

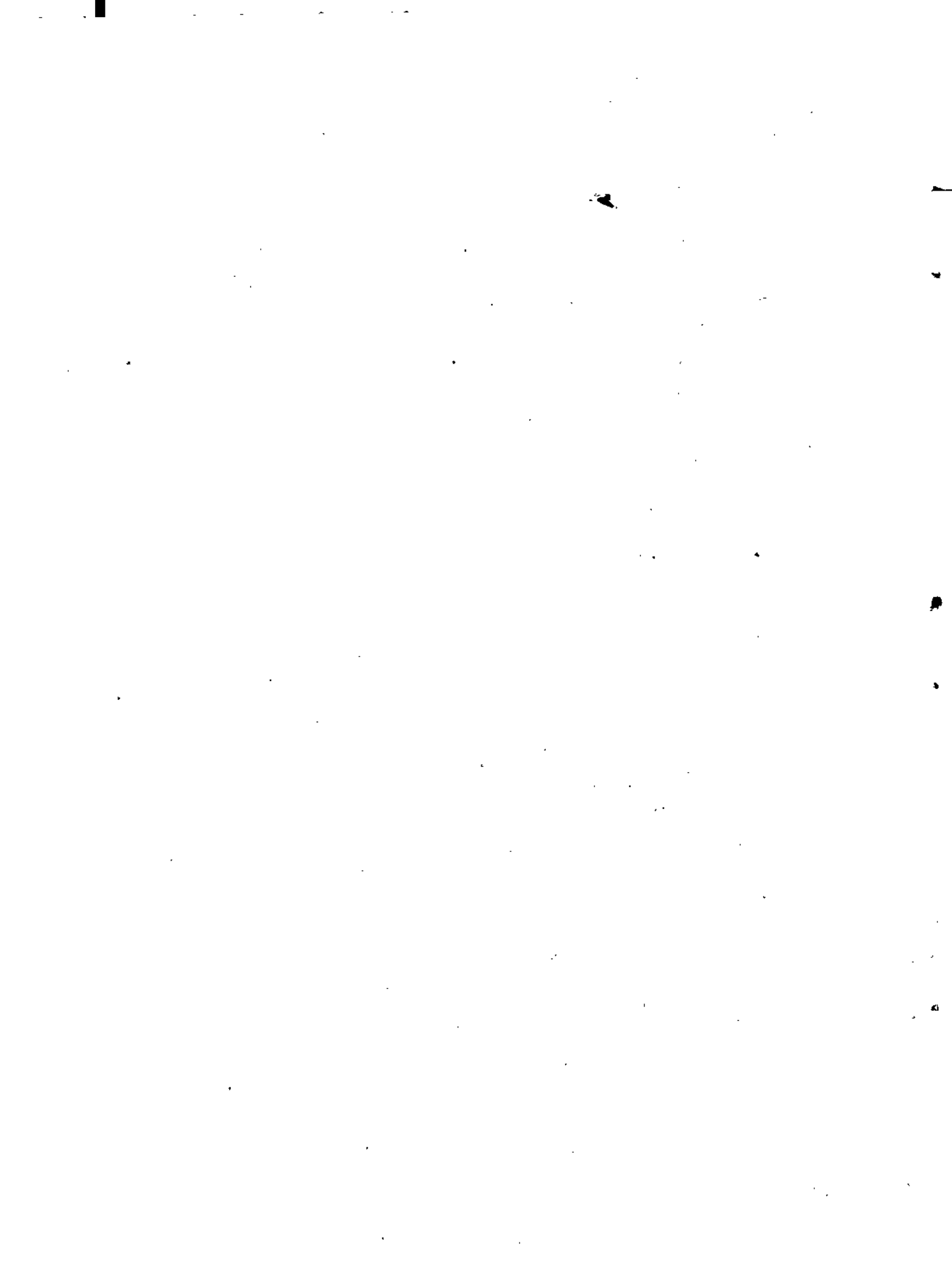
THE TAMIL NADU ACCOUNT CODE

VOLUME I

GENERAL PRINCIPLES AND METHODS OF ACCOUNTS

FIFTH EDITION

(Embodying correction up to 30th June 1992)



PREFACE TO THE FIRST EDITION.

The Tamil Nadu Government's treasury, financial and accounts rules revised so as to be in accordance with the Government of India Act, 1935, are issued in three Codes, namely, the Tamil Nadu Treasury Code, the Tamil Nadu Financial Code and the Tamil Nadu Account Code.

2. The Tamil Nadu Account Code comprises the Auditor-General's rules issued in his new Account Code (omitting certain portions which do not concern Provincial transactions) together with "Local Rulings" relating to local variations in accounts procedure. The Auditor-General's Account Code is divided into four volumes namely:-

Volume I - General Principles and methods of accounts,

Volume II - Treasury accounts,

Volume III - Departmental accounts, and

Volume IV - Accounts kept in Account Offices.

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

3. Volume I of the Code describes the functions of the Auditor-General of India in relation to Government accounts and the general outlines of the system of these accounts and also sets out the main directions issued by the Auditor-General of India with the approval of the Governor-General in pursuance of Section 168 of the Government of India Act, 1935. The List of Major and Minor Heads of Account of Tamil Nadu State, receipts and disbursements, which forms an appendix to Volume I of the Auditor-General's Account Code has been printed and issued by the Auditor-General separately for convenience of reference. Extracts from this List relating to Provincial transactions have been printed as Appendix A to the Tamil Nadu Budget Manual.

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

"The instructions contained in this List and the directions contained in this Volume should, unless the contrary intention has been expressed, be considered as mandatory and binding on all concerned. Chapter 2 of this Volume while being descriptive of the accounting arrangements must be considered as prescribing a system of accounts the detailed directions concerning which are contained in the subsequent Volume of this Code. The Incidence Rules which are included in this Volume (Appendix 3), based as they are on arrangements made between the different Governments by mutual agreement, do not fall strictly within the scope of the directions under section 168 of the Act. It has been recognised, however, that once any arrangements of this nature has been accepted by the Governments concerned, it forms the basis of the proper accounting for the transactions to which it relates. It will not, therefore, be possible to make any modifications in such an arrangement without considering the

consequential changes in the accounting arrangements. No Incidence Rule included in this Volume can thus modified without the concurrence of the Auditor-General-Cum-Governor-General."

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

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

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

"It has been held that section 168 of the Government of India Act, 1935, confers on the Auditor-General-cum-Governor-General full power to issue directions regarding the form in which the initial and subsidiary accounts in any department of the Tamil Nadu State Government should be kept; and such power is obviously necessary in order to enable the Auditor-General to discharge his responsibility for keeping the accounts of the Tamil Nadu State Governments under paragraph 11 (1) of the Government of India (Audit and Accounts) Order, 1936. Explicit provision has, nevertheless, been made in the Initial and Subsidiary Accounts Rules made by the Governor-General under paragraph 11 (3) of this Order conferring on the Auditor-General the Power to prescribe the form in which initial accounts should be kept and the form in which such accounts as well as subsidiary accounts should be rendered to the Audit and Accounts Offices under his control. The power vested in the Auditor-General-cum-Governor-General in Section 168 of the Act has been utilized initially for issuing the directions contained in Volumes II and III of the Code, but any amendments or modifications of detail to these directions which may be necessary because of any changes made in the general accounts or for other reasons will be authorized by the Auditor-General by virtue of the power conferred upon him by the Initial and Subsidiary Accounts Rules."

Those portions of Volumes II and III of the Auditor-General's Account Code which relate solely to Central transactions have been omitted from the Tamil Nadu Account

Code and the omissions have been indicated by asterisks. Treasury and Sub-treasury Officers should follow the directions in Volumes II and III of the Auditor-General's

Account Code in regard to Central transactions. Certain portions of Chapter III and IV in Volume II of the Auditor-General's Account Code do not apply to this State because the sub-treasurers in this State render classified accounts to the district treasury and the district treasury to the Accountant-General, which is not done elsewhere. "Local Rulings," to accord with the special procedure in this Province, based on the rules in the old Tamil Nadu Treasury Code and the Tamil Nadu Financial and Account Code, have been incorporated in the relevant places. Those Articles of the Auditor-General's Account Code which are wholly inapplicable to this State for the above reason have been omitted in order to avoid confusion, and the omissions have been indicated by asterisks. In Volumes II and III also, the Auditor-General's rules have been printed in larger type than the "Local Rulings" in order to distinguish them from one another.

5. The directions and rules contained in this Code supersede in respect of the matters with which they deal the corresponding rules and instructions contained in the Account Code, First Edition (Reprint), 1935, the Civil Account Code, Volumes I and II, Eighth Edition (Second Reprint), 1935, the Audit Code, Volumes I and II, First Edition (Second Reprint), 1935, the Public Works Account Code, First Edition (Reprint), 1935, and the Forest Account Code, First Edition (Reprint), 1931.

The directions and "Local Rulings" in the Tamil Nadu Account Code supersede also instructions relating to accounts procedure in the Tamil Nadu Treasury Code, the Tamil Nadu Financial and Account Code, the Tamil Nadu Public Works Account Code and the Tamil Nadu Forest Department and Account Code.

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

PREFACE TO THE SECOND EDITION.

Since the issue of the First Edition, several amendments have been issued by this Government to the "Local Rulings, etc., in this Code. The Comptroller and Auditor-General has also issued certain corrections to Volume I of his Account Code consequent on the constitutional changes. These amendments and corrections have been embodied in the "Local Rulings" and the main Articles in this edition. No changes have been made in the main articles in Volumes II and III pending corrections or modifications that may be considered necessary by the Comptroller and Auditor-General to the Account Code issued by him. Necessary amendments have, however, been made in the "Local Rulings," etc., in these Volumes.

PREFACE TO THE THIRD EDITION.

Since the issue of the Second Edition, several amendments have been issued to this Code. This edition is issued incorporating the amendments.

PREFACE TO THE FOURTH EDITION.

Since the issue of the third edition several amendments have been issued to this Code. The amendments and corrections issued up to 31st October 1971 have been embodied in this edition. There are some variations between the main Articles of Account Code Volume I issued by the Comptroller and Auditor-General of India and the Tamil Nadu Account Code Volume I. Necessary amendments will be incorporated in the next edition.

PREFACE TO THE FIFTH EDITION.

Since the issue of Fourth Edition, several amendments have been issued to the Code. Consequent on the departmentalisation of Central Government Transactions with effect from 1st October 1976, the Central Government Drawing Officers caused to draw bills at the State Treasuries. Likewise, there will be no receipt transactions relating to the Central Government. According to the orders of the Government of Tamil Nadu, all the transactions both receipts and payments as and when occur in the State Treasuries relating to the Central Government should be accounted for under the suspense Head of Account created specially for this purpose. Government, with effect from 1st April 1987 have introduced the "revised structure of Classification of transaction" in State Government account, with certain changes. The simplified system of governing the incidence of leave salaries of Government Servants, including pension etc., has also been incorporated in the relevant portion of this Volume. Carrying out all the additions/deletions so far issued to this Code, the Fifth edition is updated as on 30th June '92.

**SECRETARY TO GOVERNMENT
FINANCE DEPARTMENT.**

CONTENTS

ARTICLES	PAGES
Definitions	1-2
Chapter 1.-Functions of the Comptroller and Auditor-General in relation to Accounts.	
	ARTICLES.
Comptroller and Auditor-General's powers under the Constitution of India, and the Audit and Accounts Order, 1936	1
Comptroller and Auditor-General's powers under the Initial and Subsidiary Accounts Rules ..	2-4
Appropriation Accounts	5
Chapter 2.-General Outlines of the System of Accounts.	
Consolidated Funds, Contingency Funds and Public Accounts of India and of the States. ..	7-8
Accounts of the Central and State Governments with the Bank	9-12
Transactions of other Governments in State Treasuries	13
General outlines of the System of Accounts ..	15
Accounts between different Accounts Circles ..	16
Annual Finance Accounts of the Central and State Governments	17
The Combined Finance and Revenue Accounts of the Central and State Governments in India ..	18
Proforma Accounts	19
Journal and Ledger	20
Chapter 3.-General principles and Methods of Accounts	
General:-	
Period of Accounts	21
Cash basis of Accounts	22
Currency in which Accounts are kept ..	23
Form of Accounts:-	
Main Divisions of Accounts	24-25
Major, Minor and detailed heads	26-27

Classification of expenditure as "Charged" or as "Voted"	28
Classification of transaction in Accounts:-	
General limitations	29
General principle of classification	30
Important general orders governing classification:-	
Pay and allowances (other than travelling allowances) of Government servants	31
Travelling Allowances	32
Expenditure on Civil Works	33
Contributions made by or to Government	34
Refunds of Revenue	35
Classification of transactions under "Advances Repayable"	36
Classification of transactions under "Suspense"	37
Important special orders governing the classifi- cation or certain individual transactions:-	
Cost of acquisition of land	38
Sale proceeds of Government land and buildings	39
Municipal rates and taxes	40
Cost of Survey of India and other Scientific Parties accompanying a military expedition	41
General methods of accounting:-	
Accounting for transactions pertaining to more than one major head of account	42
Record of capital expenditure in accounts	43
Accounting for transaction relating to Scheduled Areas	44
Accounting for losses	46
Exhibition of recoveries in Government Accounts	47
Accounting for recoveries of overpayments	48
Accounts of commercial undertakings	49
Working Expenses of Commercial Departments.. .. .	50

CONTENTS

vii

Transactions with other Governments and accounts circles	51
Rectification of misclassification	52
Writes-off from balanced heads to "Government"	53
Accounts to work from balance to balance	54
List of Sections under the main division of accounts	ANNEXURE
Chapter 4.-Directions regulating Inter-departmental Transfers:-	
Introductory	55
Adjustments between Governments	56
Adjustments with outside bodies	58
Inter-departmental adjustments	59-67
General	68-71
List of departments and undertakings recognised by the Central Government as commercial	ANNEXURE
Chapter 5.-Directions regulating the Exhibition of Recoveries of Expenditure in Government Accounts:-	
Introductory	72
Recoveries from private persons or bodies and Government out-side India	73
Recoveries by one Government from another	74
Recoveries by one Department from another department of the same Government	75
Receipts and recoveries on Capital Account	76
Settlement of doubts or disputes	77
Chapter 6.-Directions regulating the exhibition of Losses in Government Accounts:-	
Introductory	79
Receipts	80
Buildings, land, 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

1. The Initial and Subsidiary Accounts Rules	71
2. List of Major and Minor heads of account of Central and State receipts and disbursements ..	(Printed separately)
3. Principle and Rules regulating the distribution of certain Charges and receipts between Governments ..	72-114
A.--Introductory.	
	72
B.--Pay, Allowances, Pensions, etc.	
I. Incidence of pay and allowances, other than leave salaries ..	73-77
II. Incidence of leave salaries ..	77-87
III. Incidence of cost of passages ..	87-89
IV. Incidence of pensions ..	89-103
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 ..	104
VI. Deleted ..	104
VII. Incidence of Government contribution to the Indian Civil Service (Non-European Members) Provident Fund ..	104
VII.A. Incidence of Family Pensions in respect of Armed Forces Officers and of Civil Officers serving with the Armed Forces ..	104
C.--Other Charges.	
VIII. Incidence of expenditure involved in audit and Keeping accounts ..	105-106
IX. Incidence of grants of land and alienations	106
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 ..	106-107
XI. Incidence of the cost of (1) Forest surveys carried out by the Survey of Indian and (2) Forest maps prepared by that department ..	107
XII. Incidence of the charges relation to the maintenance and demarcation of and disputes over boundaries ..	107-108
Incidence of certain miscellaneous charges	108-112

APPENDICES

ix

D.--Receipts.

XIII. Incidence of leave salary and pension contributions recovered in respect of Government servants loan on Foreign Service	113
Incidence of leave salary and pension contributions in respect of election staff employed in the State	114



THE TAMIL NADU ACCOUNT CODE

VOLUME I

GENERAL PRINCIPLES AND METHODS OF ACCOUNTS

DEFINITIONS.

In this volume, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them--that is to say:-

"Accountant-General" means the head of an office of Accounts subordinate to the Auditor-General of India whether known as Accountant-General, Comptroller or by any other designation. 'State Accountant-General' means the Accountant-General who keeps the accounts of a Part 'A' or Part 'B' State.

"Civil Account Officer" means an Accounts Officer subordinate to the Auditor-General other than the Accountant-General.

