards leave salary for both earned leave and half pay leave admissible to the Government servant. If and when the Government servant is permanently transferred to the borrowing Government, the liability of the lending Government for half pay leave may be decided on merits of the case taking into account the leave rule opted for by the Government servant on transfer, half pay leave already availed of by him, length of

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service under lending Government and other relevant factors. The liability for leave salary in respect of half pay leave shall be liquidated in the proportion, which the length of service under this Government bears to the entire probable service of the Government servant. The proportionate amount of leave has, however, to be worked out on the basis of the facts relevant of each case. In reckoning the length of service for the purpose the completed years alone shall be taken, fractions being omitted. In the case of the Government servant who has already availed of unearned leave on half pay in excess of the said proportionate limit the liability for extra leave shall not be passed on to the borrowing Government.

(G.O.Ms.No.582, Finance (S.IV.), dated 1st July 1967.)

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

When such a Government servant is confirmed without interruption of duty and takes leave thereafter, the additional leave that may become due to him under the rules in respect of his duty in the department or departments other than that in which he is confirmed should be exhausted first and leave salary allocated in the reverse order as in paragraph 1 above treating the department, Civil or Defence, as the case may be, in which he is confirmed as the lending department.

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

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

3. In the case of employees of the Government Press, Madras governed by Industrial Employees Leave Rules deputed to other State Governments of Central (Civil) Government the procedure laid down in this rule for the recovery of leave salary contribution will apply.

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10. Notwithstanding anything contained in these rules, the Government of Sind and Orissa will liquidate their liability for the leave salary of officers of the joint cadre services serving under them by payment of leave salary contributions in respect of such service to the Governments of Bombay and Bihar respectively and the same procedure will apply till the 30th June 1943 in respect of officers of the Tamil Nadu Government lent to the Government of Orissa.

11. The Department of the Crown Representative will be regarded as a department of the Central Government (Civil) for the purpose of these rules, and subject to their observance, in regard to services rendered under a State Government or a Commercial Department or the Defence Department of the Central Government, charges for leave salary will be debited to the accounts of the Crown Representative only if they relate to officers and establishments who happen to be serving under him at the time they take leave.

NOTE 1 - This rule applies also to officers belonging to the joint cadre for the Political and External Affairs Departments (i.e. officers of the Indian Political Service and Agency Surgeon).

NOTE 2 - (a) For the purpose of this rule, service in Baluchistan ranks as service under the External Affairs Departments.

(b) The Relief Commissioner of Ajmer-Merwara shall be regarded as serving under the Crown Representative for the purpose of this rule.

III. Deleted.

IV. - Incidence of Pensions.

The following rules regulate the adjustment of pensionary charges of Government servants who have served under one Government or more than one Government. These rules also constitute the agreements relating to the distribution of pensionary charges contemplated by Article 290 of the Constitution.

2. The Government of Coorg should be regarded as a separate Government for the purposes of these rules.

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

3. For the purpose of these rules -

(1) "Length of service" means "length of qualifying service";

(2) service under a Government includes period for which a Government servant drew pay or leave salary from that Government, but periods of leave out of India prior to 1st April 1921 should be taken as service under the Government under which the Government servant rendered the service by which the said leave was earned;

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(3) service rendered in a department the expenditure on which was debited to a divided head before 1st April 1931 should be treated as service under State Government after 31st March 1921;

(4) Foreign service should be treated as service under the Government which received on treated as the case may be, the contributions for the pension in respect of such service;

(4-A) Service in a Part B State including the service rendered under a Native Indian State prior to the integration, except Jammu and Kashmir, will be deemed as Government Service; and

(5) compassionate allowances are treated as pensions.

4. When pensionary charges are apportioned under these rules between different Governments on the basis of length of service, the following, except as provided in Rule 5, should be excluded from the calculation of such service:- Periods of probation or training during which the Government servant did not hold a sanctioned charge, periods of such leave as commuted furlough leave other than leave with allowances and special additions (excluding additions) to qualifying service of periods during which no qualifying service has been rendered to Government, which are allowed by special rules or orders made by Government, for example Article 404 AA of the Civil Service Regulations, or the corresponding rules of a Provincial Government. The effects of omitting these periods will be that the pensionary liability in respect thereof will be distributed among the employing Governments in the same proportion as the liability for the rest of the Government servant's service.

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

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

7. Deleted.

## PAYMENTS MADE IN INDIA

8. Except in regard to the apportionment of liabilities of pensions of Government servants who returned after serving the undivided India between India and Pakistan, the following rules regulates to adjustment of pensionary charge of Government servant who has served one or more than one Government.

The liability for pension including gratuity will be borne in full by the Central/State Government to which the Government servant permanently belongs at the time of retirement. No recovery of proportionate pension will be made

from Central/State Government under whom he had served.  
(Go.Ms.No.977/P&AR(FRII)Dept., Dated 23rd October  
1987.)

