CIVIL ACCOUNTS MANUAL

REVISED SECOND EDITION-2007
VOLUME - I

ISSUED BY THE MINISTRY OF FINANCE,
DEPARTMENT OF EXPENDITURE,
CONTROLLER GENERAL OF ACCOUNTS, NEW DELHI.

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CONTROLLER GENERAL OF ACCOUNTS

PREFACE

The Civil Accounts Manual contains detailed instructions and procedures relating to payment made by Pay and Accounts Offices and Cheque Drawing and Disbursing Officers of Civil Ministries/Departments of the Central Government and Accounting, compilation, consolidation of annual accounts and inter-departmental/inter-governmental adjustments an ancillary matters which are required to be followed by Accounts Offices. These instructions cover most of the facets thereof and include standardized forms of various accounts registers/records/returns to be maintained and/or submitted by such offices. Due to passage of time, a number of changes have arisen necessitating their inclusion and updating in the provisions of the Manual to provide proper guidance to the users. This revised edition incorporate all correction slips and related office Memorandum issued so far, apart from updating and amending the revised provisions and procedures that have undergone a change in this period, and incorporating some important payments/receipts and accounting procedures that have come up in this period.

2. Three chapters in this revised edition have been completely overhauled. While Chapter 16 has been exclusively devoted to Finance Accounts and has additional informations on the various Finance Statements, the Miscellaneous Provisions have been taken to a new Chapter 17.

Dated: 1st October, 2012
New Delhi

(Jawahar Thakur)
Controller General of Accounts

THE ABBREVIATIONS USED IN THE MANUAL MAY BE READ AS FOLLOWS

AA	Appropriation Accounts
AsG	Accountants General
CA	Controller of Accounts
CAA	Chief Accounting Authority
CAM	Civil Accounts Manual
CCA	Chief Controller of Accounts
CCS	Central Civil Services
C& AG	Comptroller & Auditor General of India
CDA	Controller of Defence Accounts
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise and Customs
CGA	Controller General of Accounts
CPAO	Central Pension Accounts Office
CTRs	Central Treasury Rules
DCRG	Death cum Retirement Gratuity
DDO	Drawing and Disbursing Officer
DDS&R	Debt, Deposit, Suspense and Remittances
DEA	Department of Economic Affairs
FA	Financial Adviser
GFRs	General Financial Rules
JAO/Jr. AO	Junior Accounts Officer
Jr. Acctt.	Junior Accountant
JE	Journal Entry
LMMH	List of Major and Minor Heads of Account
OB	Objection Book
PAC	Public Accounts Committee
PAO	Pay and Accounts Office/Officer
Pr. AO	Principal Accounts Office/Officer
Pr. CCA	Principal Chief Controller of Accounts
PSB	Public Sector Bank
RBI	Reserve Bank of India
R&P Rules	Receipt and Payment Rules
SCT	Statement of Central Transactions
TDS	Tax Deducted at Source
TE	Transfer Entry
UCs	Utilization Certificates

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MATRIX

The presentation and language in the Manual has been attempted to be simplified for better reading with substantive changes made against the provisions and procedures which have been revised and to include certain important provisions which have come up in this period, viz. Defined Contribution Pension Scheme, provisions for electronic payments and receipts wherever approved by competent authorities, payment of pension to All India Service Officers retiring while on deputation to Central Government, the Direct Payment Procedure for National Highways implemented in the Ministry of Road Transport & Highways etc. Effort has been to keep the provisions and paras as far as possible in consonance with the previous edition. The earlier Chapter 16 has been divided into two parts. Chapter 16 with added information on each of the Finance Accounts Statements now deals only with the provisions on Finance Accounts, while the Miscellaneous provisions have been taken to a new Chapter 17. The Chapters 14 and 15 dealing with CBEC and CBDT have been totally overhauled in view of the substantive change in the procedures of receipts in both these Departments.