"Government" means either the Central (Union) Government or a State Government or both as the context may imply.

"Public Account" means the Public Account of a State.

"Comptroller and Auditor-General" means the Comptroller and Auditor-General of India.

"State" except where it appears otherwise from the context, refers to a State included in Part A or Part B of the first Schedule to the Constitution.

"The Constitution" means the Constitution of India.

"Consolidated Fund" means the Consolidated Fund of the State. (See also Article 7.)

"Contingency Fund" means the Contingency Fund of the State (See also Article 7-A.)

"The Bank" means the Reserve Bank of India or any of its offices or branches and includes any branch of the State Bank of India acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act. (Act II of 1934.)

"Treasury" includes a sub-treasury.

"Divisional Forest Officer" means any of the following officers:--

- (i) District Forest Officer.
- (ii) Working Plan Officer.
- (iii) State Silviculturist.
- (iv) Forest Utilisation Officer.
- (v) State Wild Life Officer.
- (vi) Officers incharge of Survey and Demarkation work.
- (vii) Officers incharge of Special Mobile Patrol Parties.

- (viii) General Manager, Government Rubber Plantations.
- (ix) Forest Engineer.
- (x) Principal Tamil Nadu State Forestry Training School

(Memo.No.25409/Codes I/69-12, dated 2nd November 1970.)

**CHAPTER 1.--FUNCTIONS OF THE COMPTROLLER AND AUDITOR-GENERAL
IN RELATION TO ACCOUNTS.**

ARTICLES ARTICLES

Comptroller and Auditor - General's powers under the Constitution of India and the Audit and Accounts Order, 1936.	1	Comptroller and Auditor- General's powers under the Initial and Subsidiary Accounts Rules	2-4
--	---	--	-----

Appropriation Accounts .. 5

**COMPTROLLER AND AUDITOR-GENERAL'S POWER UNDER THE CONSTITUTION
OF INDIA AND THE AUDIT AND ACCOUNTS ORDER, 1936.**

1. The Comptroller and Auditor-General of India derives his powers and duties in relation to the accounts of the Union and of the States from Articles 149 and 150 of the Constitution of India. Article 149 of the Constitution envisages an act of Parliament to regulate the duties and powers of the Comptroller and Auditor-General and until such a provision is made, it lays down that the Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States as were conferred on or exercisable by the Auditor-General of India immediately before the commencement of the Constitution in relation to the accounts of the Dominion of India and of the Provinces, respectively. The duties and powers of the Auditor-General of India in relation to the accounts of the Dominion of India and of the Provinces immediately before the commencement of the Constitution have been prescribed in the Audit and Accounts Order, 1936, as adopted by the India (Provisional Constitution) Order, 1947, and in the Initial and Subsidiary Accounts Rules made by the Governor-General under sub-paragraph (3) of paragraph 11 of the former Order. By virtue of the provisions of Article 149 of the Constitution, the relevant provisions of the former, order, and the Initial and Subsidiary Accounts Rules, continue to remain in force and regulate the duties and powers of the Comptroller and Auditor-General in relation to the accounts of the Union and of the States until an act is passed by Parliament under that Article.

The relevant provisions of the Audit and Accounts Order, as adopted defining the powers and duties of the Comptroller and Auditor-General in relation to accounts are reproduced below. References therein to the Auditor-General, Dominion, Province, Governor-General, Governor and 'the Act' should be construed as references to the Comptroller and Auditor-General, Union (Central Government), State, President Governor and 'the Constitution' respectively:--

11. (1) Subject to the provisions of this paragraph, the Auditor-General shall be responsible for the keeping of the accounts of the State.

(2) [Deleted]

(3) [Deleted]

(4) The Auditor-General shall, from the accounts kept by him and by the other persons responsible for keeping public accounts, prepare in each year accounts (including in the case of accounts kept by him, appropriation accounts *) showing the annual receipts and disbursements for the purposes of each State distinguished under the respective heads thereof, and

CHAP.1] **FUNCTIONS OF THE COMPTROLLER AND
AUDITOR-GENERAL IN RELATION TO ACCOUNTS.**

shall submit those accounts to the State on such dates as he may, with the concurrence of the Government concerned, determine.

(5) Notwithstanding anything in this, paragraph, the Auditor-General shall comply with any general or special orders of the Governor-General or, as the case may be, a Governor as to the head of account under which any specified transaction or transactions of any specified class is, or are, to be included.

In issuing any such order as aforesaid, the Governor-General or Governor shall consult the Auditor-General.

12. It shall be the duty of the Auditor-General to prepare annually, in such form as he with the concurrence of the Governor-General may determine and to submit to the Governor-General a General Financial Statement incorporating a summary of the accounts of the State for the last preceding year and particulars of their balances and outstanding liabilities, and containing such other information as to their financial position as the Governor-General may direct to be included in the Statement.

* * * * *

15. It shall be the duty of the Auditor-General, so far as the accounts for the keeping of which he is responsible enable him so to do, to give to the Government of every State such information as they may from time to time require, and such assistance in the preparation of their annual financial statements as they may reasonably ask for.

16. The State shall--

* * * * *

(ii) give to him such information as he may require for the preparation of any account or report which it is his duty to prepare.

17. The Auditor-General shall have authority to inspect any office of accounts or of a State, including treasuries and such offices responsible for the keeping of initial or subsidiary accounts and submit accounts to him.

* * * * *

19. Anything which under this order is directed to be done by the Auditor-General may be done by an officer of his department authorized by him, either generally or specially:

Provided that except during the absence of the Auditor-General on leave or otherwise, an officer shall not be authorized to submit on his behalf any report which the Auditor-General is required by the Act * to submit to the Secretary of State, the Governor-General or the Governor of a State.

* The term "appropriation accounts" defined in paragraph 2 of the Government of India, (Audit and Accounts) Order, 1936-See also Article 5 below.

* 'The Act' means the Government of India Act, 1935, as adopted by the India (Provisional Constitution) Order 1943.

**COMPTROLLER AND AUDITOR-GENERAL'S POWERS UNDER THE INITIAL AND
SUBSIDIARY ACCOUNTS RULES.**

2. The initial and Subsidiary Accounts Rules (vide Appendix I) relieve the Comptroller and Auditor-General from the responsibility for keeping accounts of a specified class or character without derogating from the power to prescribe the form in which such accounts shall be rendered to him and in which the initial accounts from which the accounts so rendered are compiled or on which they are based shall be kept. The relevant provisions of these rules are reproduced below.

References therein on the Auditor-General of India, State, Governor-General and Governor should be construed as references to the Comptroller and Auditor-General of India, Union (Central Government), State, President and Governor, respectively.

3. The Auditor-General of India 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 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 State by orders of the Governor-General or 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 in any Department or of the State.

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

(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.

3. By virtue of the provision of Article 150 of the Constitution the Comptroller and Auditor-General is empowered, with the approval of the President to prescribe the form of initial accounts from which the accounts rendered to the Indian Audit and Accounts Department are compiled or on which those accounts are based. Any changes or modifications in the form of initial accounts would, under Article 150 of the

Constitution, normally require the approval of the President. In order to avoid the inconvenience of having to refer any and every modification in the form of initial accounts to the President for approval general provision has been made in rule 4 (b) of the Initial and Subsidiary Accounts Rules cited in the preceding Article, enabling the Comptroller and Auditor-General to prescribe the form of initial accounts. In practice, however, the Comptroller and Auditor-General will exercise his power under the Initial and Subsidiary Accounts Rules only to make modifications or amendments in the form of initial accounts which follow directly from the changes made in the form of the general accounts or which are not inconstance with the form of those accounts as approved by the President.

4. For the sake of practical convenience, the forms of accounts including appropriation accounts, relating to Defence, and any other Department or Service whose accounts are not kept by the Auditor-General under paragraph 11 (2) of the Audit and Accounts Order, 1936 may be determined by the departmental accounting authorities. The provisions of Article 150 of the Constitution and of paragraph 4 (b) of the Initial and Subsidiary Accounts Rules will be deemed to have been satisfied if the forms so determined are not questioned by the Auditor-General-cum-President.

APPROPRIATION ACCOUNTS.

5. The form of Appropriation Accounts which the Comptroller and Auditor-General is required to prepare under paragraph 11 (4) of the Audit and Accounts Order, 1936, is not dealt with in this Code. The instructions relating to the preparation and submission of such accounts by Accountants-General are included in the Audit Manual issued by the authority of the Comptroller and Auditor-General. The object of these accounts is to relate expenditure brought into account during a financial year to the several items specified in the Schedules to the Appropriation Acts, passed under Articles 114-116 or Articles 204-206 of the Constitution. As no special process of accounting is involved in the preparation of Appropriation Accounts they should be regarded as complementary to the accounts of annual receipts and disbursements referred to in paragraph 11 (4) of the Audit and Accounts Order, 1936.

6. [Deleted]

CHAPTER 2.- GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS.

	ARTICLES		ARTICLES
Consolidated Funds, Contingency Funds and Public Accounts of India and of the States.	.. 7-9	Accounts between different Account circles16
Account of the Central and State Governments with the Bank	.. 12	Annual Finance Accounts of the State Governments17
Transactions of other Governments in State Treasuries	.. 13	The Combined Finance and Revenue Accounts of State Governments18
General Outlines of the System of Accounts	.. 15	Proforms Accounts19
		Journal and Ledger20

CONSOLIDATED FUNDS, CONTINGENCY FUNDS AND PUBLIC ACCOUNTS OF INDIA AND OF THE STATES.

7. The State Government have separate Consolidated Funds of their own entitled the Consolidated Fund of the State into which the revenues received by the State Governments/loans or Ways and Means advance and moneys received by that Government in repayment of loans are credited, and from which the expenditure of that Government when so authorised by the appropriate Legislature is met.

The State Government have also separate Public Account of the State respectively into all other public moneys received by or on behalf of the State Governments are credited and from which disbursement are made in accordance with the prescribed rules. The procedure to be followed for the payment into and the withdrawal, transfer or disbursement of moneys from, the Consolidated Fund and the Public Account and for the custody of moneys standing in that Fund and account is regulated by law made by the appropriate Legislature and, pending such Legislation, of the State, as the case may be, under Article 283 of the Constitution. The President and the Governor of the States have authorized under this Article the continuance of the rules in force before the commencement of the relevant provisions of the Constitution. These rules include provisions to secure that all public moneys received on account of the State shall with such exceptions as may be specified in them, be paid into the Consolidated Fund of the State concerned.

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

NOTE.-The transactions of the Railway and defence Departments form part of the consolidated Fund, the Contingency Fund and the Public Account of India, and are taken against the "Railway Fund" and Defence Account which have been created proforma (in the books of the Reserve Bank of India) within Consolidated Fund, etc.

(Memo, 127992/Codes?63-5, dated 24th December 1964.)

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

ACCOUNT OF STATE GOVERNMENTS WITH THE BANK.

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

* The agreement between the Governor of the State of Tamil Nadu and the Reserve Bank of India is printed as Appendix I to the Tamil Nadu Treasury Code, Volume II.

* In the State of Tamil Nadu there are Treasury Pay Offices of the State Bank of India at certain district headquarters. A Treasury Pay Office transacts the cash business of the district treasury at the place-see Instruction I under Treasury Rules 3 in Part I, Volume I of the Tamil Nadu Treasury Code.

NOTE.-Governments of States have not so far entered into agreement with the Reserve Bank of India for the conduct of their general banking business by the Bank.

10. Each office or branch of the Reserve Bank keeps two separate accounts of cash transactions undertaken by it on behalf of Government-one for the transactions of the Central

Government and the other for the transactions of the State Government within whose area it is situated. All transactions which cannot be debited or credited directly to the account of the with the Bank are taken to the account of the Government of the State in which they occur so that this account will include as well the transactions relating to other States. Separate statements of transactions in their State Government accounts together with all supporting vouchers, etc., are transmitted by each office and branch of the Bank daily to the Treasury Officer or to the Accountant-General, as the case may be. At the close of each month the balances of the accounts are transferred to the Central Accounts Section of the Reserve Bank at Calcutta.

NOTE.-The transactions of Railways, and Defence Services at offices and branches of Reserve Bank are distinguished from other Central transactions in the initial accounts and are classified separately by each Railway, each Deputy Accountant-General each controller of Defence Accounts respectively. These transactions are taken against the Railway Fund, and Defence Account respectively, in the books of the Reserve Bank direct and do not, therefore, pass through the Treasury Accounts or consequently through the Civil Accountant-General with the exception of payments of pensions to Defence pensioners. Each office and branch of the Bank furnishes to the Railways, and Defence Accounts Officer concerned every day a copy of the daily scroll relating to the transactions pertaining to him together with the requisite vouchers.

(Memo, 127992/Codes/63-5, dated 24th December 1964.)

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

* In the State of Tamil Nadu there are Treasury Pay Offices of the State Bank of India at certain district headquarters. A Treasury Pay Office transacts the cash business of the district treasury at the place-see Instruction I under Treasury Rule 8 in Part I, Volume I of the Tamil Nadu Treasury Code.

NOTE.-The procedure prescribed in the Note under Article 10 is followed in respect of Railway and Defence Transactions taking place at the branches of the State Bank of India.

(Memo, 127992/Codes/63-5, dated 24th December 1964.)

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

TRANSACTIONS OF OTHER GOVERNMENT IN STATE TREASURIES.

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

* The Tamil Nadu Treasury Rules are printed in Part I, Volume I of the Tamil Nadu Treasury Code.

14. [Deleted.]

GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS.

15. The general outlines of the system of accounts of the State Governments, briefly stated, are as follows:-

(a) All receipts of the State Governments, are paid into a treasury or the Bank. Except as provided in clause (b) below, the initial accounts of such receipts are maintained at the treasury.

(b) [Deleted.]

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

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

(d) At the beginning of each month each Accountant-General receives from the treasuries under his jurisdiction monthly accounts * supported by the requisite schedules, vouchers, etc., in respect of the transactions which took place in the treasury during the previous month. All State which render accounts to State Accountants-General, submit a set of accounts, for transactions of the State Governments.

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

* In the State of Tamil Nadu the monthly accounts sent by treasuries to the Accountant-General are classified accounts.

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

these classified abstracts separate Departmental Consolidated Abstracts showing the progressive totals month by month under major, minor and detailed heads of revenue receipts and service payments are compiled. Separate Consolidated Abstracts are maintained for each department or major head of account or for a group of departments or major heads of account as may be found convenient.

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

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

Separate Detail Books and Consolidated Abstracts are compiled for State transactions.

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

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

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

(j) A copy of the monthly accounts of each State Government is submitted to it by Accountant-General concerned. The Accountant-General, Central Revenues, receives from each Civil Account Office an abstract of the account of the

15-16]

**GENERAL OUTLINES OF THE SYSTEM OF
ACCOUNTS.**

[CHAP.2

transactions of the Central Government compiled by it for each month and these accounts together with the accounts for the month prepared in his office are consolidated into a single monthly account for submission to the Central Government. The Accountant-General, Posts and Telegraphs, and the Railway Board submit the consolidated monthly accounts of their respective departments separately to the Central Government.

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

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

ACCOUNTS BETWEEN DIFFERENT ACCOUNT CIRCLES.

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

(i) The Central Adjusting Accounts-Through Suspense Accounts

(2) Civil Account Officers utilise the media of Exchange Accounts for passing on transactions of the Central Government which are adjustable on the books of other Account Officers excepting Railway, Posts and Telegraphs and Defence Account Officers. Book transactions arising in the Central section of the accounts of a Civil Account Officer which are adjustable in the Accounts of a State kept by another Account Officer are also passed on through Exchange Accounts so that the latter Accounts Officer may adjust the transactions against the balance of the State.

(Memo.No.127992/Codes/63-5, dated 24th December 1964.)

(3) [Deleted.]

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

17-19]

**GENERAL OUTLINES OF THE SYSTEM OF
ACCOUNTS.**

[CHAP. 2

President and submitted to the Comptroller and Auditor-General for approval and transmission to the Governor of the State concerned.*

* See also Chapter 21 of Volume IV of the Comptroller and Auditor-Generals Account Code.