#### CONTRIBUTORY PROVIDENT FUND

9. The liability for Government contribution will be borne by the parent department of the State Government and no share of contribution will be recovered from any borrowing department. The above provision will be applicable to exchange of officers between two State Governments also. (G.O.Ms.No.977/P&AR (FR II) DEPT./ dated 23.10.87)

10-21. Deleted.

22. Notwithstanding anything in these rules,

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

(2) in respect of officers of the joint cadre serving under it, the Government of Orissa shall liquidate its liability for the pensionary charge in respect of such service by the payment of pension contributions to Bihar and the same procedure will apply till 30th June 1943 in respect of officers of the Tamil Nadu Government lent to the Government of Orissa;

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

23. Notwithstanding anything in these rules,

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



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

24. Deleted.

25. For the purpose of determining the share of pensionary charges payable by two or more Governments, the service of the pensioner under the several Governments should be expressed in terms of months, 15 days or more being regarded as a month. When the share of pension debitable to a particular Government comes to less than a rupee, it should be neglected.

26. When an adjustment has to be made under these rules between two or more Governments, it may, except as provided in Rule 31, be made either by the payment in lump or in instalments of the commuted value of a pension, or in accordance with any special arrangement which may be concerted between the Governments concerned. The system of lump-sum adjustments of pensionary charges by payment of commuted value between the Central Government and State Governments is not however to be applied to pensions which are subject to revision after retirement. In such cases, the adjustments with the Governments concerned should be made as pensions or paid with reference to the actual amount paid.

27&28. Deleted.

29. The provision contained in the preceding rule will be applied conversely for the settlement of the civil shares of military pensions which are not subject to revision after retirement. That is to say, the civil share of a divisible pension debitable to a State or to the Central Government (Civil) will be extinguished by credit of the commuted value of that share to Defence by debit to Central (Civil), the adjustment being made as and when each case arises. The Defence Account Officer will report periodically to the State Accountant-General the amount of pension paid in respect of cases where the arrangement between the Central and the State Governments concerned for the adjustment of pensions is with reference to actual payments. This report should also cover cases where a pension which has been adjusted as provided in this rule is subsequently transferred for payment in the United Kingdom.

30. Pensionary charges of Government servants who have served under the Post and Telegraphs Department and another Department of the Central Government (with the exception of the Railway Department) will, except in cases falling under Rule 31, be adjusted in the following manner. In the case of such a pension sanctioned on or after 1st April 1938, if the actual monthly pension payments are not made at the Post Office and the Government servant concerned was not borne on the cadre of the Posts and Telegraphs Department at the time of retirement, the Posts and Telegraphs Department will be debited with the capitalized value of the share of pension debitable to it according to the length of service rendered in that Department, and the entire pension will then become a charge against Central Government (Civil). In cases in which the actual monthly pension payments are made by the

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Posts and Telegraphs Department, that Department will be credited with the capitalized value of the share of pension which is debitable to the other Departments according to the length of service principle, and the entire pension will then become a charge on the Posts and Telegraphs Department. These provisions apply also in cases where the pensions are divisible between the Crown Representative's Department and the Posts and Telegraphs Department.

In cases where the pensions are divisible between the Posts and Telegraphs Department and the Railway Department, the adjustment will be made on the basis of actual pensions paid.

31. The system of adjustment between Governments or Departments by payment of commuted value does not apply to pensions payable in England.

32. When a portion of a pension which is debitable to more than one Government is commuted by payment of the capitalized value of a portion of his pension to the pensioner, the amount commuted may be taken as being in absorption or reduction of the shares debitable to the different Governments in the order in which those shares rise from the least to the largest amount except in the case of pensions paid by the India Office, where the amount commuted is taken first in absorption or reduction of the share debitable to Defence estimates.

Thus, if out of a pension of Rs.400 per month which is apportioned as follows:-

Government A .. .. .	80	Government B .. .. .
100 Government C .. .. .	220	

Rs.100 is commuted, the commutation will have the effect of extinguishing the share of Rs.80 debitable to Government A and reducing from Rs.100 to Rs.80 the share debitable to Government B.

The capitalized value of the amount commuted should, in such case, be debited to Government A and B in proportion to the amounts by which their monthly shares of the pension have been reduced.

NOTE:-This rule does not apply to the pensions divisible between the Central Government and the Government of Tamil Nadu person who retire from the service of the Central Government and who are governed in the matter of commutation by rule 4 of the Civil Pensions (Commutation) Rules. In such cases, the incidence of the pensions and of the portions commuted is regulated by the orders contained in the Government of India, Finance Department, letter No.F-2 (3)-R.II/30, dated 22nd October 1940.