In the Matrix given below, remarks have been given against the paras where there has been substantive change in the provisions. However, certain changes have a bearing throughout the Manual, e.g. the induction of private sector banks as agency banks have led to the addition of Private Sector Bank Suspense Head to be indicated throughout the Manual wherever it used to read Public Sector Bank Suspense Head. Similarly, the transitory heads of Expenditure Awaiting Transfer/Receipts Awaiting Transfer has replaced the Voucher Suspense Head wherever the same was mentioned in the earlier edition, in view of the revised procedures. The Matrix below indicates the substantive changes that have been made in this revised edition of the Civil Accounts Manual.

PARA NUMBER	TITLE	REMARKS WITH REFERENCE TO CAM-2007
CHAPTER 1: BROAD FEATURES OF THE DEPARTMENTALIZED ACCOUNTING SYSTEM		
1.1	General	
1.1.2	Organization of Controller General of Accounts	Earlier para 1.2 has been taken as sub-para 1.1.2.
1.2	Main features of Departmentalization of Accounts	Earlier para 1.3 has been taken as sub-para 1.2.
1.3	The role of CCAs/CAs as per the revised charter of Integrated Finance Scheme, issued by the Ministry of Finance	This has been added in view of the Finance Secretary's O.M. on the revised Integrated Finance Scheme indicating the roles and responsibilities of CCAs/CAs.
1.4	Detailed procedure in regard to Banking arrangements for Pay and Accounts Offices	The term private sector bank suspense head has been added along with public sector bank suspense, in view of the changed provisions and authorization of private sector banks for handling Government transactions.
1.5	Categories of Cheques and their use	
1.6	Bank Drafts	
1.7	Payment by Authority	
1.8	Issue of Fresh Cheques in Lieu of Lost Cheques	
1.9	Payment Scrolls and the related Reconciliation and Accounting Procedure	
1.10	Receipt Scrolls and the related Reconciliation and Accounting Procedures	
1.11	Register of Valuables	
1.12	Advices on RBI (CAS) Nagpur, and operation and clearance of the Minor Head, RB Suspense (CAO) etc.	

1.13	Expenditure Control	
1.14	Classification of Expenditure on Departmentalized Accounts Organization	
Appendix 1	Functions of the Controller General of Accounts incorporated in the Allocation of Business Rules, 1961	
Appendix 2	Memorandum of Instructions on banking and accounting arrangements issued by Reserve Bank of India	
Appendix 3	Procedure for indenting, safe custody, issue and accounting of cheque books	
CHAPTER 2: PRE-CHECK PAYMENT PROCEDURE IN THE CENTRAL CIVIL ACCOUNTS OFFICES		
2.1	General	
2.2	Tokens	Provisions of Token System under COMPACT have been added. Note below para 2.2.4 has been deleted in view of the implementation of COMPACT, wherein token system is mandatory.
2.3	Scrutiny and Payment Procedures	
2.4	Issue of Fresh Cheque in Lieu of a Lost One	
2.5	Procedure for Issue of Fresh Cheque in Lieu of Cancelled/Time Barred Cheque	In view of the revised provisions for issue of fresh cheques and barring their re-validation, the procedure has been incorporated as para 2.5.
2.6	Procedure for Returning Bills Unpassed	Earlier para2.5 has been re-numbered as para 2.6
2.7	Closing of the day's/year's transactions	Earlier para 2.6 has been re-numbered as para 2.7
CHAPTER 3: PROCEDURE TO BE FOLLOWED BY DRAWING AND DISBURSING OFFICERS AUTHORIZED TO DRAW CHEQUES		
3.1	Delegation of cheque drawing powers to DDOs	
3.2	Quarterly Assignment	
3.3	Procedure for Payment	
3.4	List of payments and bank reconciliation	
3.5	Custody of Cheque Books- Precautions	
3.6	Receipt Scrolls	
3.7	Action in the Pay and Accounts Office on Payment Scroll	
CHAPTER 4: PRINCIPLES AND PROCEDURES OF PRE-CHECK AND POST CHECK TO BE CONDUCTED BY PAY AND ACCOUNTS OFFICES		
4.1	Introductory	
4.2	Budget Provisions and Check against Provision of Funds	Short notes on budget related terms and procedures have been added vide para 4.2.1 (a) to (m).
4.3	Scrutiny of Distribution of Grants Appropriation, check of Re-appropriation orders and scrutiny with reference to the guidelines on 'New Service/ New Instrument of Service'	Revised guidelines on New Service/New Instruments of Service have been provisioned in para 4.3.2 and Appendix A of Chapter 4.