**THE COMBINED FINANCE AND REVENUE ACCOUNTS OF THE CENTRAL AND
STATE GOVERNMENTS IN INDIA.**

18. Besides the annual Finance Accounts of the Central Government, the Comptroller and Auditor-General is also required to submit to the President annually under paragraph 12 of the Audit and Accounts Order, 1936, a Financial Statement, incorporating a summary of the accounts of the Central Government and of all the States for the last preceding financial year in such form as he with the concurrence of the President may determine. This General Financial Statement which is called the Combined Finance and Revenue Accounts of the Central and State Governments in India presents the transactions of all the Governments side by side classified under the several major and minor heads of accounts classification, thus incidentally enabling a comparison to be made for statistical or other purposes of the receipts and expenditure of the several Governments pertaining to each branch of administration or to activities of a similar nature.*

Pro forma ACCOUNTS.

19. The operations of some departments of Government sometimes include undertakings of a commercial or a quasi-commercial character, e.g., an industrial factory or a store. Even though these may be maintained almost entirely for the benefit of the department, it is still necessary that the financial results of the undertaking should be expressed in the normal commercial form so that the cost of the service or undertaking, may be accurately known. This implies the maintenance of suitable Capital, Manufacturing, Trading and Profit and Loss accounts, and as the Government system of accounts, being on a purely cash basis, is unsuitable for such commercial accounts, these are usually kept on a pro forma basis outside the general accounts of Government. The actual transactions entering these pro forma accounts except those adjusted on a liability basis find a place primarily in the regular accounts and the commercial accounts are additional as well as separate. These pro forma accounts are maintained by the departmental authorities themselves in such form as may be agreed upon between the Comptroller and Auditor-General and the Government concerned.

Certain pro forma accounts relating to Irrigation, Navigation, Embankment and Drainage Projects and Government residential buildings are required to be prepared by Civil Account Offices. Pro forma accounts are also sometimes required to be prepared for transactions which do not relate to commercial or quasi-commercial undertakings of Government,

e.g., transactions of the Famine Relief Fund. The form in which any pro forma accounts are prepared in account offices is determined by the Comptroller and Auditor-General in consultation with the Government concerned.

Local Ruling under Article 19.

In the State of Madras pro forma accounts (i.e., manufacturing trading, profit and loss, etc., accounts) are maintained outside the regular Government accounts for the following concerns:-

1. Central Jail, Coimbatore.
2. Central Jail, Vellore.
3. Chank Fisheries.
4. Chinchona Department.
5. Fish-curing yards.
6. Industrial Engineering Workshop, Madras.
7. Pearl Fisheries.
8. Public Works Workshop at Madras and Mettur Electrical.

(Memo.No.69284 Codes I/70-10, dated 25th January 1971.)

NOTE 1.-Pro forma costing accounts are maintained for the Veterinary Biological Research Institute, Madras, and pro forma manufacturing and profit and loss accounts are prepared for the Criminal Tribes Settlement, Aziznagar.

NOTE 2.-Pro forma Capital and Revenue Accounts are maintained for certain Government-owned and leased residential buildings in the charge of departments other than the Public Works Department. The Department concerned should consolidate annually all such Capital and Revenue Accounts and forward them to the Accountant-General by the first-week of August in accordance with the instructions issued by him and in the forms prescribed for the purpose.

Small buildings, the Capital cost of which does not exceed Rs.25,000/ should be omitted from the return. For more than one building in a compound or in the case of lines of quarters if the total Capital cost put together exceeds Rs.25,000/ Capital and revenue accounts should be prepared for such buildings also.

(Memo.No.117294 (A)/Codes I/69-29, dated 3rd March 1972.)

All the departments of Government including the Public Works Department should maintain a register of immovable property in Form T.A.XVIII (in the Tamil Nadu Account Code, Volume II.)

JOURNAL AND LEDGER.

20. The accounts of Government are based in the main on the single-entry system and the double-entry system is applied only in regard to the maintenance of a set of technical accounts called the Journal and Ledger. The main purpose of the Journal and Ledger is to bring out by a scientific method the balances of accounts in regard to which Government acts as a banker or remitter or borrower or lender. Though such balances are worked out in the regular Government accounts, their accuracy can be guaranteed only by a periodical verification with the balances brought out in the double entry accounts. State Accountants-General maintain separate Journals and Ledgers for transactions of the State Government.

CHAPTER 3.--GENERAL PRINCIPLES AND METHODS OF ACCOUNTS.

	ARTICLES
General:-	
Period of Accounts	21
Cash basis of Accounts	22
Currency in which Accounts are kept ..	23
Form of Accounts:-	
Main Divisions of Accounts ..	24-25
Major, Minor and detailed heads ..	26-27
Classification of expenditure as "Charged" or as "Voted"	28
Classification of transaction in Accounts:-	
General limitations	29
General principle of classification ..	30
Important general orders governing classification:-	
Pay and allowances (other than travelling allowances) of Government servants ..	31
Travelling Allowances	32
Expenditure on Civil Works ..	33
Contributions made by or to Government ..	34
Refunds of Revenue	35
Classification of transactions under "Advances Repayable"	36
Classification of transactions under "Suspense"	37
Important special orders governing the classifi- cation or certain individual transactions:-	
Cost of acquisition of land ..	38
Sale proceeds of Government land and buildings	39
Municipal rates and taxes ..	40
Cost of Survey of India and other Scientific Parties accompanying a military expedition	41
General methods of accounting:-	
Accounting for transactions pertaining to more than one major head of account ..	42

21]	GENERAL PRINCIPLES AND METHODS OF ACCOUNTS.	[CHAP.3
	Record of capital expenditure in accounts ..	43
	Accounting for transaction relating to Scheduled Areas	44
	Accounting for losses	46
	Exhibition of recoveries in Government Accounts	47
	Accounting for recoveries of overpayments ..	48
	Accounts of commercial undertakings ..	49
	Working Expenses of Commercial Departments..	50
	Transactions with other Governments and accounts circles	51
	Rectification of misclassification ..	52
	Writes-off from balanced heads to "Government"	53
	Accounts to work from balance to balance ..	54
	List of Sections under the main division of accounts	ANNEXURE

GENERAL.

PERIOD OF ACCOUNTS.

21. The annual accounts of the State Governments which the Comptroller and Auditor-General is required to render under sub-paragraph (4) of paragraph 11 of the Audit and Accounts Order, 1936, shall record transactions which take place during a financial year running from 1st April to 31st March. Similarly, the Annual General Financial statement (the Combined Finance and Revenue Accounts of the Central and State Governments in India) which the Comptroller and Auditor-General is required to submit under paragraph 12 of the aforesaid Order shall record transactions of the Central and State Governments for the same period.

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

Cash Basis of Accounts.

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

Currency in which accounts are kept.

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

* The procedure prescribed for this purpose in regard to transactions taking place in the United Kingdom is contained in Chapters 16 and 17 of Volume IV of the Comptroller and Auditor-General's Account Code.

NOTE.-The accounts of sterling branches of the various Provident Funds should be maintained in India as subsidiary accounts to the rupee accounts which shall be the main Government accounts of Provident Funds.

FORM OF ACCOUNTS.

Main Divisions of Accounts.

24. The Government accounts shall be kept in the following three parts:-

Part I - Consolidated Fund	of India or the State concerned.
Part II - Contingency Fund	
Part III - Public Account	

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

(1) Revenue, (2) Capital and (3) Debt (comprising Public Debt and Loans and Advances.)

The first division shall deal with the proceeds of taxation and other receipts classed as Revenues and the expenditure therefrom. The second division shall deal with expenditure met usually from borrowed funds with the object either of increasing concrete assets of a material character or of reducing recurring liabilities, such as those for future pensions by payment of the capitalized value. It also includes receipts of a Capital nature intended to be applied as a set off to Capital expenditure. The third division shall comprise loans raised by Government loans of a purely temporary nature classed as floating debt (such as Treasury Bills and Ways and Means Advances) as well as other loans classed as 'Permanent Debt' and Loans and Advances made by Government' together with repayments of the former and recoveries of the latter.

In Part II of the Account shall be recorded the transactions connected with the Contingency Fund set up by the Government of India or of a State under Article 267 of the Constitution.

In Part III of the Account, there shall be two main divisions, viz.:--

1. Debt (other than those included in Part I) and Deposits; and
2. Remittances.

The first division shall comprise receipts and payments, other than those falling under debt-heads pertaining to Part I, in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with repayments of the former and recoveries of the latter. The second division shall embrace all merely adjusting heads, under which, shall appear remittances of cash between treasuries, and transfers between different accounting circles. The initial debits or credits to the heads in this division will be cleared eventually by corresponding receipts or payments either within the same circle of accounts or in another account circle.

ARTICLE 25.

Within each of the divisions mentioned in the proceeding Articles, the transactions should be grouped into sections which shall be further subdivided into major head of Account. A four digit Arabic numerical code has been assigned to the major heads, followed by a 2 digit code for the sub major heads, and further followed by a 3 digit code for the minor heads. The codification pattern for the major heads has been designed in such a way that the last three digits out of the four digits represent the same function in the four section (viz) Receipt heads, (Revenue Section) Expenditure heads (Revenue Section), Expenditure heads (Capital Section) and Loans and Advances. If the first digit is "0" or "1", the head of Account will represent Revenue Receipt, "2" or "3" will represent Revenue Expenditure, "4" or "5" capital expenditure and "6" or "7" loan head. This is illustrated as and detailed below:

<u>Function.</u>	<u>Major Head Code in the Section For</u>			
	Receipt heads (revenue account)	Expenditure heads (revenue account)	Expenditure heads (capital account)	Loans and advances
1. Crop Husbandry	0401	2401	4401	6401
2. Fisheries	0405	2405	4405	6405
3. Forestry and Wild life	0406	2406	4406	6406
4. Ports and light houses	1051	3051	5051	7051
5. Civil Aviation	1053	3053	5053	7053

The various sections classified under these divisions shall be as given in the Annexure to this Chapter.

Major, Minor and Detailed Heads.

ARTICLE 26.

Substitute the following for the existing Article 25 & 26.

With effect from 1st April, 1974, the State Government have been following a six tier classification of Government transactions to reflect each function-Cum-Programme/activity. Each transaction has been identified as follows:-

- (1) Sector/Sub Sector
- (2) Major Head/Sub Major Head
- (3) Minor Head
- (4) Sub Head
- (5) Detailed Head and
- (6) Sub Detailed Head

With effect from 1st April, 1987, all Government transactions shall be exhibited in the revised structure of the Budget, accounts and Plan classification. The revised structure of Accounts with a list of Major Heads, concordance table indicating the existing Major Heads with the revised Major Heads and broad changes that are introduced in the new structure of Head of Accounts are shown in 'Appendix 2' of this code for reference and guidance.

27. The introduction of any new major or minor head as well as the abolition or change of nomenclature of any of the existing heads shall require the approval of the Comptroller and Auditor-General who will obtain the approval of the President, where necessary the Accountants-General shall have discretion to open all the prescribed detailed

27-29]

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS.**

[CHAP.3

heads and, when, necessary, to open a new one if a prescribed head is not suitable. Accountants-General should, however, secure that the detailed heads are not multiplied unnecessarily and that only such heads are opened in the accounts as are really essential. The following principles should also be observed in this connection:-

(a) A head which is definitely prescribed in the List of Major and Minor Heads of Account or any other list approved by the Comptroller and Auditor-General is being subordinate to the minor head should not be placed under another.

(b) If a new head is opened for transactions formerly merged in another head the new head should be placed next after the latter when new forms are printed, if it is not possible to do so earlier.

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

- * The list of major and minor heads issued by the Comptroller and Auditor-General has been printed separately as Appendix 2 to his 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.

Classification of Expenditure as "Charged" or as "Voted".

28. Expenditure which under the provisions of the Constitution is subject to the vote of the Legislature shall be shown in the accounts separately from expenditure which is charged on the Consolidated Fund of India or of a State. The expression 'Charged' or 'Voted' shall be appended to the heads concerned to distinguish the two categories of expenditure.

CLASSIFICATION OF TRANSACTION IN ACCOUNTS.**General Limitations.**

29. Under paragraph 11 (5) of the Audit and Accounts Order, 1936, the President or a Governor after consulting the Comptroller and Auditor-General, has the power to issue any general or special orders as to the head of account under which any specified transactions of any specified class is or are to be included. All rules of classification laid down in this Code shall not only be subject to the observance of this condition but shall also be subject to the directions regarding inter-departmental transfers contained in Chapter 4 and to any other rules or orders which have been or may be issued to regulate adjustments between Governments. Rules regulating adjustment between Governments of certain important categories of charges and receipts which have been accepted by all Governments are given in APPENDIX 3.

NOTE.-Whenever provision made in the estimates of receipts and expenditure framed by Government or in any order of appropriation does not conform to the recognized rules of

classification prescribed in this Code, the corresponding receipt or expenditure should be brought to account against the particular major or minor head or other unit of appropriation under which the provision is made unless there be strong reasons for a contrary course, as for instance, when such accounting would be contrary to law. Government should, however, be advised to rectify the error in the estimates of the following year unless it agrees to give effect to the correct classification in the accounts of the current year in view of substantial amounts involved or where the misclassification affects the accounts of commercial departments or allocation between Capital and Revenue heads. This note does not, however, apply to railways, in which case correct classification should be followed in accounts, irrespective of whether the provision in the budget has been made under the correct unit or not.

GENERAL PRINCIPLES AND METHODS OF ACCOUNTS.

General Principle of Classification.

30. As a general rule, the classification of transactions in Government accounts shall have closer reference to the department in which the revenue or expenditure occurs, than to the object of revenue or expenditure, or the grounds upon which it is sanctioned. For example, expenditure in the Public Works Department on buildings which are under its administrative control, but which are required by a non-commercial department, shall be debited in the Public Works Accounts and not passed on for adjustment against the department benefited by the expenditure.

30-A. General principles of allocation of expenditure between capital and revenue:-

1. Expenditure of a capital nature shall broadly be defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character or of extinguishing or reducing recurring liabilities such as those for future pensions by payment of commuted value.

2. It is inherent in the definition of capital expenditure that the assets produced should belong to the authority incurring the expenditure. Expenditure by Government of Grants-in-aid to local bodies or institutions for the purpose of creating assets which will belong to these local bodies or institutions cannot legitimately be considered as capital expenditure.

3. Expenditure on a temporary assets cannot ordinarily be considered as expenditure of a capital nature.

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

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

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

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

8. When under any special orders of Government, charges for interest during the process of construction of a project are temporarily met from capital the writing back of capitalised interest should form the first charge on any capital receipts or surplus revenue derived from the project when opened for working.

(Memorandum No.110780/SVI/68-1 dated 15th November 1968.)

IMPORTANT GENERAL ORDERS GOVERNING CLASSIFICATION.

Pay and Allowances (other than Travelling Allowances) of Government Servants.

31. The classification of pay and allowances other than travelling allowance of Government servants shall be governed by the following rules:-

(1) The whole pay and allowances of a Government Servants holding a post substantively or in an officiating capacity should be taken against the department and the post in which he is actually serving. This direction need not, however, be rigidly applied in the case of ministerial Government servants acting in other posts in the same office establishment; nor shall it apply to cases governed by the special directions issued by Government.

(2) When a Government servant whose main duties and post fall under one head of charge is entrusted with additional or subsidiary duties coming under another head, no portion of his pay and allowances shall be debited to the latter head. This rule shall not apply to separate fixed allowances for additional duties, nor shall apply to cases governed by special directions issued by Government.

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

NOTE 1.-The transit pay and allowances, both ways, of officers of the Defence or Railway Department lent to Civil Departments or vice versa are debitable to the borrowing department. This principle shall apply even in cases where the Government servant takes leave either before joining the borrowing department or before rejoining the lending department and shall hold good in respect of joining time admissible under the Service Rules applicable to him. Cases of permanent transfers between the Civil and the Defence or Railway Departments shall, however, be governed by the substantive rule in clause (3) above.

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

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

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

(Memorandum No.34840/Codes-63/2, dated 26th May 1963.)

NOTE 4.-The transit pay and transfer travelling allowances of Government servants belonging to the Tamil Nadu State, on transfer from one foreign employer to another, will be borne by the body to which the employee is proceeding.

(Memorandum No.75679.A/SVI/67-4, dated 6th October 1967.)

Local Rulings under Article 31.

(1) The remuneration paid to a Government servant appointed as Receiver of any property under section 146 (2) of the Criminal Procedure Code should be debited to the unit of appropriation "Honorarium under the major head of account to which his pay and allowances are debited.