33. Commutations in respect of pensions adjustable between Sind and Bombay and Bihar and Orissa, which are paid in India or by the High Commissioner in England will be divided into two portions, according to the length of pre-separation and post-separation service of the Government

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servant, and the portion relating to the pre-separation service will be shared between Bombay and Sind in the ratio of 85: 15 and between Bihar and Orissa in the ratio of 81: 19.

34. When the payment of a pension which was sanctioned after 31st March 1921 and paid outside India is transferred to India, and the transfer involves the payment by one Government of a charge for which another Government is responsible under rule 8 (b) (i), the adjustment of the charge will be effected in accordance with rule 26. In the reverse case of transfer outside India of such a pension paid in India, the classification of the payments made out of India will be the same as at the time of the transfer.

35. The allocation of pensionary charges of the officers and subordinate establishments of the Ecclesiastical Department will be as follows:-

(i) With effect from the 1st April 1942 the Defence Services the Civil and the Railway Estimates, will contribute towards these pensionary charges in accordance with rule 21 of the Ecclesiastical Charges Allocation Rules, 1940; an extract of the rule is given below:-

"21. Twenty per cent of the expenditure incurred during a year on the pay including overseas pay and leave pay but excluding the allowance of (i) the Bishops of Calcutta and Bombay, so long as the present incumbents remain in office, (ii) Chaplains on the Indian Ecclesiastical Establishment and (iii) subordinate ecclesiastical (church and cemetery) establishments holding pensionable posts shall be taken as representing the charges for their pensions earned by service during that period and shall be allocated to the Defence services, the Civil and the Railway Estimates in the same proportion as their pay in accordance with rules 3,4,5,11,12,17 and 19.

Subordinate ecclesiastical (church and cemetery) establishments who are in respect of the benefits of provident fund and gratuity in lieu of pension, shall be deemed to be holding pensionable posts for the purpose of this rule.

In respect of service rendered before the 1st April 1942, no recovery of pensionary charges will be made from the Defence and the Railway Estimates."

(ii) The pensionary charges in respect of pensions already sanctioned before the 1st April 1942, will continue to be allocated in accordance with the ordinary rules in this Appendix except that the incidence of pensions of chaplains will be governed by the following rule:-

'Pensions of chaplains sanctioned prior to the 1st April 1928, will be treated as a charge against the Defence Services Estimates if paid or adjusted in India, and as a civil charge against Central Revenues if paid out of India and adjusted finally in the Home accounts; provided that if a Chaplain rendered military service during the Great War, the portion of his pension corresponding to that Service will be

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charged against Defence Services Estimates Pensions sanctioned from the 1st April 1928, will be adjusted in accordance with the ordinary rule in this Appendix.'

V. Incidence of Charges for Bonus in respect of Government servants who are employed on Bonus Terms and who serve under more than one Government.

The Government to which a subscriber to a special provident fund originally belongs is primarily responsible for payment of bonus and interest on his subscriptions to the Fund. When the services of a subscriber to such a fund are lent to another Government, the borrowing Government may be required to pay the bonus contribution to the lending Government under such arrangement as may be settled between the two Governments concerned.

The recoveries from the borrowing Government shall be classified as reduction of charges under the major head "0071 Superannuation Allowances and Pensions-Donations to Provident Funds".

In the case of Commercial Departments or Undertakings in which the payment of bonus to Special Provident Funds is debited to working expenses, the recoveries should be adjusted as reduction of charge under the appropriate head of account concerned.

VI. Deleted.

VII. Deleted

VII-A. Deleted

## C - OTHER CHARGES.

VIII - Incidence of Expenditure involved in Audit and keeping Accounts.

The following rules govern the incidence of expenditure on Audit and Accounts:-

(i) Under paragraph 13(1) of the Government of India (Audit and Accounts) Order, 1936 (hereinafter referred to in these rules as the Order), the Comptroller and Auditor-General is responsible for the audit of all expenditure from the revenues of the Dominion and of the State and of certain accounts specified therein. In conducting such audit the Comptroller and Auditor-General performs a statutory function entrusted to him and the cost of this function is a charge of the Central Government.

(ii) If a State Government requests the Comptroller and Auditor-General to arrange for a more detailed or a local audit of expenditure, transactions or accounts which relate to or form part of the accounts of the State, the criterion for deciding the incidence of the expenditure involved in such audit is whether or not the Comptroller and Auditor-General agrees to do the work as part of his legitimate statutory functions. If he does, the cost of the audit should be

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treated as a charge of the Central Government since what is involved is an extension of audit for which the Comptroller and Auditor-General is statutorily responsible. The fact that such audit is undertaken in a single State is not a decisive consideration in the apportionment of cost as the extent of audit to be conducted in any case is determined by the Comptroller and Auditor-General in consultation with the President.