4.4	Check of Sanctions for Expenditure	Sub-para 4.4.3 (e) added to include the provisions related to mandatory review of sanctions above Rs. 50 lakhs and 5 crore by Dy. CA/CCAs respectively. **(CS 8)**
4.5	Check of Classification in Accounts	
4.6	Allocation of Expenditure between Capital and Revenue	
4.7	Accounting of Transactions under Reserves and Reserve Funds	The provisions have been updated and reference to para 3.4 of General Directions of LMMH added for clarity.
4.8	Classification of Aid Materials and Equipment received from Abroad	Reference to London and Washington Supply Missions deleted in view of the revised arrangements.
4.9	General Instructions on Classification of Expenditure	Title to the para has been incorporated.
4.10	General Checks to be Exercised in Respect of Bills Submitted for Pre-Check	
4.11.1	Check of Establishment Pay Bills	
4.11.2	Check of Increment Certificates	
4.11.3	Check of Last Pay Certificate	
4.12	Check of Pay Fixation Cases	
4.13	Check of Overtime Allowance Claims	
4.14	Check of Children Education Allowance/Tuition Fees	
4.15.1 and 4.15.2	Check of Travelling Allowance Bills	
4.15.3	Leave Travel Concession to Central Government Servants	Earlier provisioned under para 4.16, this has been taken to para 4.15.3.
4.16	Check of Medical Reimbursement Claims	Incorporated as it was missing earlier.
4.17-4.22	Classes of Contingencies- Checks on Various Types of Contingencies	
4.23	Call Charges	
4.24	Fee for Engagement of Lawyers	
4.25-26	Cancellation of Sub Vouchers	
4.27	Check of Grant in Aid bills	
4.28	Check of Scholarship bills	
4.29	Loans and Advances Bills	
4.30	Long Term Advances to Government Servants	
4.31-4.33	Check of Contracts	
4.34	Refunds of Revenue	Para 4.34.2 has been deleted with the para being obsolete and irrelevant relating to refund of revenues relating to pre departmentalization period.
4.35	General Provident Fund Bills	Title of para changed from Miscellaneous to GPF Bills being more appropriate in view of provisions therein.
4.36	Final Post Check of Bills Paid after Pre-Check	
4.37	Post Check of Bills Paid by Cheque Drawing DDOs	
4.38	Merged DDO Scheme	

Appendix A	New Instrument of Service- Limits requiring approval of Parliament	
Appendix B	Type of transactions treated as Charged Expenditure	
Appendix C	Illustrative example of Register/Broadsheet of Long Term Advances	
CHAPTER 5: COMPILATION, CONSOLIDATION OF ACCOUNTS, PREPARATION OF LEDGER AND SUMMARY OF BALANCES		
5.1	Compilation of Vouchers in the Accounts Section	
5.2	Compilation of Receipts	
5.3	Transfer Entries	
5.4 to 5.5	Preparation of Departmental Classified Abstract	
5.6	Consolidated Abstract	
5.7	Rendition of Monthly Accounts by Pay and Accounts Offices	
5.8	Submission of Monthly Accounts by Pr. Accounts Offices of the Ministries/Departments to Controller General of Accounts	
5.9	Statement of Central Transactions and Journal Entries	
5.10	Ledger of Balances under Debt, Deposit, Suspense and Remittance Heads	
5.11	Computation of Government Account	
5.12 to 5.13	Summary of Balances	
5.14	Submission of Material for Statement Number 5 of Finance Accounts	
5.15	Proforma Corrections	Titles added to various types of proforma corrections.
Annexure A	Procedure for Consolidation of Controllers' Accounts	
Annexure B	Illustrative example leading to preparation of Summary of Balances	
Annexure C	Illustrative example of Prior Period Adjustment Account	
CHAPTER 6: MAINTENANCE OF PROVIDENT FUND ACCOUNTS		
6.1	General	Note below para 6.1.2 added to clarify that subscriptions for GPF are to be recovered only from the Government servants who had joined service prior to or on 31.12.2003.
6.2	Nominations	
6.3	Subscriptions	
6.4	Advances from the GP Fund and Corresponding Provisions of CPF (India) Rules	
6.5	Withdrawal from the GP Fund and Corresponding Provisions of CPF (India) Rules	
6.6	Transfer of GP Fund Account	
6.7	Maintenance of GP Fund Account	
6.8	Broadsheets	
6.9	Annual Closing of Account	