(2) The transit pay and allowances and transfer Travelling Allowance of Government Servants of the Government of Tamil Nadu on deputation to another Government, while

serving under a foreign employer, will be borne by that foreign body from which he is proceeding.
(Memorandum No.38320/Codes, 1/70-5, dated 27th January 1971.)

Travelling Allowances.

32. The travelling allowance of a Government servant shall be classified in the accounts in accordance with the following rules:-

Save as provided below and subject also to the directions given by the Auditor-General to regulate adjustment between different departments of Government, the travelling allowance of a Government servant on whatever duty he may be employed shall be debited to the same head as his pay.

In the following cases, the travelling allowances of a Government servant may be debited to a head different from that to which his pay is debited:-

(1) in cases where a Government servant is required to travel on duty connected with an outside body or fund;

(2) when Government considers it necessary to show separately the cost of a special service; and

(3) in case covered by general or special orders by Government authorizing a deviation from the general rule.

Local Rulings under Article 32.

1. The travelling allowance of Government servants of other departments for journeys performed in connection with the conduct, superintendence, etc., of any examination under the control of the Tamil Nadu Public Service Commission or the Commissioner for Government Examinations, Madras, should be debited to the head to which the charges on account of the examination are debited, viz., "2051 Public Service Commission" or "2202 Education - General Education" may be.

2. The travelling allowance of Government servants for journeys undertaken in connection with the business of local bodies should be debited to State funds except when there are special rules to the contrary as in the case of District Board Engineers and District Health Officers travelling within their jurisdiction.

3. The travelling allowance of a Government servant attending a local board meeting when on leave should be charged to the local fund concerned.

4. The travelling allowance of Supervisors and Boring Mechanics for journeys undertaken in connection with the investigation of Watersupply and drainage schemes of local bodies should be debited to the local funds concerned.

5. The travelling allowance of Government servants of the Agricultural Department deputed to attend or give advice at meetings of the sub-committee of the United Planters

Association of Southern India should be borne by the Association.

6. The travelling allowance of Government servants for journeys connected with the business of Universities is governed by Rule 99-B of the Tamil Nadu Travelling Allowance Rules.

7. The travelling allowance of the Assistant Physical Director in the Education Department for journey in connection with the annual physical training examinations in the Senior Certified School, Chingleput and the Borstal Schools should be debited to the head "2202 Education" and not to "2056 Jails and Convict Settlements".

8. Travelling allowance to Government servants deputed for election work on behalf of Temple Committees should be paid directly by the Committees themselves.

9. The travelling allowance of the personal of any Government Commercial concern for a journey performed by them on duties unconnected with the concern should be debited to the head of account of the department on whose behalf the journeys is undertaken.

10. (a) The travelling allowance of State Government employees appointed to serve on committees or commissions set up by the Central Government incurred in accordance with the rules of the State Government should be borne by the State Government unless in any particular case it is decided otherwise. The question whether in any particular case the travelling allowance should be borne by the Central Government or not may be decided by the concerned administrative ministries of the Government of India themselves in consultation with the State Government. The charges on account of travelling allowance to be borne by the Central Government should be adjusted as per the procedure laid down in sub-paragraph (b) below.

(b) (i) A copy of orders of the Government of India appointing a State Government employee to a Committee or Commission set up by the Government of India should be communicated to the Accounts Officer of the State indicating the head of account to which the Travelling Allowance is debitable and the Circle of Account in which it will be adjusted. If the Circle of Account in which the Travelling Allowance is finally adjustable is different from that of the Accounts Officer of the State, a copy of the orders should also be sent to the Accounts Officer in whose books the charges are adjustable.

(ii) The travelling allowance should be drawn by the employee himself (if a Gazetted officer) or by the head of the office (if he is a non-gazetted officer) under the rules of the State Government.

(iii) The bill should be supported by a certificate from the Controlling Officer of the Committee/Commission specifying the dates on which the officer attended the meeting of the Committee or Commission.

(iv) As the Travelling Allowance will be regulated under the rules of the State Government, the charge should appropriately be audited by the State Accountant-General.

(v) The charge may be accounted for by the State Accountant-General, in the Central Section of his books, if adjustable finally in his Circle of Account. It, however, the charge is adjustable in another Circle of Account, the debit may be passed on by him through the Exchange Account to the other Accounts Officer concerned together with the requisite certificate of Audit.

Expenditure on Civil Works.

33. Expenditure on Civil Works shall be classified in accounts in accordance with the following principles:-

Outlay on buildings and other works shall be debited in the accounts as expenditure of the Public Works Department if the administrative control of the works is vested in officers of the Public Works Department and as expenditure of the civil department concerned if the administrative control of the works is transferred by a general or special order of Government from the Public Works Department to the department using or requiring them. The term "administrative control" when applied to Civil Works implies inter alia the assumption of full responsibility for construction, upkeep and maintenance of buildings and other works and the provision of funds for the execution of these functions. This responsibility is not diminished if the execution of the work is entrusted to a different agency. Thus works, the administration of which is not transferred from the Public Works Department, may by mutual arrangement be executed by the Military Engineer Services, or by any other Civil department (e.g., Mint), but the charges in connection with them shall nevertheless be classified as Public Works expenditure. On the other hand, a Civil department, to which the administration of a building has been transferred, may invoke the aid of the Public Works Department for technical advice or execution, but the charges relating thereto shall be debited to the department concerned. The function of the Military Engineer Services in the former case and that of the Public Works Department in the latter is merely that of the contractor, and the administration and the control of the expenditure rests with the Public Works Department in the former case and with the Administrative Department concerned in the latter. The agency by which the work is executed shall not thus be the deciding factor in determining the question of classification.

NOTE.-Where the buildings, etc., are under the administrative control of the Public Works Department, it is open to Government to prescribe that expenditure on construction and repairs connected with these buildings, etc., up to a money limit fixed by Government shall be debited as expenditure of the civil departments carrying out the works.

All works expenditure debitable to civil departments shall be classified under the minor head 'Works' subordinate to the relevant departmental major head, unless Government by rule or order prescribes that such expenditure up to a money limit fixed it shall be classified as contingent expenditure of the department concerned.

Local Rulings under Article 33.

1. Rents recovered on account of buildings in charge of departments other than the Public Works Department should be treated as departmental receipts and not as receipts of the Public Works Department.

The rent of buildings hired for use as residences of Government servants of any Civil Non-Commercial department should be debited to the department which hired the building. Similarly when any land or building not belonging to the Public Works Department is hired by another department for occupation for any other public purpose, the rent should be paid by the department concerned, and the Public Works Department shall not pay the rent in such cases unless ordered by the Government to do so.

2. When a civil department using a building, etc., which is under the administrative control of the Public Works Department incurs expenditure on petty construction and repairs connected with the buildings, etc., up to an amount not exceeding Rs.5,000 for any one work, it should be charged as contingent expenditure of the civil department carrying out the work--See also Article 151 of the Tamil Nadu Financial Code.

3. Expenditure on petty construction and repairs connected with a building, etc., which is under the administrative control of a civil department, should be debited to the minor head "works" under the relevant department major head, if the expenditure on any one work exceed Rs.5,000. If the expenditure is within that limit, it should be charged as contingent expenditure of the civil department concerned.

4. The construction of a new rain-gauge pillar and the maintenance and repair of an existing rain-gauge should be undertaken by the department which uses or requires it, and the expenditure thereon should be debited to the head of account pertaining to the department. Charges on account of repairs to rain-gauges should be debited to "Petty construction and repairs", and charges for the purchase and replacement of instruments should be debited to an appropriate detailed head under "contingencies" other than "Petty construction and repairs".

5. The charges on account of the provision or renewal of coir matting for the Secretariat buildings at Madras and Ootacamund should be debited to "2052 Secretariat - General Services" ... Secretariat and Headquarters Establishments - while similar charges relating to the Legislative Chamber

33-34]

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS.**

buildings at Madras should be debited to "2053 District Administration". The expenditure should not in either of the above cases debited to "4059 Civil Works".

Contribution made by or to Government.

34. (a) Contributions made by the Central or the State Governments to district boards, municipalities, etc., or vice versa shall be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus, a grant for the construction of a school shall be debited to "2202 Education"; a grant for the construction of a drainage system to "2210 Public Health" and a grant for the construction of roads to "4059 Civil Works"; while a grant given for general purposes, such as a grant to make good a deficit or as compensation for revenue resumed, shall be classified under "4000 Miscellaneous".

1. If the financial assistance given by the Central or a State Government to local body does not take the form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or a part of the cost of a work constructed by that department of behalf of the local body concerned, the contribution thus made should be debited as expenditure under the minor head 'Grant-in-aid' of the Public Works major head concerns irrespective of the object of the assistance.

2. A contribution paid by a local body with the express object of meeting the whole or a part of the cost of construction, by the Public Works Department of a specific work which is eventually to be the property of Government, should be credited in the Public Works accounts to the debit head "Public Works Deposits". The contribution should, for accounts purposes, be divided into two parts, the one representing a share of works expenditure and the other of the usual percentages on that share to cover charges for Public Works Establishment and tools and plant; and the expenditure as actually incurred, together with the percentages, should be debited against it.

(b) Article 232 of the Constitution provides that a State may make any grants for any public purpose, notwithstanding that the purpose is not one with respect to which Parliament or the Legislature of the State, as the case may be may make laws. A grant which a State Government may make to the Central Government under the said article need not invariably take the form of a grant-in-aid. It would be open to the State Government to incur by agreement with the Central Government direct expenditure on a Union subject and such expenditure should be recorded in the accounts as State expenditure under the appropriate head of account concerned. For example, if a State Government by agreement with the Central Government incur direct expenditure on Ancient and Historical Monuments, a Union subject, such expenditure if incurred in the Public Works Department should be recorded under the minor head "Civil Works" subordinate to the head "4059 Civil Works--Original Works--Buildings".

Local Rulings under Article 34.

1. All fines realized by courts remitted into the treasury should be credited under the head "070 Other Administrative Service".

Exception.--(a) Any amount that a court has ordered to be paid to an injured party as compensation should not be credited under the head of fines but should be kept in deposit both in appealable and non-appealable cases till it lapses under the ordinary rule.

(b) Taxes and dues payable to local bodies and realized by courts should not be credited under the head of fines, but should be credited at once to the local body concerned. Licence fees and taxes recovered under the Madras City Municipal Act by the Presidency Magistrates, which are payable to the Corporation of Madras, may, however, be transferred to "Criminal Courts Deposits" in the first instance and repayment orders issued once a month in favour of the Corporation of Madras. Presidents of bench courts who collect license fees on behalf of panchayat boards should pass on the amounts immediately to the Presidents of the boards, if they are at the same station. If they are not at the same station and there is reason to believe that payment is not likely to be made within a month, the fees should be credited under "Deposits".

2. Fines on account of which the Government pay grants should be shown in the accounts separately from other fines creditable to the Government under a distinct head "Fines for which compensations are payable to local and other bodies".

3. Grants are payable to local bodies and certain other authorities in lieu of magisterial fines levied under certain legislative enactments--See Article 306 of the Tamil Nadu Financial Code. These grants should be debited in the accounts as follows:-

Head of Account

- | | |
|--|--|
| (1) Compensation on account of fines levied under the Tamil Nadu Motor Vehicles Taxation Act, 1931 (Tamil Nadu Act III of 1931). | 2041 Charges on account of Motor Vehicles Act--Compensations to local bodies, etc. |
| (2) Compensation on account of other fines-- | |
| (i) Payments made in Madras City. | 2014 Administration of Justice--Presidency Magistrates Courts. |
| (ii) Payments made in places other than Madras City. | 2014 Administration of Justice--Criminal Courts. |

4. The proceeds of the surcharge levied by the Madras Corporation under section 98 of the Madras City Municipal Act (Madras Act IV of 1919) on the duty imposed by the Indian Stamp Act (India Act II of 1889) on instruments of sale, gift and mortgage with possession of immovable property situated within the limits of Madras City, should be credited in full in the first instance to the head "0030 Stamps" along with the proceeds of the stamp duty. An amount equal to 3 percent of the proceeds of the surcharge is due to the Government as collection charges, and this should be transferred by deduction from "0030 Stamps" and credit to "0030 Registration" and "0070. Other Administrative Services" in proportion to the amount collected by the Registration Department and the Collectors. The remaining 97 per cent of the proceeds of the surcharge is payable to the Corporation and should similarly be transferred by deduction from "0030 Stamps" and per contra credit to Deposits. The adjustment will be made by the Accountant-General on receipt of quarterly statements from the Inspector-General of Registration and the Collectors. The payments to the Corporation should be classified as repayments on deposit.

5. (i) A grant to the State Government by another Government should be treated as ordinary revenue of the recipient Government, irrespective of whether the granter Government retains control over the expenditure from the grant or not.

(ii) A grant from an outside agency to a State Government made without reserving control over the expenditure therefrom should also be treated as ordinary revenue of Government.

(iii) Where reserves are created out of the grants mentioned in sub-paragraphs (i), (ii) above and also out of money set aside by the State Government from the Consolidated Fund of the State [vide item (ii) of the categories of reserves referred to in sub-paragraph (i) above] the transfer to and the expenditure from the reserve are required to be voted by the Legislature or shown as charged.

2. The grants from outside agencies who do not retain control over the expenditure met therefrom and the grants from other Government will in the first instance, be taken to the relevant receipt head of account of the Government. Simultaneously, an amount equivalent to the grant received and credited to the receipt head, will be transferred to relevant head in the Deposit Section of accounts debit to the Service Major head concerned. In the case of fund of the second category referred to in sub-paragraph (1) above, the amounts set aside by the State Government from the Consolidated Fund of State to provide reserves for expenditure to be incurred by themselves on particular purposes should likewise be taken to the Deposit Head opened for the purpose. In both cases, in order to bring the expenditure from the fund into the Appropriation Accounts, the expenditure should be accounted for under the relevant services head of expenditure under which provision of funds has been made an equivalent amount

will be credited to the services head concerned by transfer from the Deposit Head concerned and shown as a deduct entry thereunder.

NOTE.--In case where the outside agencies retain control over the expenditure met from the grants given by them, the budgeting and accounting procedure to be followed should be decided by the Government in consultation with the Accountant-General, concerned.

(Memo.No.11637/Code-I/70-7, dated 20th October 1970.)

Refunds of Revenue.

35. Refunds of revenue shall, as a general rule, be taken in reduction of the revenue receipts under the major head concerned.

Classification of Transaction under "Advances Repayable".

36. Moneys advanced for miscellaneous purposes under special authority and recoverable in cash and sums overpaid on vouchers other than those for service payments shall be adjusted under the head "Advances Repayable". Payments made on account of Government expenditure should not be held under "Advances Repayable" on the ground that further proceedings in audit are necessary for their final admission. This head shall cover items which are from their inception debts due to Government recoverable either in cash or by deduction from pay and allowances. Pay and allowances of any kind in respect of an assignable period paid before they are due shall be debited to the same head as when paid after they are due, but advances of pay and travelling allowances made to a Government servant under orders of transfer may be debited to "Advances Repayable" or if the Government servant is transferred to another account circle should be passed on to the latter circle for adjustment. Advances for compensation for land may be debited to "Advances Repayable" and retained under that head until receipt or proper payment, vouchers when the amounts should be transferred to the debit of the department concerned.

Advances for law suits shall be finally debited against the department concerned. Refunds of amounts remaining unspent out of these advances shall be dealt with as cash recoveries of service payments- vide Article 22 * of Volume IV of the Comptroller and Auditor-General's Account Code.

Local Ruling under Article 36.

Any excess recovery in regard to an advance on transfer remaining unclaimed and treated as Government revenue in accordance with the last sentence to Article 239 (c) (3) of the Tamil Nadu Financial Code should be credited under the head "0075 Miscellaneous-General Miscellaneous" by debit to the Objection Book Advance head.

Classification of Transaction under "Suspense".

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

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

* *Article 22 of the Comptroller and Auditor-General's Account Code, Volume IV.*

22. If a recovery relating to an overpayment of the current year be made by short payment of an item chargeable to the same detailed head no separately adjustment shall be necessary. But such recoveries, if they are made in cash on by short payment of items not chargeable to the same detailed heads as were previously overcharged, as well as recoveries relating to overpayments of a previous year, whatever the mode of recovery, shall be credited in the first instance to the suspense head "Recoveries of Service Payments" and appear under that head in the Classified Abstract. The suspense head shall then be cleared by a transfer entry in the following manner:—

(a) by deduction from the current year's charge under the detailed head previously overcharged, if the recoveries relate to overpayments of the current year.