(iii) The Comptroller and Auditor-General is not responsible ab initio for the audit of any accounts mentioned in paragraph 13(2) of the Order, but when he undertakes the audit of any such accounts he becomes statutorily responsible for the work. In this case also, the cost of audit is a charge of the Central Government.

(iv) The Comptroller and Auditor-General is not statutorily responsible for the audit of the accounts of local or quasi-public bodies whose accounts do not constitute part of the accounts of the Dominion or of any State. Such audit can be undertaken by the Auditor-General only on a "consent" basis and on such terms and conditions as may be settled between him (after consultation with the Governor-General and the Governor of the State concerned.

(v) No recovery shall be made from the Crown Representative for the expenditure involved in the audit of his accounts by the Comptroller and Auditor-General.

(vi) The cost of audit of the accounts of the Federal Railway Authority (when constituted) to be conducted by or on behalf of the Comptroller and Auditor-General under section 190(1) of the Constitution will be a charge on the revenues of that Authority.

(vii) Expenditure involved in keeping the accounts of a State, in so far as the responsibility for keeping such accounts remains with the Comptroller and Auditor-General under paragraph 11 of the Order is a charge of the Central Government. The cost of keeping such accounts of a State as are covered by the Initial and Subsidiary Accounts Rules issued by the President under paragraph 11(3) of the Order is a charge of the State concerned. Similarly, if in any State the Comptroller and Auditor-General is relieved of the responsibility for the keeping of the account of any particular service or department of a State Government in pursuance of paragraph 11 (2) of the Order, the cost of keeping such accounts will be a liability of the Government of the State.

(viii) The maintenance of the internal accounts of a department of a State Government is part of the ordinary duties of a State Government and is therefore a State Government responsibility. Thus, if the Comptroller and Auditor-General is asked to scrutinize or advise on the modification of an existing system of internal accounts kept in a department of a State, such work can be undertaken by him on a 'consent' basis and on specified terms and conditions as in rule (iv) above.

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## IX - Incidence of Grants of Land and Alienations.

State Governments receive compensation from the revenues of the Central Government for all grants of land and assignments or remissions of land revenue sanctioned on or after the 1st April 1921, in favour of officials and non-officials in recognition of exceptional services rendered by them to the Central Government.

1. The value of compensation for grants of land, etc., by the Defence Department should be debited against the Defence Service Estimates.

2. All special pensions and jagirs in the form of assignments of land revenue sanctioned for Military Officers on a date previous to the 1st April 1921 under the Government of India, Special War Rewards Scheme should also be debited to the Defence Services Estimates.

X. Incidence of the Cost of Police Functions on Railways including the Cost of protecting Railway Bridges and Cost of patrolling Railway Lines in connection with the travel of high personages.

Police functions on Railways are divided into three

(a) Crime - for which Civil Governments are entirely responsible and the expenses of which these Governments have to pay.

(b) Order for which Civil Government are responsible but the expenses of which Railways have to pay, and

(c) Watch and Ward - for which Railways bear both responsibility and cost.

Special requisition on the Police by Railways for (c) must be paid for by the latter: special requisitions for (a) beyond what a Civil Government considers necessary should also be debited to Railways. But Railways cannot be called upon to pay for special measures under (a) which a Civil Government considers necessary.

2. The following rules regulate the incidence of the cost of protecting railway bridges:-

(1) Railway bridges in common with railway goods and premises will ordinarily be protected by watchmen in the employ of the Railway concerned.

(2) In the event of the replacement of these watchmen by military or Police guards -

(a) When the services of the military or Police guards are placed at the disposal of the Railway at the request of the Railway Administration, the cost of the guards will fall upon the Railway.

(b) If the substitution is made on general grounds of State policy and the service is taken over by the Police, Defence Services or other public service department as part of

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their regular duties, the charges will fall upon the Government and will be debited to Police, Defence Services or the public department concerned, as the case may be

3. The following rules regulate the incidence of the cost of patrolling Railway lines in connection with the travel of high personages:-

(1) An all inclusive rate of Rs.7.50 per kilometre is chargeable to the State Government on account of Railway arrangements for patrolling the Railway lines which lie within

the State in connection with the travel of high personages such as the President, Governor, the Prime Minister, Heads of Foreign States and other high dignitaries in special trains or special coaches attached to ordinary trains.

(2) The expenditure will be debited to Police.

XI - Incidence of the Cost of (1) Forest Surveys carried out by the Survey of India and (2) Forest Maps prepared by that Department.

The rules governing the incidence of the cost of (1) Forest surveys carried out by the Survey of India and (2) Forest maps prepared by that department are given in Chapter IX of the Survey of India Handbook of Topography.

XII - Incidence of the charges relating to the maintenance and demarcation of, and disputes over, boundaries.

The incidence of these charges between a Foreign Country and India is regulated by the following principles:-

1. (a) Maintenance - Half the maintenance charges will be borne by the State concerned; or for Part C States by the Centre, the other half being recovered, as far as practicable, from the Foreign Country, failing which, the Foreign Country's share will be borne by the Central Government.

(b) Demarcation and Disputes - Charges relating to demarcation of boundaries and boundary disputes will be borne by the Central Government under Entry of the Union List, subject to such recoveries as may be made from the Foreign Country.

NOTE 1 - The arrangement in (a) above in its application to Nepal will be subject to special arrangements worked out in consultation with the Nepal Government.

NOTE 2 - The share of the Bhutan Government for maintenance and demarcation of, and disputes over, boundaries will be borne by the Central Government for the present.

2. Where streams or other water courses from the boundary and where the ordinary principle of median line applies, the Government concerned (i.e., Foreign Country or India) will bear the cost of maintenance of the boundary line on its side. Where a separate set of Survey Marks is

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maintained by each of the two Governments on its side, the cost of maintenance of the survey marks should be borne by the Government concerned.

*Local Ruling under Section C-XII.*

The following arrangements have been agreed upon between the Tamil Nadu Government and the Governments of Andhra Pradesh, Karnataka and Travancore in regard to the incidence of the expenditure incurred in the joint investigation and settlement of discrepancies in frontier boundaries.

The common boundary line is indicated by the survey and demarcation adopted by each of the two Governments on its own side of the common line. Each Government should meet its own expenditure on the joint investigation and settlement of discrepancies between the two surveys, since it is to the interest of each Government that both surveys should indicate an identical line. No claim should be made by one Government against the other for the renewal or repair of old stones or fixing additional stones in order to rectify or complete the former Governments' survey and vice versa, except where it is found necessary to repair or renew a stone or to plant an additional stone in order to indicate a point common to the surveys of both Governments, when the cost of such operation should be shared by the two Governments and the share which each Government should be asked to pay should be settled in advance before operations are undertaken.

**Miscellaneous Local Rulings.**

1. The following are some of the mutual adjustments agreed upon between the Central Government and the Tamil Nadu Government:-

(i) The Medical Store Department of the Central Government will be charged for any confiscated cocaine hydrochlorate, B.P., supplied to it; the amount paid should be credited to "0039. State Excise" or "0070. Administration of Justice" according as the sale-proceeds are realized by the Excise Department direct or in connection with a Judicial proceeding.

(ii) The cost of maintenance and repatriation of non-criminal pauperlunatics belonging to other nationalities than the Indian who are repatriated to the United Kingdom and other countries in Europe will be borne as indicated below:-

Maintenance charges in India will be borne by State revenues when the reception order was made in the State while the incidence of the cost of repatriation, i.e., the cost of a free voyage to the destination and the maintenance charges on the voyages will be regulated as follows:-

(a) Repatriation to the United Kingdom - The cost of repatriation will be borne by the Central Government.



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(b) Repatriation to countries in Europe other than the United Kingdom - In cases where arrangements are made for repatriation direct to the country concerned through the Consul or other representative of the Foreign Government in India, the cost of repatriation should be met by the Foreign Government. In cases where such assistance through an official representative of the Foreign Government is not available, the procedure in regard to repatriation to the United Kingdom - see (a) above - should be adopted.

NOTE - The cost of maintenance includes the cost of removing a lunatic to and from a hospital:

(iii) Except where otherwise specially ordered, all printing, binding, etc., work done in the Government Press, Madras, for officers of the Central Government will be paid for by the Central Government. The Superintendent, Government Press, should forward to the Accountant-General annually as soon as possible after the close of the financial year a statement showing the adjustment to be made against the Central revenues on the above account.

(iv) The provisions of Article 63 will apply also to transactions between the Tamil Nadu Government and the Defence Department.

(v) It will be a part of the normal duty of the Police to assist the Military authorities in saving Military buildings which are in danger from fire and no bonus should be claimed from the Defence Department for such services. The Defence Department has agreed that it will similarly be a part of the normal duty of the Military, if within call, to assist in extinguishing fires in Civil buildings and that they will claim no compensation or bonus from the Civil authorities for such services.

(vi) The per capita cost of the guarding and maintenance of Tamil Nadu terrorist prisoners in the Andamans will be met by the Tamil Nadu Government.

(vii) As between the Tamil Nadu Government and the Civil and Military Station at Bangalore, no claim should be preferred or admitted on account of the cost of maintenance of mental patients.

In the case of mental patients coming from the areas within the jurisdiction of the Resident, Andhra Pradesh State, and admitted into the mental hospitals in the Tamil Nadu State all charges incurred on account of them should be recovered from the Central Revenues at the rates fixed by the Tamil Nadu Government.

(viii) The procedure laid down in item (a) (vi) under Local Ruling below regarding claims on account of the maintenance of prisoners will also apply in relation to claims against Centrally Administered Areas.