(b) by credit to the departmental head concerned as receipts of the department or, in the case of departments not having a corresponding receipt head, to the major head 075. "Miscellaneous", General Services if the recoveries relate to overpayment of a previous year.

There shall be only one transfer entry each month for adjusting the recoveries of each department.

Local Ruling under Article 37.

The amounts not relating to Government should not be accepted for credit by Bank/Treasury. If, however, some credits are received in Government account, it is necessary that the amounts are refunded to the parties by the Treasury. The following procedure should be followed in accounting such credits:-

(i) The wrong credits should be kept under 'Suspense' for three full financial years (excluding the year of remittance) instead of five years suggested by Accountant-General.

(ii) The Treasury Officer should take necessary steps to trace the remitters and refund the wrong credits.

(iii) At the end of period in (1) above, amounts should be transferred to "0075. Miscellaneous General Service-Other receipts".

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

Cost of acquisition of land.

38. The cost of land taken up by acquisition shall be debited to the department for which it is acquired-See also Notes 1 and 2 to Article 62.

Sale-proceeds of Government Land and Buildings.

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

SCHEDULE I.--*Sale-proceeds of Land; etc.*

Head to which creditable.

<p>* (i) When the cost of the land was originally debited to, or remains at the debit of the Capital Account of any project or undertaking for which regular Capital and Revenue accounts are kept or was originally met from the revenue account of such project or undertaking.</p>	<p>The Capital or Revenue Account of the project, as the case may be, according to the allocation rules applicable to the department concerned.</p>
---	---

* In the case of land acquired by Government on payment for companies, railways or of Government land made over to such railways by other Government departments or railways where the cost was originally debited to "Subsidized companies--Land" the sale-proceeds are creditable to "Subsidized companies" on the receipt side.

39]

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS.**

[CHAP. 3

- | | |
|---|---|
| (ii) When the cost was originally debited to a Capital expenditure head outside the Revenue account even though no regular Capital and Revenue accounts are kept for the work covered by the Capital expenditure. | The Capital expenditure head originally debited |
| (iii) When the cost was originally debited, within the Revenue Section of the accounts to any service or Revenue department for which no Capital and Revenue Accounts are kept. | The receipt head relating to the department concerned, or, in the case of departments not having a corresponding receipt head "075 Miscellaneous--General Services. |
| (iv) When the cost was not so debited-- | |
| (a) the rights of Government in agricultural land not covered by clause (b): | 0029 Land revenue. |

SCHEDULE II:--Sale-proceeds of Buildings (including the actual area occupied by or auxiliary to a building).

- | | Heads to which
creditable. |
|---|--|
| (i) When the cost of the building was originally debited to or remains at the debit of the Capital Account of a project or undertaking for which regular Capital and Revenue Accounts are kept or was originally met from the Revenue Account of such project or undertaking. | The Capital or Revenue Account of the project, as the case may be, according to the allocation rules applicable to the department concerned. |
| (ii) When the cost of the building was originally debited to a Capital expenditure head outside the Revenue Account, even though no regular Capital and Revenue Accounts are kept for the work covered by the Capital expenditure. | The Capital expenditure head originally debited |
| (iii) When the sale affects irrigation navigation, embankment and drainage works for which Capital Accounts are not kept. | 701 Irrigation, navigation, embankment and drainage works for which no capital Accounts are kept. |

- | | |
|---|--|
| (iv) When the sale is of buildings, the cost of which was originally debited, within the revenue section of the accounts to any service or revenue department for which no Capital and Revenue Accounts are kept. | The receipt head relating to the department concerned, or, in the case of departments not having a corresponding receipt head "0075 Miscellaneous General Services". |
| (v) In all other cases-- | |
| (a) if sold in the Public Works Department. | 0059 Public Works. |
| (b) if sold in the Defence Department. | 0077 Defence Receipts Effective. |
| (c) if sold by Civil agency. | 0070 Miscellaneous -other Administrative Services |

NOTE 1.--Any special and non-recurring receipts unconnected with expenditure previously debited to a capital head falling under Schedules I and II of this rule may be credited to the Major Head "0075 Miscellaneous-General Services". All Miscellaneous Receipts. If the Government desires to distinguish them from the ordinary revenues of the year, provided the amount involved is so large as to justify this Special Treatment.

Municipal Rates and Taxes.

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

(a) As a general rule, municipal rates and taxes on a non-residential building paid by, or passed on to, a department other than the Defence Department, occupying the whole or part of the building shall be debited to the contingencies of the department concerned. Where, however, the whole or part of the tax is paid by the Public Works Department or by a civil department as the department in administrative control of the building the payment may be debited to the maintenance estimate of the building concerned.

(b) Taxes on non-residential buildings occupied by departments other than the Defence Department if paid by a department nominated by Government in this behalf and not passed on to the occupying departments, shall be debited to Rents Rates and Taxes. Under the service head of the Department concerned.

(c) Taxes on residential buildings payable by Government, whether the buildings are under the administrative control of the Public Works Department or any other civil department shall be debited to the maintenance estimates of the buildings concerned.

NOTE.-In cases where the whole or any portion of the taxes which by local rule or custom are ordinarily leviable from the tenant, is paid by a department other than the department in administrative control of the building the charge may be treated as contingent expenditure of the paying department.

(d) Taxes both on residential and non-residential buildings owned or occupied by the Defence Department shall be debited to Defence Service estimates.

Local Ruling under Article 40.

The detailed rules governing the payment of municipal and other local taxes on buildings, etc., occupied by the departments of the Government or Government servants under their administrative control, are laid down in Article 120 of the Tamil Nadu Financial Code.

Cost of Survey of Indian and other Scientific parties accompanying a Military Expedition.

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

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

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

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

Miscellaneous Local Rulings.

1. The charges on account of section writing should, except in the Registration Department, be classified in the accounts as shown below:-

	Unit to which expenditure should be debited.
Amounts paid to Government servants in all departments.	Allowances and hono- raria.

(2) Charges for collection of Corporation tax are accounted for under the head "0021 Taxes on Income other than Corporation Tax" in the first instance, the amounts debitable to the head "0020 Corporation Tax" being transferred later from the former head to the latter.

(3) Interest paid by Government on loans is taken initially under the head "0049 Interest on Debt and Other Obligations" and necessary transfers from this head are made subsequently in respect of amount debitable to Commercial departments.

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

Local Ruling under Article 42.

Collection of tolls under the Madras Roads and Bridges Tolls Rules, 1942

(1) Revenue.-- The receipts from tolls should be credited to the minor head "Tolls on roads" under the major head "1054 Roads and Bridges.

(2) Expenditure.--The items of expenditure to be incurred and one head of account to which they should be debited are as shown below:--

Heads of Accounts

- | | |
|---|---|
| 1. Expenditure incurred for effecting recoveries from lessees who have defaulted or are otherwise liable to pay lease amounts, e.g., expenditure on filing suits and taking execution proceedings and other incidental charges. | The charges should be debited either to 2053 DISTRICT Administration-A. Collectors and Magistrates--6. Contingencies" or to "2014 Administration of Justice--Law Officers" according to the nature of charges |
| 2. Expenditure on the construction of toll-houses, sheds, gates, etc | "2059 Civil Works-a. Original Works--Buildings--Miscellaneous department." |
| 3. Expenditure incurred when tollgates have to be taken over from the lessee and managed departmentally. | If a special staff is employed the cost should be debited to a new "sub-head establishment for collection of tolls" under "2059 Civil Works-e. Establishments - E. Executive establishments". |

Record of Capital Expenditure in Accounts.

43. The following principles shall govern the record of Capital expenditure in the accounts:-

(1) Save as provided otherwise, all expenditure of a Capital nature incurred in a Commercial department or in connection with commercial undertakings for which regular Capital and Revenue accounts are kept shall be debited in the first instance to a capital head outside the Revenue Account. So much of this expenditure as Government may decide to finance out of revenue sources shall be transferred to corresponding capital head within the Revenue Account.

Note.--Capital expenditure financed from ordinary revenues may be debited direct to a capital head within the Revenue Account if so desired by Government, provided that the expenditure is recorded in sufficient detail under the capital major head within the Revenue Account, so that it may be combined with the expenditure brought to account under the capital major head outside the Revenue Account in order to show the total capital outlay in one place in the administrative or pro forma accounts maintained for the purpose. In the absence of an appropriate capital major head within the Revenue Account such capital expenditure shall be taken directly to a distinct sub-head with separate detailed heads to be opened for the purpose under the relevant Revenue major head concerned.

(2) In the case of other departments, expenditure of a capital nature on a project which Government may decide to finance from borrowings or from non-revenue sources shall be debited initially and finally to a capital head outside the Revenue Account while similar expenditure on all other projects shall be taken direct to the appropriate head within the Revenue Account. No question of transferring any portion of the expenditure initially recorded outside the Revenue Account to the Revenue Account should arise in these cases unless Government decide to write the expenditure back to Revenue over a period of years. If this process takes the form of amortization of loans taken for the expenditure, the annual Sinking Fund payments shall be debited to the appropriate Revenue head of account concerned.

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

* The rules framed by the Government in consultation with the Comptroller and Auditor-General in regard to the allocation of expenditure between Capital and Revenue in Commercial departments and undertakings are contained in Appendix I to Volume III.

*Accounting for transactions relating
to Scheduled Areas.*

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

45. [Deleted.]

Accounting for Losses.

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

Exhibition of Recoveries in Government Accounts.

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

Accounting for Recoveries of Overpayments.

48. Recoveries of overpayments shall be adjusted in the accounts in accordance with the procedure set out in Article 22 of Volume IV of the Comptroller and Auditor-General's Account Code.

Accounts of Commercial Undertaking.

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

The methods and principles in accordance with which subsidiary and proforma accounts in commercial forms are to be kept including Inter-alia basis to be adopted for valuation of assets and for allocation of expenditure between capital and revenue accounts and the extent to which provision should be made in these accounts for bad debts, depreciation and other terms of indirect charges (e.g) cost of management and

supervision, audit charges, interest on capital expenditure etc., should be regulated by orders and instructions issued by Government in each case.

Working Expenses of commercial Departments.

50. As a general rule, all expenditure pertaining to a department should be recorded on the expenditure side of the account. In the case of recognised Commercial departments, however, it is permissible to take "Working Expenses" on the receipt side as deductions from gross receipts.

Transactions with other Governments and Account Circles.

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

Rectification of Misclassifications.

52. The procedure to be followed in rectifying misclassification in accounts, shall be as prescribed in Chapter 19* of Volume IV of the Comptroller and Auditor-General's Account Code.

Correction of Accounts.

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

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

* Chapter 19 of the Comptroller and Auditor-General's Account Code, Volume IV.

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

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

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

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

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

Note 2.-Errors in the accounts of Divisional officers of the Public Works Department shall be governed by the rule in Article 200 of Volume III of the Madras Account Code.

Writes-off from Balanced Heads to "Government".

53. Ordinarily all amounts due to Government which are found to be irrecoverable shall be written off from the Debt head of account to an expenditure head as a loss to Government. Similarly, any amount due by Government remaining unclaimed for such time as may be prescribed by Government may be credited as revenue of the Government concerned by debit to the Debt or Deposit head concerned. No amounts should be written off to "Government Account" under "Deposits and Advances-Part V-Miscellaneous" from a head of account which closes to balance in the Government account without a specific order of the Comptroller and Auditor-General and then only on the ground that the error is one of book-keeping only.

Note- Amounts not exceeding Rs.100, Rs.1,000 in each case may be written off from the head "Provident Fund Suspense" to the head "Miscellaneous government Account" by a Senior Deputy Accountant-General/an Accountant-General Provided that-

(i) the amounts written off have been got. thoroughly examined by the Internal Audit Section;

(ii) the Senior Deputy Accountant-General/ Accountant-General has personally satisfied himself that a dead end has been reached and a write off is unavoidable; and

(iii) the Senior Deputy Accountant - General / Accountant - General has also satisfied himself that the error is of book-keeping only.

A report of the amounts written off by the Senior Deputy Accountant-General should be submitted to the Accountant - General every quarter for review.

The amounts written off by the Senior Deputy Accountant - General and Accountant - General should be reported to the Comptroller and Auditor - General of India half yearly along with certificates to the effect.

(i) that the amounts written off had been got thoroughly examined by the Internal Audit Section;

(ii) that the Accountant - General had personally satisfied himself that a dead end had been reached and a write off was unavoidable; and

(iii) that he had also satisfied that the error was one of book keeping only.

(Memo No.150070/Codes-I/70-4, dated 3rd July 1971)

Accounts to work from Balance to Balance.

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

**GENERAL PRINCIPLES AND METHOD
OF ACCOUNTS**

[CHAP. 3

ANNEXURE

GENERAL PRINCIPLES AND METHOD OF ACCOUNTING
(SEE ARTICLE 25)

List of section under the Main Divisions of Accounts Part-I
CONSOLIDATED FUND.

RECEIPT HEADS (REVENUE ACCOUNT)

<u>Account code</u>	<u>Description</u>
	<u>A. Tax Revenue</u>
	<u>(a) Taxes on Income and Expenditure</u>
0020	Corporation Tax
0021	Taxes on Income Other than Corporation Tax
0022	Taxes on Agricultural Income
0023	Interest Tax
0028	Other Taxes on Income and Expenditure
	<u>(b) Taxes on Property and Capital Transactions</u>
0029	Land Revenue
0030	Stamps and Registration
0031	Estate Duty
0032	Taxes on Wealth
0033	Gift Tax
0035	Taxes on Immovable Property Other than Agricultural Land
	<u>(c) Taxes on Commodities and Services</u>
0037	Customs
0038	Union Excise Duties
0039	State Excise
0040	Sales Tax
0041	Taxes on Vehicles
0042	Taxes on Goods and Passengers
043	Taxes and Duties on Electricity

**GENERAL PRINCIPLES AND METHOD
OF ACCOUNTS**

<u>Account code</u>	<u>Description</u>
0045	Other Taxes and Duties on Commodities and Services.
	<u>B. Non-Tax Revenue</u>
	<u>(a) Fiscal Services</u>
0046	Currency, coinage and Mint Other Fiscal Services
	<u>(b) Interest Receipts</u>
0049	Interest Receipts Dividends
0050	Dividends and Profits.
	<u>(c) Other Non-Tax Revenue</u>
	<u>(i) General Services</u>
0051	Public Service Commission
0055	police
0056	Jails
0057	Supplies and Disposals
0058	Stationery and Printing
0059	Public Works
0070	Other Administrative Services
0071	Contributions and Recoveries towards Pension and other Retirement Benefits
0075	Miscellaneous General Services
0076	Defence Services - Army
0077	Defence Services - Navy
0078	Defence Services - Air Force
	<u>(ii) Social Services</u>
0202	Education, Sports, Art and Culture
0210	Medical and Public Health
0211	Family Welfare
0215	Water Supply and Sanitation
0216	Housing
0217	Urban Development
0220	Information and Publicity

GENERAL PRINCIPLES AND METHOD
OF ACCOUNTS

[CHAP. 3]

<u>Account Code</u>	<u>Description</u>
0221	Broadcasting
0230	Labour and Employment
0235	Social Security and Welfare
0250	Other Social Services
	<u>(c) Other Non-Tax Revenue</u>
	<u>(iii) Economic Services</u>
0401	Crop Husbandry
0403	Animal Husbandry
0404	Dairy Development
0405	Fisheries
0406	Forestry and Wild Life
0407	Plantations
0425	Co-operation
0435	Other Agricultural Programmes
0506	Land Reforms
0515	Other Rural Development Programmes
0551	Hill Areas
0552	North Eastern Areas
0575	Other Special Areas Programmes
0701	Major and Medium Irrigation
0702	Minor Irrigation
0801	Power
0802	Petroleum
0803	Coal and Lignite
0810	Non Conventional Sources of Energy
0851	Village and Small Industries
0852	Industries
0853	Non-ferrous Mining and Metallurgical Industries
0875	Other Industries

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Account Code</u>	<u>Description</u>
1001	Indian Railways - Miscellaneous Receipts
1002	Indian Railways - Commercial Lines - Revenue Receipts
1003	Indian Railways - Strategic Lines Revenue Receipts
1051	Ports and Light Houses
1052	Shipping
1053	Civil Aviation
1054	Roads and Bridges
1055	Road Transport
1056	Inland Water Transport
1075	Other Transport Services
1201	Postal Receipts
1225	Telecommunication Receipts
1251	Overseas Communication Services
1275	Other Communication Services
1401	Atomic Energy Research
1425	Other Scientific Research
1452	Tourism
1453	Foreign Trade and Export Promotion
1475	Other General Economic Services
	<u>C.Grants-In-Aid and Contributions</u>
1601	Grants in-aid from Central Government
1603	States Share of Union Excise Duties
1605	External Grant Assistance
1606	Aid Material and Equipment

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP.3

<u>Account Code</u>	<u>Description</u>
<u>EXPENDITURE HEADS (REVENUE ACCOUNT)</u>	
<u>A. General Services</u>	
<u>(a) Organs of State</u>	
2011	Parliament/State/Union Territory Legislatures
2012	President, Vice President/Governor, Administrator of Union Territories
2013	Council of Ministers
2014	Administration of Justice
2015	Elections
2016	Audit
<u>(b) Fiscal Service</u>	
<u>(i) Collection of Taxes on Income and Expenditure</u>	
2020	Collection of Taxes on Income and Expenditure
<u>(ii) Collection of Taxes on Property and Capital Transactions</u>	
2029	Land Revenue
2030	Stamps and Registration
2031	Collection of Estate Duty, Taxes on Wealth and Gift Tax
2035	Collection of other Taxes on Property and Capital Transaction
<u>(iii) Collection of Taxes on Commodities and Services</u>	
2037	Customs
2038	Union Excise Duties
2039	State Excise
2040	Sales Tax
2041	Taxes on Vehicles
2045	Other Taxes and Duties on Commodities and Services

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS.

<u>Account Code</u>	<u>Description</u>
	<u>(iv) Other Fiscal Services</u>
2046	Currency, Coinage and Mint
2047	Other Fiscal Services
	<u>(c) Interest Payment and Servicing of Debt.</u>
2048	Appropriation for reduction or avoidance of debt
2049	Interest payments
	<u>(d) Administrative Services</u>
2051	Public Service Commission
2052	Secretariat-General Services
2053	District Administration
2054	Treasury and Accounts Administration
2055	Police
2056	Jails
2057	Supplies and Disposals
2058	Stationery and Printing
2059	Public Works
2061	External Affairs
2070	Other Administrative Services
	<u>(e) Pensions and Miscellaneous General Services</u>
2071	Pension and Other Retirement Benefit
2075	Miscellaneous General Services
	<u>(f) Defence Services</u>
2076	Defence Services - Army
2077	Defence Services - Navy
2078	Defence Services - Air Force

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Account Code</u>	<u>Description</u>
	<u>B. Social Services</u>
	<u>(a) Education, Sports, Art and Culture</u>
2202	General Education
2203	Technical Education
2204	Sports and Youth Services
2205	Art and Culture
	<u>(b) Health and Family Welfare</u>
2210	Medical and Public Health
2211	Family Welfare
	<u>(c) Water Supply, Sanitation, Housing and Urban Development</u>
2215	Water Supply and Sanitation
2216	Housing
2217	Urban Development
	<u>(d) Information and Broadcasting</u>
2220	Information and Publicity
2221	Broadcasting
	<u>(e) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</u>
2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes
	<u>(f) Labour and Labour Welfare</u>
2230	Labour and Employment
	<u>(g) Social Welfare and Nutrition</u>
2235	Social Security and Welfare
2236	Nutrition
2245	Relief on account of Natural Calamities

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Account Code</u>	<u>Description</u>
	<u>(h) Others</u>
2251	Secretariat - Social Services
2252	Other Social Services
	<u>C. Economic Services</u>
	<u>(a) Agricultural and Allied Activities</u>
2401	Crop Husbandry
2402	Soil and Water Conservation
2403	Animal Husbandry
2404	Dairy Development
2405	Fisheries
2406	Forestry and Wild life
2407	Plantations
2408	Food, Storage and Warehousing
2415	Agricultural Research and Education
2416	Agricultural Financial Institutions
2425	Co-operation
2435	Other Agricultural Programmes
	<u>(b) Rural Development</u>
2501	Special Programmes for Rural Development
2505	Rural Employment
2506	Land Reforms
2515	Other Rural Development Programmes
	<u>(c) Special Area Programmes</u>
2551	Hill Areas
2552	North-Eastern Areas
2575	Other Special Area Programmes
	<u>(d) Irrigation and Flood Control</u>
2701	Major and Medium Irrigation

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS

<u>Account Code</u>	<u>Description</u>
	<u>(g) Transport</u>
3053	Civil Aviation
3054	Road and Bridges
3055	Road Transport
3056	Inland Water Transport
3075	Other Transport Services
	<u>(h) Communications</u>
3201	Postal Services
3225	Telecommunication Services
3230	Dividends to General Revenues
3231	Appropriations from Telecommunication Surplus
3232	Repayment of Loans taken from General Revenues by Telecommunications
3251	Overseas Communication Services
3252	Satellite systems
3275	Other Communication Services
	<u>(i) Science Technology and Environment</u>
3401	Atomic Energy Research
3402	space Research
3403	Oceanographic Research
3425	Other Scientific Research
3435	Ecology and Environment
	<u>(j) General Economic Services</u>
3451	Secretariat-Economic Services
3452	Tourism
3453	Foreign Trade and Export promotion
3454	Census, Surveys and statistics
3455	Meteorology

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS

[CHAP.3

<u>Account Code</u>	<u>Description</u>
2702	Minor Irrigation
2705	Command Areas Development
2711	Flood Control
	<u>(e) Energy</u>
2801	Power
2802	Petroleum
2803	Coal and Lignite
2810	Non-Conventional Sources of Energy
	<u>(f) Industry and Minerals</u>
2851	Village and Small Industries
2852	Industries
2853	Non-ferrous Mining and Metallurgical Industries
2875	Other Industries
2885	Other outlays on Industries and Minerals
	<u>(g) Transport</u>
3001	Indian Railways-Policy Formulation, Direction, Research and Miscellaneous organisation.
3002	Indian Railways - Commercial Lines - Working Expenses
3003	Indian Railways - Strategic lines - Working Expenses
3004	Indian Railways - Open Line Works
3005	Payments to General Revenues
3006	Appropriation from Railway Surplus
3007	Repayment of Loans taken from General Revenues by Railways
3025	Payment towards amortizations of over capitalization
3051	Ports and Light Houses
3052	Shipping

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3]

<u>Account Code</u>	<u>Description</u>
3456	Civil Supplies
3465	General Financial and Trading Institutions
3466	International Financial Institutions
3475	Other General Economic Services D-Grants-in-Aid and contributions
3601	Grants in aid to State Governments
3602	Grants in aid to Union Territory Government
3603	Payment of State Shares of Union Excise Duties
3604	Compensation and Assignments to Local Bodies and Panchayat Raj Institutions
3605	Technical and Economic Cooperation with other Countries
3606	Aid Material and Equipment

RECEIPT HEADS (CAPITAL ACCOUNT)

4000 Miscellaneous Capital Receipts

EXPENDITURE HEADS (CAPITAL ACCOUNT)

A. Capital Account of General
Services

4046	Capital Outlay on Currency, Coinage and Mint
4047	Capital Outlay on Other Fiscal Services
4058	Capital Outlay on Stationery and Printing
4059	Capital Outlay on Public Works
4070	Capital Outlay on other Administrative Services
4075	Capital Outlay on Miscellaneous General services
4076	Capital Outlay on Defence Services

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Account Code</u>	<u>Description</u>
	<u>B. Capital Account of Social Services</u>
	<u>(a) "Education, Sports, Art and Culture"</u>
4202	Capital Outlay on education, Sports, Art and Culture
	<u>(b) Health and Family Welfare</u>
4210	Capital Outlay on Medical and Public Health
4211	Capital Outlay on Family Welfare
	<u>(c) "Water supply, Sanitaion, Housing and Urban Development"</u>
4215	Capital Outlay on Water Supply and Sanitation
4216	Capital Outlay on Housing
4217	Capital Outlay on Urban Development
	<u>(d) Information and broadcasting</u>
4220	Capital Outlay on Information and Publicity
4221	Capital Outlay on Broadcasting.
	<u>(e) "Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes"</u>
4225	Capital Outlay on Welfare on Scheduled Castes, Scheduled Tribes and other Backward Classes.
	<u>(g) Social Welfare & Nutrition</u>
4235	Capital Outlay on Social Security and Welfare
4236	Capital Outlay on Nutrition
	<u>(h) Others</u>
4250	Capital Outlay on other Social Services

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP.3

<u>Account Code</u>	<u>Description</u>
<u>C. CAPITAL ACCOUNT OF ECONOMIC SERVICES</u>	
<u>(a) Capital Account of Agriculture and Allied activities</u>	
4401	Capital Outlay on Crop husbandry
4402	Capital Outlay on soil and Water Conservation
4403	Capital Outlay on Animal husbandry
4404	Capital Outlay on Dairy Development
4405	Capital Outlay on Fisheries
4406	Capital Outlay on Forestry and Wild Life
4407	Capital Outlay on Plantations
4408	Capital Outlay on Food, Storage and Warehousing
4415	Capital Outlay on Agricultural Research and Education
4416	Investments in Agricultural Financial Institutions
4425	Capital Outlay on Cooperation
4435	Capital Outlay on other Agricultural Programmes
<u>(b) Capital Account of Rural Development</u>	
4515	Capital Outlay on Other Rural Development Programmes
<u>(c) Capital Account of Special areas programmes</u>	
4551	Capital Outlay on Hill Areas
4552	Capital Outlay on North Eastern Areas
4575	Capital Outlay on other Special Areas Programmes
<u>(d) Capital Account of Irrigation and Flood control</u>	
4701	Capital Outlay on Major and Medium Irrigation

CHAP. 3] **GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Account Code</u>	<u>Description</u>
4705	Capital Outlay on Command Area Development
4711	Capital Outlay on Flood Control Projects
	<u>(e) Capital Account of Energy</u>
4801	Capital Outlay on Power Projects
4802	Capital Outlay on Petroleum
4803	Capital Outlay on Coal and Lignite
4810	Capital Outlay on Non-Conventional Sources of Energy
	<u>(f) Capital Account of Industry and Minerals</u>
4851	Capital Outlay on Village and Small Industries
4852	Capital Outlay on Iron and Steel Industries
4853	Capital Outlay on Non-ferrous Mining and Metallurgical Industries
4854	Capital Outlay on Cement and Non-metallic Mineral Industries
4855	Capital Outlay on Fertilizer Industries
4856	Capital Outlay on Petro-Chemical Industries
4857	Capital Outlay on Chemical Industries
4858	Capital Outlay on Engineering Industries
4859	Capital Outlay on Telecommunication and Electronic Industries
4860	Capital Outlay on Consumer Industries
4861	Capital Outlay on Atomic Energy Industries
4875	Capital Outlay on Other Industries
4885	Other Capital Outlay on Industries and Minerals

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3

<u>Account Code</u>	<u>Description</u>
	<u>(g) Capital Account of Transport</u>
5002	Capital Outlay on Indian Railways- Commercial lines
5003	Capital Outlay on Indian Railways- Strategic Lines
5051	Capital Outlay on Ports & Lights Houses
5052	Capital Outlay on Shipping
5053	Capital Outlay on civil Aviation
5054	Capital Outlay on Roads and Bridges
5055	Capital Outlay on Road Transport
5056	Capital Outlay on Inland Water Transport
5075	Capital Outlay on Other Transport Services
	<u>(h) Capital Account of Communications</u>
5201	Capital Outlay on Postal Services
5225	Capital Outlay on Telecommunication Services
5251	Capital Outlay on Overseas Communication Services
5252	Capital Outlay on Satellite system
5275	Capital Outlay on Other Communication Services
	<u>(i) Capital Account of Science Technology and Environment</u>
5401	Capital Outlay on Atomic Energy Research
5402	Capital Outlay on Space Research
5403	Capital Outlay on Oceanographic Research
5425	Capital Outlay on Other Scientific and Environmental Research

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Account Code</u>	<u>Description</u>
	<u>(j) Capital Account of General Economic Services</u>
5452	Capital Outlay on Tourism
5453	Capital Outlay on Foreign Trade and Export Promotion
5455	Capital Outlay on Meteorology
5465	Investments in General Financial and Trading Institutions
5466	Investments in International Financial Institutions
5475	Capital Outlay on Other General Economic Services
	<u>E - PUBLIC DEBT</u>
6001	Loans for Miscellaneous General Services
6002	External Debt
6003	Internal Debt of the State Government
6004	Loans and Advances from the Central Government
	<u>F - LOANS AND ADVANCES</u>
6075	Loans for Miscellaneous General Services
6202	Loans for Education, Sports, Art and Culture
6210	Loans for Medical and Public Health
6211	Loans for Family Welfare
6212	Loans for Nutrition
6215	Loans for Water Supply and Sanitation
6216	Loans for Housing
6217	Loans for Urban Development
6220	Loans for Information and Publicity
6225	Loans for Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3

<u>Account Code</u>	<u>Description</u>
6235	Loans for Social Security and Welfare
6245	Loans for Relief on account of Natural Calamities
6250	Loans for Other Social Services
6401	Loans for Crop Husbandry
6402	Loans for Soil and Water Conservation
6403	Loans for Animal Husbandry
6404	Loans for Dairy Development
6405	Loans for Fisheries
6406	Loans for Forestry and Wild Life
6407	Loans for Plantations
6408	Loans for Food Storage and Warehousing
6416	Loans to Agricultural Financial Institutions
6425	Loans for Cooperation
6435	Loans for Other Agricultural Programmes
6501	Loans for Special Programmes for Rural Development
6505	Loans for Rural Employment
6506	Loans for Land Reforms
6515	Loans for other Rural Development Programmes
6551	Loans for Hill Areas
6552	Loans for North Eastern Areas
6575	Loans for Other Special Areas Programmes
6701	Loans for Major and Medium Irrigation
6705	Loans for Command Area Development
6711	Loans for Flood Control Projects

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS

<u>Account Code</u>	<u>Description</u>
6801	Loans for Power Projects
6802	Loans for Petroleum
6803	Loans for Coal and Lignite
6810	Loans for Non-Conventional Sources of Energy
6851	Loans for Village and Small Industries
6852	Loans for Iron and Steel Industries
6853	Loans for Non-ferrous Mining and Metallurgical Industries
6854	Loans for Cement and Non-metallic Mineral Industries
6855	Loans for Fertilizer Industries
6856	Loans for Petro-Chemical Industries
6857	Loans for Chemical Industries
6858	Loans for Engineering Industries
6859	Loans for Telecommunication and Electronic Industries
6860	Loans for Consumer Industries
6861	Loans for Atomic Energy Industries
6875	Loans for Other Industries
6885	Loans for Other Industries and Minerals
7002	Loans to Railways
7051	Loans for Ports and Light Houses
7052	Loans for Shipping
7053	Loans for Civil Aviation
7055	Loans for Road Transport
7056	Loans for inland Water Transport
7075	Loans for Other Transport Services
7225	Loans for Telecommunication Services

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS

[CHAP.3

<u>Account Code</u>	<u>Description</u>
7275	Loans for Other Communication Services
7425	Loans for Other Scientific Research
7452	Loans for Tourism
7453	Loans for Foreign Trade and Export Promotion
7465	Loans for General Financial and Trading Institutions
7475	Loans for Other General Economic Services
7601	Loans and Advances to State Governments
7602	Loans and Advances to Union Territory Governments
7605	Advances to Foreign Governments
7610	Loans to Government Servants, etc.
7615	Miscellaneous Loans
	<u>G - INTER -STATE SETTLEMENT</u>
7810	Inter State Settlement
	<u>H - TRANSFER TO CONTINGENCY FUND</u>
7999	Appropriation to the Contingency Fund
	<u>PART - II -- CONTINGENCY FUND</u>
8000	Contingency Fund
	<u>PART III PUBLIC ACCOUNT</u>
	<u>"I - SMALL SAVINGS, PROVIDENT FUND, ETC.,</u>
	<u>(a) Small Savings</u>
8001	Savings Deposits
8002	Savings Certificates
8005	State Provident Funds
8006	Public Provident Funds
	<u>(c) Other Accounts</u>
8010	Trusts and Endowments