(ix) European civilian officers in civil employment may be admitted to British military hospitals if the patient's authorized medical attendant certifies in writing that admission to hospital is necessary and that other adequate arrangements

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cannot be made for treatment by European factors, paid by the Government and if the Officer Commanding, Hospital, certifies in writing that accommodation can be spared with due regard to the requirements of the Army. When so admitted the patients are treated by one of the medical officers of that hospital and receive gratuitous medical attendance, free supply of such medical comforts as are authorized and considered necessary by the medical attendant and free surgical operations. Special nursing provided in any case is charged for separately from the patient. Hospital stoppages shall be paid at the rate of Rs.6 and Rs.3 per diem by gazetted and non-gazetted officers, respectively.

Similarly, European civilians in military employment may be admitted to Civil Government hospitals if the patient's authorized medical attendant certifies in writing that admission to a hospital is necessary and that the patient cannot be admitted to a Military hospital owing either to accommodation or the treatment considered necessary being not available at the local Military hospital or their being no military hospital at the Station when so admitted the patient will be treated by one of the medical officers of the hospital and will receive gratuitous medical attendance including nursing (except special nursing), such medicines, etc., as can be supplied by the hospital and such laboratory examinations as can be carried out at the hospital, and free services of a surgeon where necessary. Hospital stoppages will be recovered at the rates of Rs.6 and Rs.3 per diem for gazetted and non-gazetted officers, respectively. The difference between the normal daily charges of the hospital and the hospital stoppages actually realized should be borne by the hospital authorities instead of being recovered from the Defence Service Estimates.

Claims in respect of police personnel deputed by the Tamil Nadu Government to Central Government Offices, other than the Offices of the Commercial Departments like Postal department, for only occasional or casual duty for purposes such as escorting cash on pay days shall not be preferred.

(Memo.113977/Codes/61-2, dated January 1962.)

(G.O.Ms.No.3505, Home, dated 9th October 1961.)

2. The following arrangements have been agreed upon between the Tamil Nadu Government and other States Governments, Indian States, etc.:-

(a) Charges relating to prisoners and inmates of Borstal Schools.

(i) Conveyance and other incidental charges of under-trial prisoners sent from the Tamil Nadu State to other State Union and vice versa should be borne by the State to which the prisoners are transferred.

(ii) Maintenance charges of prisoners transferred on mutual agreement from the Tamil Nadu State to the Uttar Pradesh and vice versa should be borne by the State to which the prisoners are transferred.

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(iii) Conveyance and dietary charges incurred by the West Bengal Government on account of prisoners belonging to the Tamil Nadu State sent from the Andamans through the Presidency Jail, Calcutta, should be paid to the West Bengal Government. Similar charges incurred by the Tamil Nadu Government on account of prisoners belonging to other States repatriated from the Andamans through the Penitentiary, Tamil Nadu, should be recovered from those States unless the amount involved is trivial.

NOTE:- In claiming conveyance charges, the costly Police escorts who accompany the prisoners belonging to Bengal repatriated from the Andamans the Penitentiary, Tamil Nadu, should be excluded. The West Bengal Government will not likewise charge the Government the cost of Police escort on account of prisoners belonging to the Tamil Nadu State repatriated from the Andamans through the Presidency Jail, Calcutta.

(iv) No charges will be claimed for the maintenance of prisoners received by transfer from the Tamil Nadu State to any of the other States, namely, West Bengal, Assam, Bihar, Orissa, East Punjab or to Burma, Madhya Pradesh and Uttar Pradesh and vice versa under the Police Register Transfer System.

No charges will be claimed by one State Government against another for the maintenance of prisoners transferred under section 40 of the Prisoners Act, 1900 (India Act III of 1900), either to give evidence or to answer charges.

No charges will be claimed for the maintenance of prisoners convicted for smuggling opium or cocaine and transferred to the Tamil Nadu State from Assam and vice versa.

NOTE:- As a matter of convention, no claims are made against other Provincial Governments for the charges incurred on account of the escort of prisoners undertaken by the Police of this State on behalf of other State Governments. Such claims should, however, be preferred against any State Government who raise a similar claim against the Tamil Nadu Government.

(v) When prisoners, whether ex-military or otherwise, convicted by Civil Courts of Criminal Jurisdiction to undergo imprisonment for three months and above are transferred to the States of their origin, the transferring State should bear the cost of transfer and the State of origin should bear the cost of maintenance. This reciprocal arrangement has been accepted by the States of Tamil Nadu, Bombay, West Bengal, East Punjab, Bihar, Assam and Orissa.

(vi) Maintenance charges of adolescents transferred from the State of Bombay to the State of Tamil Nadu and vice versa for detention in Borstal schools should be borne by the State to which the adolescents are transferred.