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Account Code</u>	<u>Description</u>
8011	Insurance and Pension Funds
8012	Special Deposits and Accounts
	<u>(j) Reserve Funds</u>
	<u>(a) Reserve Funds bearing Interest</u>
8115	Depreciation/Renewal Reserve Funds
8116	Revenue Reserve Funds
8117	Development Funds
8118	Capital Reserve Funds
8121	General and Other Reserve Funds
	<u>(b) Reserve Funds not bearing interest</u>
8222	Sinking Funds
8223	Famine Relief Funds
8224	Central Road Funds
8225	Roads and Bridges Fund
8226	Depreciation/Renewal Reserve Funds
8228	Revenue Reserve Funds
8229	Development and Welfare funds
8235	General and Other Reserve Funds
	<u>K. Deposits bearing Interest</u>
	<u>(a) Deposits bearing Interest</u>
8336	Civil Deposits
8337	Deposits of Railways
8338	Deposits of Local Funds
8342	Other Deposits
	<u>(b) Deposits not bearing Interest</u>
8443	Civil Deposits
8444	Defence Deposits
8445	Railway Deposits
8446	Postal Deposits

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP.3

<u>Account Code</u>	<u>Description</u>
8447	Tele Communication Deposits
8448	Deposits of Local Funds
8449	Other Deposits
8450	Balance of Union Territories
	<u>(c) Advances</u>
8550	Civil Advances
8551	Defence Advances
8552	Railway Advances
8553	Postal Advances
8554	Telecommunication Advances
	<u>L- Suspense and Miscellaneous</u>
8656	Coinage Accounts
8658	Suspense Accounts
8670	Cheques and Bills
8671	Departmental Balances
8672	Permanent Cash Imprest
8673	Cash Balance Investment Account
8674	Security Deposits made by Government
8675	Deposits with Reserve Bank
8679	Accounts with Government of Other Countries
8680	Miscellaneous Government Account
	<u>M - REMITTANCES</u>
	<u>(a) Money Orders and Other Remittances</u>
8781	Money Orders
8782	Cash Remittances and Adjustments between offices rendering accounts to the same Accounts Officer
8785	Other Remittances

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS

<u>Account Code</u>	<u>Description</u>
	<u>(b) Inter Government Adjustment Account</u>
8786	Adjusting Account between Central and State Governments
8787	Adjusting Account with Railways
8788	Adjusting Account with Posts
8789	Adjusting Account with Defence
8790	Accounts with States, etc. (Railways)
8791	Accounts with State, etc. (Posts)
8792	Accounts with States, etc. (Defence)
8794	Accounts with the High Commission for India in the United Kingdom
	<u>(c) Exchange Accounts</u>
8797	Exchange Accounts
	<u>N. CASH BALANCE</u>
8999	Cash Balance

TABLE OF CONCORDANCE LINKING THE EXISTING MAJOR HEADS WITH THE
PROPOSED REVISED MAJOR HEADS FROM 1-4-1987.

PART - I -- CONSOLIDATED FUND

Receipt Heads (Revenue Account)

<u>Existing Heads</u>	<u>Revised Heads</u>
<u>Tax Revenue</u>	
020 Corporation tax	0020 Corporation Tax
021 Taxes on Income other than Corporation Tax	0021 Taxes on Income other than Corporation Tax
022 Taxes on Agricultural Income	0022 Taxes on Agricultural Income
023 Deleted	
024 Interest Tax	0024 Interest Tax
028 Other Taxes on Income and Expenditure	0028 Other Taxes on Income and Expenditure
029 Land Revenue	0029 Land Revenue
030 Stamps and Registration Fees	0030 Stamps and Registration Fees
031 Estate Duty	0031 Estate Duty
032 Taxes on Wealth	0032 Taxes on Wealth
033 Gift Tax	0033 Gift Tax
035 Taxes on Immovable property other than agricultural Land	0035 Taxes on Immovable property other than Agricultural land
037 Customs	0037 Customs
038 Union Excise Duties	0038 Union Excise 'Duties'
039 State Excise	0039 State Excise
040 Sales Tax	0040 Sales Tax
041 Taxes on Vehicles	0041 Taxes on Vehicles
042 Taxes on Goods and Passengers	0042 Taxes on Goods and Passengers
043 Taxes on Duties on Electricity	0043 Taxes and Duties on Electricity
045 Other Taxes and Duties on Commodities and Services	0045 Other Taxes and Duties on Commodities and Services

CHAP. 3] **GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

B.NON - TAX REVENUE --Cont.

<u>Existing Heads</u>	<u>Revised Heads</u>
046 Currency, Coinage and Mint	0046 Currency, Coinage and Mint
047 other Fiscal Services	0047 Other Fiscal Services
049 Interest Receipts	0049 Interest Receipts
050 Dividends and Profits	0050 Dividends and Profits
051 Public Service commission	0051 Public Service Commission
055 Police	0055 Police
056 Jails	0056 Jails
057 Supplies and Disposals	0057 Supplies and Disposals
058 Stationery and Printing	0058 Stationery and Printing
059 Public Works	0059 Public Works
065 Other Administrative Services	0070 Other Administrative Services
066 Contributions and Recoveries towards Pension and other Retirement Benefits	0071 Contributions Recoveries towards Pension and other Retirement Benefits
067 Aid Materials and Equipments	1606 Aid Materials and Equipments
068 Miscellaneous General Services	0075 Miscellaneous General Services
069 Defence Services - Army	0076 Defence Services - Army
070 Defence Services - Navy	0077 Defence Services - Navy
071 Defence Services - Air Force	0078. Defence Services - Air Force
072 Defence Services - Pension Receipts	0071 Contributions and Recoveries towards Pension, etc
077 Education	0202 Education, Sports, Art and Culture
078 Arts and Culture	
080 Medical	0210 Medical and Public Health
082 Public Health, Sanitation and Water Supply	0215 Water Supply and Sanitation
081 Family Welfare	0211 Family Welfare

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3

B.NON - TAX REVENUE --Cont.

<u>Existing Heads</u>	<u>Revised Heads</u>
083 Housing	0216 Housing
084 Urban Development	0217 Urban Development
085 Information and Publicity	0220 Information and Publicity
086 Broadcasting	0221 Broadcasting
087 Labour and Employment	0230 Labour and Employment
088 Social Security and welfare	0235 Social Security and Welfare
095 Other Social and Community Services	0250 Other Social Services
098 Co-Operation	0425 Co-operation
099 Special and Backward areas	0551 Hill Areas
	0552 North Eastern Areas
	0575 Other Special Areas Programme
104 Other General Economic Services	1475 Other General Economic Services
105 Agriculture	0401 Crop Husbandry
	0407 Plantations
	0506 Land Reforms
106 Minor Irrigation, soil Conservation and Area Development	0702 Minor Irrigation and Area Development
	0435 Other Agricultural Programmes (Minor Head soil and Water Conservation)
	0575 Other Special Areas Programmes (Sub-major head - Others)
109 Food	0435 Other Agricultural Programmes
110 Animal Husbandry	0403 Animal Husbandry
111 Dairy Development	0404 Dairy Development
112 Fisheries	0405 Fisheries
113 Forest	0406 Forestry and Wild Life
114 Community Development	0515 Other Rural Development programme
120 Industries	0852 Industries

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

B.NON - TAX REVENUE --Cont.

<u>Existing Heads</u>	<u>Revised Heads</u>
	0802 Petroleum
	0803 Coal and Lignite
	0810 Non-Conventional Energy Sources
121 Village and Small Industries	0851 Village and Small Industries
128 Mines and Minerals	0852 Industries (for Iron and Steel Industries and cement and Non-metallic Mineral Industries)
	0853 Non-Ferrous Mining and Metallurgical Industries
131 Water and Power Development Services	0701 Major and Medium Irrigation
	0801 Power
132 Multipurpose River Projects	0701 Major and Medium Irrigation
	0801 Power
133 Irrigation, Navigation Drainage and Food Control Projects	0701 Major and Medium Irrigation
134 Power Projects	0801 Power
135 Ports, Light Houses and shipping	1051 ports and Light Houses
	1052 Shipping
136 Civil Aviation	1053 Civil Aviation
137 Roads and Bridges	1054 Roads and Bridges
138 Road and Water Transport Services	1055 Road Transport
	1056 Inland Water Transport
139 tourism	1475 Other General Economic Services (Minor Head Tourism)
144 Other Transport and Communication Services	1251 Overseas Communication Services
	1275 Other Communication Services
146 Indian Railways - Commercial Lines	1002 Indian Railways - Commercial Lines

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP.3

B. NON - TAX REVENUE --Cont.

<u>Existing Heads</u>	<u>Revised Heads</u>
147 Indian Railways - Strategic Lines	1003 Indian Railways - Strategic Lines
150 Subsidised Companies	1001 Indian Railways - Miscel - laneous receipts
155 Postal Receipts	1201 Postal Receipts
156 Telecommuincation Receipts	1225 Telecommunication Receipts

C. GRANTS, AID AND CONTRIBUTIONS

160 Grants-in-Aid from Central Government	1601 Grants in Aid from Central Government
162 States Share of Union Excise Duties	1603 States Share of Union/ Excise Duties
164 External Grant Assistance	1605 External Grant Assistance

EXPENDITURE HEADS (REVENUE ACCOUNT)

<u>A. General Services</u>	<u>A.General Services</u>
211 Parliament/State/UT Legislatures	2011 Parliament/State/Union/ Territory Legislatures
212 President, Vice-President, etc.	2012 President, Vice-President, etc.
213 Council of Ministers	2013 Council of Ministers
214 Administration of Justice	2014 Administration of justice
215 Elections	2015 Elections
216 Audit	2016 Audit
220 Collection of Taxes on income and Expenditure	2020 Collection of Taxes on income and Expenditure
229 Land Revenue	2029 Land Revenue
230 Stamps and Registration	2030 Stamps and Registration
231 Collection of Estate duty taxes on Wealth and Gift Tax	2031 Collection of Estate duty, etc.
235 Collection of Other taxes on Property and Capital transactions	2035 Collection of Other taxes, etc.
237 Customs	2037 Customs

CHAP. 3] **GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

EXPENDITURE HEADS (REVENUE ACCOUNTS) --Cont.

<u>A.General Services</u>	<u>A.General Services</u>
238 Union Excise Duties	2038 Union Excise Duties
239 State Excise	2039 State Excise
240 Sales Tax	2040 Sales Tax
241 Taxes on vehicles	2041 Taxes on Vehicles
245 Other taxes and duties on Commodities and Services	2045 Other taxes, etc.
246 Currency, Coinage and Mint	2046 Currency, Coinage and Mint
247 Other Fiscal Services	2047 Other fiscal Services
248 Appropriation for Reduction or avoidance of debt	2048 Appropriation for reduction or avoidance of debt
249 Interest Payments	2049 Interest Payments
251 Public Service Commission	2051 Public Service Commission
252 Secretariat - General Services	2052 Secretariat - General Services
253 District Administration	2053 District Administration
254 Treasury and Accounts Administration	2054 Treasury and Accounts Administration
255 Police	2055 Police
256 Jails	2056 Jails
257 Supplies and Disposals	2057 Supplies and Disposals
	3425 Other Scientific Research (ST. & E)
258 Stationery and Printing	2058 Stationery and Printing
259 Public Works	2059 Public Works included under "2070 OAS"
260 Fire Protection and control	2070 Other Administrative Services
261 External Affairs	2061 External Affairs
265 Other Administrative Services from "265" to "304"	2070 Other Administrative Services

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP.3

EXPENDITURE HEADS (REVENUE ACCOUNTS) --Cont.

<u>A.General Services</u>		<u>A.General Services</u>	
		3454	Census Surveys and Statistics (General Economic Services)
266	Pensions and other retirement benefits	2071	Pensions, etc.
267	Aid materials and equipments	3606	Aid materials and equipments (Grants-in-Aid and contributions)
268	Miscellaneous General Services	2075	Miscellaneous General Services
269	Defence Services - Army	2076	Defence Services - Army
270	Defence Services - Navy	2077	Defence Services - Navy
271	Defence Services - Air Force	2078	Defence Services - Air Force
<u>B. social and Community Services</u>		<u>B.Social Services</u>	
276	Secretariat - Social and Community Services	2251	Secretariat - Social Services
277	Education	2202	General Education
	* Technical Education	2203	Technical Education
	*Sports and Youth Welfare	2204	Sports and Youth Services
278	Art and Culture	2205	Art and Culture
	*Sub Major Heads		
		<u>C.Economic Services</u>	
		<u>(i) Science, Technology and Environment</u>	
279	Scientific Services and Research	3425	Other Scientific Research (Science, Technology and environment)
	A. Survey of India		<u>(i) General Economic Services</u>
	B. Meteorology	3455	Meteorology
			<u>(i) Science, Technology and Environment Research</u>
	C. Other Scientific Research	3425	Other Scientific Research
	D. Atomic Energy Research	3401	Atomic Energy Research

CHAP. 3] **GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

EXPENDITURE HEADS (REVENUE ACCOUNTS) --Cont.

<u>A. General Services</u>		<u>A. General Services</u>	
E. Space Research	3402	Space Research	
		<u>(f) Industry and Minerals</u>	
F. Electronics Research	2852	Industries (In. and Minerals)	
		<u>G. Telecommunication and</u>	
		<u>electronic Industries</u>	
		<u>(i) Science, Technology</u>	
		<u>and Environment</u>	
G. Oceanographic Research	3403	Oceanographic Research	
		(ST & E)	
H. Assistance for other Scientific Research	3425	Other Scientific Research	
		<u>(e) Energy</u>	
* Non-conventional energy sources.	2810	Non-Conventional energy sources.	
		<u>B. Social Services</u>	
280 Medical		2210 Medical and Public Health	
281 Family Welfare		2211 Family Welfare	
282 Public Health, Sanitation and Water-supply		2210 Medical and Public Health	
		2215 Water-supply & Sanitation	
283 Housing		2216 Housing	
284 Urban Development		2217 Urban Development	
285 Information and Publicity		2220 Information and Publicity	
286 Broadcasting		2221 Broadcasting	
287 Labour & Employment		2230 Labour & Employment	
288 Social Security and welfare			
		<u>C. Economic Services</u>	
		<u>(i) General Economic</u>	
		<u>Services</u>	
A. Civil Supplies	3456	Civil Supplies	
		<u>B. Social Services</u>	
B. Relief and rehabilita- tion of D.P.S and repatriates	2235	Social Security and Welfare	

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP.3

EXPENDITURE HEADS (REVENUE ACCOUNTS) --Cont.

C. Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225	Welfare of Scheduled Castes, Scheduled Tribes and other backward Classes.
D. Social Welfare	2235	Social Security and Welfare
E. Other Social Security and Welfare Programme	2235	Social Security and Welfare
289 Relief on account of natural calamities	2245	Relief on account of Natural calamities
295 Other Social security and Welfare programmes	2252	Other Social Services
		<u>C. Economic Services</u>
* Minor Head		<u>(a) Agricultural & Allied Services</u>
	2406	Forestry & Wild life
	2236	Nutrition
		<u>C. Economic Services</u>
		<u>(i) General Economic Services</u>
296 Secretariat - Economic Services	3451	Secretariat - Economic Services
297 Foreign Trade and Export promotion.	3453	Foreign Trade and Export promotion.
		<u>(a) Agricultural & Allied Services</u>
298 Co-operation	2425	Co-operation(Agricultural and Allied Activities)
		<u>(c) Special Areas Programme</u>
299 Special and Backward areas	2551	Hill areas (Special areas Programmes)
	2552	North Eastern areas (S.A.P.)
	2575	Other Special Area Programmes (S.A.P.)
		<u>(i) Other General Economic Services</u>
304 Other General Economic Services	3475	Other General Economic Services

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

EXPENDITURE HEADS (REVENUE ACCOUNTS) --Cont.