(vii) All claims against other States and against Indian States on account of the maintenance of prisoners should be made by the 15th February of the year following the calendar year to which the claim relates.

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A separate statement should be prepared of the claim against each State or Indian State allowing the appropriate rebate on account of the cash earnings of prisoners. The rates of maintenance charges and cash earnings per prisoner should be worked out once in three years on the average of the figures for the three preceding consecutive years and the rates so calculated should be adopted for each of the next three years following the period to which the calculation relates.

(viii) In case where a person is detained at the instance of a State Government, in another State, the liability for expenditure on his maintenance, etc., during the period of his detention in that State, should rest with the State Government, under whose instructions his detention has been effected.

(b) Charges relating to mental patients.

NOTE:- The cost of maintenance of mental patients referred to in the under mentioned rulings should be taken to include the cost of their transfer from one place to another:-

(i) The cost of maintaining patients domiciled in the Madhya Pradesh, Uttar Pradesh and the Punjab, who are admitted into mental hospitals in the Tamil Nadu and vice versa, should be borne by the State into a hospital of which the patient is admitted.

(ii) The cost of maintaining the patient should be recovered from or paid to, Bombay, Bengal and Bihar, except the European Mental Hospital, Ranchi when a patient domiciled in one of them is admitted into a mental hospital of the State of Tamil Nadu or vice versa subject to the exception indicated below:-

In the case of a patient domiciled in the Tamil Nadu and admitted into a mental hospital in Bengal or Bihar or vice versa, action should be taken at once for his removal to a mental hospital in the State of his domicile; the cost of maintaining him for a short period between his reception and removal should be borne by the State into a hospital of which he is received pending removal.

(iii) As between the Tamil Nadu Government and the Governments of Travancore, Andhra Pradesh, Cochin and other Indian States which have established proper mental hospitals and maintain British subjects therein free of charge, no claims should be preferred or admitted on account of the cost of maintenance of mental patients.

(iv) As between the Tamil Nadu Government and the Government of Karnataka the following procedure will apply: When a British subject from the Tamil Nadu State has to be admitted to a mental hospital in Karnataka State, the Karnataka Government will at once communicate this information to the Tamil Nadu Government and ascertain whether he may be so admitted and whether the Tamil Nadu Government will bear the cost of his maintenance or whether he may be sent back at the cost of Tamil Nadu Government. A similar procedure will

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be adopted by the Tamil Nadu Government when a subject of Karnataka State has to be admitted to a mental hospital in the State.

The above procedure should also be adopted in regard to the maintenance of mental patients belonging to the Tamil Nadu State in the Mental Hospital, Bangalore, and the maintenance of patients belonging to the Civil and Military Station, Bangalore, in the mental hospitals of the Tamil Nadu State.

(v) Fees for the X-Ray treatment, X-Ray examination and radium treatment of mental patients should be claimed from the other States, Indian States or Foreign Governments concerned when no reciprocal arrangement is in force between the Tamil Nadu Government and the other Government for the treatment of mental patients domiciled in the other Government's jurisdiction without preferring any claim.

(c) Other Charges.

(i) Lepers belonging to the Tamil Nadu State and admitted into a leper asylum in Karnataka State or vice versa, should be maintained in the asylum in which they have been admitted at the cost of the Government in whose territory they are domiciled unless they are sent back to the State or State of domicile with the consent and at the cost of the Government in whose territory they are domiciled.

(ii) When members of the Sansia Tribe (a criminal tribe known also as 'Kanjars Bhats', 'Kanjars' or 'Sansias') are escorted by the authorities of the State of Tamil Nadu on repatriation to the State of Bombay or vice versa, the cost of repatriation within each State should be borne by the Government of that State.

(iii) The cost of post-mortem examinations conducted in the border areas of the States of Tamil Nadu and Orissa should be borne by the Government at whose instance the examination is conducted and the fee charged should be in accordance with the scale obtaining in the State in which the examination is conducted.

(iv) The rules relating to the incidence of charges on account of anti-rabic treatment accorded to indigent patients belonging to other States and Indian States are laid down in Appendix 15 to the Tamil Nadu Financial Code.

(v) The medical examination for the following purposes in the case of Government servants serving under the Governments of Bombay, Assam, East Punjab, Orissa, Bihar, Uttar Pradesh, Madhya Pradesh and Bihar will be carried out free of charge by the Medical Board and Medical officers of the Government of Tamil Nadu and vice versa:-

- (1) leave including extension of leave;
- (2) physical fitness to resume duty after the expiry of leave on account of illness;
- (3) invalidating from further Government Service; and

(4) pension commutation only when second medical opinion is required.

(vi) The special procedure prescribed in G.O.No.1092, Revenue, dated 18th January 1943, and No.347, Revenue, dated 24th May 1943, should be followed for payment of duty on Indian-made 'foreign' spirituous preparations and Indian-made rectified spirits imported from or exported to other States and Administrations.