	3454	Census Surveys and Statistics
		<u>(a) Agricultural & Allied Services</u>
<u>(ii) Agriculture and allied Services</u>		
305	Agriculture	
	2401	Crop Husbandry
	2408	Food, Storage and Warehousing
	2415	Agricultural Research & Education
	2416	Agricultural Financial Institutions
	2435	Other Agricultural Programmes
		<u>(b) Rural Development</u>
	2501	Special Programmes for Rural Development (R.D.)
	2505	Rural Employment (R.D.)
	2506	Land Reforms (R.D.)
	2515	Other rural Development Programmes
		<u>(d) Irrigation and Flood Control</u>
306	Minor Irrigation	
	2702	Minor Irrigation (Irrigation and Flood control)
		<u>(a) Agricultural and Allied Services</u>
307	Soil and Water Conservation	
	2402	Soil and Water conservation
	2415	Agricultural Research and education
		<u>(b) Rural Development</u>
308	Area Development	
	2501	Special Programmes for rural Development (R.D.)
	2705	Command area Development (I. & F.C.)
		<u>(a) Agricultural & Allied Services</u>
309	Food	
	2408	Food, Storage and Warehousing

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS

[CHAP. 3

EXPENDITURE HEADS (REVENUE ACCOUNTS) --Cont.

	2236 Nutrition (under B.Social Services)
310 Animal Husbandry	2403 Animal Husbandry
	2415 Agricultural Research and Education
311 Dairy Development	2404 Dairy Development
	2415 Agricultural Research and Education
312 Fisheries	2405 Fisheries
	2415 Agricultural Research and Education
313 Forest	2406 Forestry and Wild Life
	2415 Agricultural Research and Education
	<u>(b) Rural Development</u>
314 Community Development	2515 Other Rural Development Programme
	2505 Rural Employment
	<u>(c) Industry and Minerals</u>
320 Industries	<u>(f) Industry and Minerals</u>
	2852 Industries
	2875 Other Industries
	2885 Other outlays on Industries and Minerals
	<u>(c) Energy</u>
	2407 Plantations (Agricultural and Allied activities)
	2802 Petroleum (Energy)
	2803 Coal And Lignite (Energy)
321 Village and Small Industries	2851 Village and Small Industries
328 Mines and Minerals	2853 Non-ferrous mining and metallurgical industries.

CHAP. 3] **GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

Existing HeadsRevised HeadsExpenditure Heads (Revenue Accounts) -- Cont.

<u>(iv) Water and Power Development</u>	<u>(d) Irrigation and flood control</u>
331 Water and Power Development Services	2701 Major and Medium Irrigation
	2711 Flood Control
	2801 Power
332 Multipurpose river projects	2701 Major and Medium Irrigation
333 Irrigation, Navigation Drainage and Flood Control.	2711 Flood Control
	3075 Other Transport Services (Transport)
	<u>(e) Energy</u>
344 Power Projects	2801 Power
<u>(iv) Transport and Communications</u>	<u>(g) Transport</u>
335 Ports, lighthouses and shipping	3051 Ports and Lighthouses
	3052 Shipping
336 Civil Aviation	3053 Civil Aviation
337 Roads and Bridges	3054 Roads and Bridges
338 Road and Water Transport Services	3055 Road Transport
	3056 Inland water transport.
	<u>(i) General Economic services</u>
339 Tourism	3452 Tourism
	<u>(q) Transport</u>
334 Other Transport and Communication Services	3075 Other Transport services
	<u>(h) Communications</u>
	3251 Overseas Communication services (Communications)
	3252 Sattellite systems
	3275 Other Communication Services

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP.3

Existing HeadsRevised HeadsExpenditure Heads (Revenue Accounts)--Cont.(v) Railways(g) Transport

345 - 353	3001
	3025

(vi) Posts and telegraphs(h) Communications

355 - 358	3201
	3232 (Communications)

D. Grants-in-Aid and
Contribution:

360 Grants-in-aid to State Government	3601 Grants-in-aid to State Govts.
361 Grants-in-aid to U.T. Government	3602 Grants-in-aid to U.T. Government
362 Payments to States' share of Union Excise Duties	3603 Payment of States' share of U.E.D.
363 Compensation and assignments to local bodies and panchayati Raj Institutions	3604 Compensation and assignments to local bodies and Panchayati Raj Institutions.
364 Technical and economic Co-operation with other countries	3605 Technical and economic Co-operation with other Countries

Receipt Heads (Capital Account)

400 Miscellaneous Capital Receipts	4000 Miscellaneous Capital Receipts
---------------------------------------	--

Expenditure Heads (Capital Account)A. Capital Account of
General Services

446 Capital Outlay on Currency, Coinage and Mint.	4046 Capital Outlay on Currency, coinage and Mint.
447 Capital Outlay on other Fiscal Services	4047 Capital Outlay on other Fiscal Services
459 Capital Outlay on Public works	4059 Capital Outlay on Public works

CHAP.3] **GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

Existing HeadsRevised HeadsExpenditure Heads (Revenue Accounts)--Cont.A. Capital Account of
General Services--Cont.

459	Capital Outlay on Public works	4059	Capital Outlay on Public works
465	Capital Outlay on other Administrative Services	4070	Capital Outlay on other Administrative services
		5475	Capital Outlay on other general economic service
468	Capital Outlay on Miscellaneous general services	4075	Capital Outlay on Miscellaneous general services
469	Capital Outlay on Defence Services	4076	Capital Outlay on Defence Services

B. Capital Outlay of Social and Community Services

447	Capital Outlay on education, art and Culture	4202	Capital Outlay on Education Sports, art and Culture
479	Capital Outlay on Scientific services and research	5401	Capital Outlay on Atomic energy and research
		5402	Capital Outlay on space research
		5403	Capital outlay on oceanographic research
		5455	Capital Outlay on meteorology
		4859	Capital Outlay on telecommunication and Electronics Industries
		4810	Capital Outlay on Medical and Public Health
480	Capital Outlay on Medical	4210	Capital Outlay on Medical and Public Health
481	Capital Outlay on Family Welfare	4211	Capital Outlay on family Welfare
482	Capital Outlay on Public Health Sanitation and Water-supply	4210	Capital Outlay on Medical and Public Health
		4215	Capital Outlay on Housing supply and sanitation

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3

Existing HeadsRevised HeadsB. Capital Outlay of Social and Community Services: -Cont.

483 Capital Outlay on housing	4216 Capital Outlay on Housing
484 Capital Outlay on Urban development.	4217 Capital Outlay on Urban Development
485 Capital Outlay on Information and Publicity	4220 Capital outlay on Information and Publicity
486 Capital Outlay on broad casting	4221 Capital Outlay on Broadcasting
	4235 Capital Outlay on Social Security and Welfare
488 Capital Outlay on social security and Welfare	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes.
495 Capital Outlay on other Social and Community Services	4250 Capital Outlay on other Social Services

4406 Capital Outlay on Forestry and Wild life

New Major Head

4236 Capital Outlay on Nutrition

C. Capital Account of Economic Services:(a) Capital Account of General Economic Services

497 Capital Outlay on foreign trade	5453 Capital Outlay on foreign trade
498 Capital Outlay on Co-operation	4425 Capital Outlay on Co-operation
499 Capital Outlay on Special and backward areas	4551 Capital Outlay on hill areas areas
	4552 Capital Outlay on North Eastern Areas
	4575 Capital Outlay on Special areas programmes.
500 Investments in general financial and trading institutions	5465 Investments in general financial and trading institutions

CHAP. 3] **GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Existing Heads</u>	<u>Revised Heads</u>
<u>C. Capital Account of Economic Services:</u>	
<u>(a) Capital Account of General Economic Services--Cont.</u>	
501 Investments in Inter-national financial institutions	5466 Investments in International financial institutions
504 Capital outlay on other general economic services	5475 Capital Outlay on other general economic services
<u>(b) Capital Account of Agriculture and Allied Services</u>	
505 Capital Outlay on agriculture	4408 Capital Outlay on food storage and ware housing
	4401 Capital Outlay on Crop husbandry
	5515 Capital Outlay on agricultural research and education
	4416 Investments in Agricultural financial institutions
	4435 Capital Outlay on other agricultural programmes
506 Capital Outlay on minor irrigation soil conservation and area development	4402 Capital Outlay on Soil and water conservation
	4415 Capital Outlay on agricultural research and education
509 Capital Outlay on food	4408 Capital Outlay on food, storage and warehousing
	4860 Capital Outlay on consumer industries
510 Capital Outlay on animal husbandry	4403 Capital Outlay on animal husbandry
	4415 Capital Outlay on agricultural research and education
511 Capital Outlay on dairy development	4404 Capital Outlay on dairy development
	4415 Capital Outlay on agricultural research and education

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3

Existing HeadsRevised HeadsC. Capital Account of Economic Services--Cont.(b) Capital Account of Agriculture and allied Services--Cont.

512	Capital outlay on fishers	4405	Capital Outlay on Fisheries
		4415	Capital Outlay on agricultural Research and education
513	Capital Outlay on Forests	4406	Capital Outlay on Forestry and wild life
		4415	Capital Outlay on agricultural research and education
514	Capital Outlay on Community Development	4515	Capital Outlay on other rural development programmes

(c) Capital Account of Industry minerals:-

520	Capital Outlay on industrial research and development	4885	Other Capital Outlay on Industry and minerals
521	Capital Outlay on Village and small Industries	4851	Capital Outlay on Village and Small Industries
522	Capital Outlay on Machinery and Engineering Industries	4858	Capital Outlay on engineering industries
523	Capital Outlay on Petroleum Chemicals and Fertilizer industries	4855	Capital Outlay on fertilizer industries*
		4856	Capital Outlay on petrochemical Industries
		4857	Capital Outlay on chemical Industries
		4802	Capital Outlay on petroleum
524	Capital Outlay on aircraft and shipbuilding industries	4858	Capital Outlay on engineering Industries
525	Capital Outlay on Telecommunications and electronics industries	4859	Capital Outlay on Telecommunication and electronics industries

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

Existing HeadsRevised HeadsC. Capital Account of Economic Services--cont.(c) Capital Account of Industry minerals--Cont.

526	Capital Outlay on consumer Industries	4860	Capital outlay on Consumer Industries
		4854	Capital Outlay on Cement and non-metallic mineral Industries
		4407	Capital Outlay on plantations
527	Capital Outlay on atomic energy development	4861	Capital Outlay on atomic energy industries
528	Capital Outlay on mining and metallurgical industries	4852	Capital Outlay on Iron and Steel Industries
		4853	Capital Outlay on non-ferrous and metallurgical industries
		4854	Capital Outlay on cement and non-metallic mineral Industries
		4803	Capital Outlay on Coal & Lignite
529	Capital Outlay on other industries	4875	Capital Outlay on other industries
530	Investments in industrial financial institutions	4885	Other Capital Outlay on Industry and Minerals
<u>(d) Capital account of water and power development</u>			
531	Capital Outlay on water and power development services	4701	Capital Outlay on major and medium irrigation
532	Capital Outlay on multi-purpose river projects.	4801	Capital Outlay on Power
533	Capital Outlay on irrigation, drainage and flood control projects	4701	Capital Outlay on major and medium irrigation
		4711	Capital Outlay on flood control projects
		5075	Capital Outlay on other transport services
534	Capital Outlay on power projects	4801	Capital Outlay on power projects

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3]

Existing HeadsRevised Heads(e) Capital account of transport and communications

535	Capital Outlay on ports, lighthouses and shipping	5051	Capital Outlay on ports and lighthouses
		5052	Capital Outlay on shipping
536	Capital Outlay on Civil aviation	5053	Capital Outlay on Civil aviation
537	Capital Outlay on roads and bridges	5054	Capital Outlay on roads and bridges
538	Capital Outlay on roads and water transport services	5055	Capital Outlay on road transport
		5056	Capital Outlay on inland water transport
		5075	Capital Outlay on other Transport Services
544	Capital Outlay on other transport and communications	5251	Capital Outlay on overseas communications services
		5252	Capital Outlay on satellite system
		5275	Capital Outlay on other communication services
		5452	Capital Outlay on Tourism

(f) Capital Account of Railways

546-	5002
547	5225

(g) Capital Account of P & T

555	5201 and
556	5225

(e) Public Debt:

601	Internal Debt of the central Government	6001	Internal Debt of the Central Government
602	External Debt	6002	External Debt
603	Internal Debt of the State Governments	6003	Internal Debt of the State Government
604	Loans and Advances from Central Government	6004	Loans and Advances from Central Government

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

<u>Existing Heads</u>	<u>Revised Heads</u>
	<u>Loans and Advances</u>
	6075 Loans for miscellaneous general services
677 Loans for education, art and culture	6202 Loans for education, sports, art and culture
	7425 Loans for other scientific research
679 Loans for scientific services and research	6810 Loans for non conventional sources of energy
680 Loans for medical	6210 Loans for medical and public health
681 Loans for family welfare	6211 Loans for family welfare
682 Loans for public health, sanitation and water supply	6210 Loans for medical and public health
	6215 Loans for water supply and sanitation
683 Loans for housing	6216 Loans for housing
684 Loans for urban development	6217 Loans for urban development
685 Loans for information and publicity	6220 Loans for information and Publicity
688 Loans for social security and welfare	6225 Loans for welfare of scheduled castes and scheduled tribes and other backward classes
	6235 Loans for social security and welfare
	7475 Loans for other general economic services
695 Loans for other social security and welfare	6250 Loans for other social services
	6212 Loans for nutrition
	6245 Loans for relief on account of natural calamities
698 Loans for cooperation	6425 Loans for cooperation
699 Loans for Special and backward areas	6551 Loans for Hill Areas
	6552 Loans for NE areas

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3

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

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

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

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS**

[CHAP. 3

Existing HeadsRevised HeadsLoas and Advances--Cont.

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
----------------------	-----------------------

PART - III -- PUBLIC ACCOUNTI. Small Savings, Provident fund etc.

801 to 812	8001 to 8012
------------	--------------

J. Reserve Funds

815 to 835	8115 to 8235
------------	--------------

K. Deposits and Advances

836 to 853	8336 to 8554
------------	--------------

GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS

<u>Existing Heads</u>	<u>Revised Heads</u>
	<u>L. Suspense & 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

**GENERAL PRINCIPLE AND METHODS OF
ACCOUNTS.**

[CHAP. 3

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:

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS**

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	6210
2. Shipping	1052	3052	5052	7052	7052
3. Crop Husbandry	0401	2401	4401	6401	6401
4. General Education	0202	2202	4202	6202	6202
5. Technical Education	0202	2203	4202	6202	6202
6. Sports and Youth services	0202	2204	4202	6202	6202
7. Art and culture	0202	2205	4202	6202	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

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS**

[CHAP.3

<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.

CHAP. 3] **GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS**

(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.

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS**

[CHAP. 3

(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.

CHAP. 3] **GENERAL PRINCIPLES AND METHODS OF ACCOUNTS**

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'.

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS**

[CHAP.3

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).

CHAP. 3] **GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS**

(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

**GENERAL PRINCIPLES AND METHODS OF
ACCOUNTS**

[CHAP.3

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 recongnized by government at commercial Annexure.	
Adjustments with outside bodies	58		
Inter-departmental adjustments	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).

57-59]

**DIRECTIONS REGULATING
INTER DEPARTMENTAL TRANSFERS**

[CHAP. 4

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.

60-61]

**DIRECTIONS REGULATING
INTER DEPARTMENTAL TRANSFERS**

[CHAP.4

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

**DIRECTIONS REGULATING
INTER-DEPARTMENTAL TRANSFERS**

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.

66-67]

**DIRECTIONS REGULATING
INTER-DEPARTMENTAL TRANSFERS**

[CHAP. 4

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
INTER-DEPARTMENTAL TRANSFERS**

(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.

GENERAL

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

69]

**DIRECTIONS REGULATING
INTER-DEPARTMENTAL TRANSFERS**

[CHAP. 4

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.

69-71]

**DIRECTIONS REGULATING
INTER-DEPARTMENTAL TRANSFERS**

[CHAP.4

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.

* 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.

(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)

APPENDICES

[No. 3]

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.

APPENDICES

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.

APPENDICES

[No.3

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.

APPENDICES

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

APPENDICES

[No. 3]

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.

APPENDICES

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.

APPENDICES

[No.3

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.)

APPENDICES

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

APPENDICES

[No. 3

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.

APPENDICES

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;

APPENDICES

[No.3

(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;

APPENDICES

[No. 3

(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

APPENDICES

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

APPENDICES

[No. 3

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

APPENDICES

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

APPENDICES

[No. 3]

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.

APPENDICES

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

APPENDICES

[No.3

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

APPENDICES

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.

APPENDICES

[No. 3]

(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 certify in writing that admission to hospital is necessary and that other adequate arrangements

APPENDICES

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.

APPENDICES

[No. 3]

(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.

APPENDICES

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

APPENDICES

[No. 3

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

APPENDICES

[No.3

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.)