(vii) The Government of Tamil Nadu have entered into reciprocal arrangements with the Governments of Bhopal and Patiala for the waiver of the following charges connected with extradition cases:-

(i) subsistence and transit charges, and

(ii) charges connected with the surrender of property.

(The reciprocity in respect of the item will hold good between Tamil Nadu Government and Bhopal Government only).

(viii)(a) All charges incurred in connection with remittances of coin and notes to and from treasuries whether as currency remittances or as treasury remittances, are borne by the Reserve Bank of India, subject to the conditions mentioned in paragraphs (b) and (c) below:-

(b) Charges relating to remittance between two treasuries neither of which has a currency chest should be borne by the Government. Charges relating to the remittance of uncurrent coin between such treasuries, when sent separately should however, be borne by the Reserve Bank.

(c) The pay and permanent cashier and of extra cashier engaged on a temporary basis to deal with heavy receipts of remittances should be met by the receiving treasury and not debited to the Reserve Bank. All temporary cashier should be paid at the rates fixed by the Government. The pay of temporary cashier engaged under subsidiary rule 20 (d) under Treasury Rule 30 of the Tamil Nadu Treasury Code Volume I. To accompany remittances, or to take the place of permanent cashier who are deputed to accompany remittances, should be debited to the Reserve Bank. The travelling allowances of all cashier, whether permanent or temporary, who accompany any remittance other than one between two treasuries where there is no currency chest should be debited to the Reserve Bank.

(G.O.Ms.No.70, Finance, dated 19th January 1963).

3. The following arrangements have been agreed upon between the Tamil Nadu Government and other State Governments in the matter of claims for recoveries on account of pay, allowance, etc., of Government servants whose services are lent by the Government to another for short periods:-

Where the Government servant is required to devote his whole-time and attention to the duties of the borrowing Government except in the case of officers lent to or borrowed from the Government of the Punjab and the period of deputation is short, not exceeding two weeks and the deputation entails no extra expenditure to the lending Government, no claim

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should normally be raised against the borrowing Government except in respect of travelling allowance and of such remuneration to the Government servant as may be agreed upon between the two Governments. Where, however, the lending Government is put to extra expenditure in making arrangements for carrying on the work of the Government servant deputed, it may recover from the borrowing Government, a lumpsum contribution equal to one and a quarter times the pay of the Government servant.

In the case of Government servant lent to or borrowed from the Government of Punjab, the lending Government may, at its discretion, recover from the borrowing Government a sum equal to the pay of the Government servant, if the period of deputation does not exceed seven days and a sum equal to one and a quarter times the pay if the period of deputation exceeds seven days but does not exceed fourteen days.

Where the Government servant performs the duties of another Government in addition to his duties under the parent Government, no claim should be made on account of pay, leave and pension, but, if the additional duties are sufficiently onerous, the lending Government may ask for a payment to the Government servant of a suitable remuneration which may be retained by him in full.

## D - RECEIPTS.

XIII - Incidence of Leave Salary and Pension Contributions recovered in respect of Government Servants lent on Foreign Service.

Contribution towards leave salary and pension recovered on behalf of a Government servant in foreign service are creditable to the Government (Central or State) under which he was permanently employed at the time of his transfer to foreign service.

NOTE:- Leave and pension contributions recovered from foreign employers in respect of personnel permanently employed under the Crown Representative at the time of their transfer to foreign service should be credited to the accounts of the Central Government (Civil) - See Article 290 of Volume IV of the Auditor-General's Account Code.

2. Contributions towards the leave salary and pensions of Military Officers and others in permanent Military employ, including those in temporary Civil employ, should be adjusted in the Defence Services accounts, while the contributions in respect of such officers in permanent Civil employ should be credited to civil estimates. When a Government servant, on whose behalf the contributions are received belongs to the Posts and Telegraphs Department or Railways, the credits should be passed on to the Department concerned.

**APPENDICES***LOCAL RULING.*

Contributions towards leave salary and pension at the prescribed rates in respect of the election staff employed in the State (whose pay and allowances is debited to the sharable expenditure) shall be shared on 50: 50 by the Government of India and the State Government. The Accountant-General will adjust the cost on leave salary and pensionary contributions in respect of the election staff employed in the State in connection with (i) preparation and printing of electoral rolls for Assembly and Parliamentary constituencies;

(ii) Elections to Lok Sabha and the State Legislative Assembly when held simultaneously; and

(iii) Bye-Elections to Lok Sabha.

The full details required for this purpose will be furnished to the Accountant-General by the Collectors, the Commissioner, Corporation of Madras, Coimbatore and Madurai.

(Memo.No.29336/Codes-I/70-15, dated 3rd August 1971.)