6.10	Register of Missing Credit/Debit	
6.11	Transfer of GPF Balances in Respect of Staff under the Jurisdiction of Merged DDOs and their Reconciliation	
6.12	Broadsheet of Group D Government Servants under Merged DDO Scheme	
Annexure A	Monthly Reconciliation Sheet (Merged DDO Scheme)	
Annexure B	Annual Reconciliation of Balances	
CHAPTER 7: PROCEDURE FOR FINALIZATION, AUTHORIZATION AND ACCOUNTING OF PENSION PAYMENTS AND PAYMENT FROM THE COMPASSIONATE FUND		
7.1	Setting up of Central Pension Accounting Office	Sub para 7.1.2 to elaborate on the CPAO organization.
7.2	Applicability of Pension Rules	
7.3.	Determination and Authorization of the Amounts of Pension and Gratuity	The provisions have been reorganized to elaborate clearly the role of Head of Office, Pay and Acounts Officer and the Central Pension Accounting Office.
7.4	Authorities Competent to issue Pension Payment Orders	Provisions for the President/Vice-President included in the Table under Rule 7.4.1.
7.5	Mode of Disbursing of Pension and Transmission of Pension Payment Orders	Provision for payment of pension through private sector banks has been incorporated.
7.6	Disbursement of Pension to Pensioners Through Treasuries	
7.7	Procedure Regarding Switchover of Payment Channel	
7.8	Commutation of Pension	
7.9	Allocation of the Liability on account of Pensionary Charges of Government Servants	
7.10	Payment of Pension to State Government Employees and All India Service Officers Settled in the National Capital Territory of Delhi	Vide para 7.10.2, the provisions for payment of pension to All India Service Officers retiring from Central Government while on deputation has been incorporated.
7.11	Accounting of Pension Payments to Central Civil Pensioners/Central Freedom Fighters	
7.12	Accounting of Pensions to High Court Judges	
7.13	Payment of Pension in Nepal	
7.14	Payment of Pension to Central Civil Pensioners in Sikkim	
7.15	Accounting of Payment of Pensions to Foreign Pensioners in India	
7.16	Payment from Compassionate Fund of Government of India	
7.17	Post Payment Checks	
7.18	Defined Contribution Pension Scheme	Provisions under the new Defined Contribution Pension Scheme has been incorporated vide para 7.18.
CHAPTER 8: PROCEDURE FOR INTER- GOVERNMENTAL AND INTER- DEPARTMENTAL ADJUSTMENTS		
8.1	General	

8.2	Transactions arising in the Accounts of Pay and Accounts Office which are adjusted by the Accounts Officer of another Government Department on Cash Settlement Basis	
8.3	Transactions arising in the Books of Accounts Officers of Other Governments/ Departments which are adjustable in the Books of the PAO on Cash Settlement Basis	
8.4	Procedure for Settlement of Transactions arising in the Month of March	
8.5	Settlement of Inter- Departmental Transactions through Book Adjustment or Without Resorting to Cash Settlement (Letters of Authorization)	
8.6 and 8.7	Procedure for Recovery of Cost of Work Done in the CPWD/Other Departments Functioning on the Public Works Pattern on behalf of Other Governments/Departments	
8.8	Settlement of Debits on account of Supplies Effected	
8.9	Settlement of Transactions arising in Missions/Posts Abroad	Reference to supply missions at London and Washington has been deleted in view of the closure of these offices.
8.10	Settlement of Debits Relating to Customs Duty etc.	
8.11	Supplies made by the Medical Stores Depots of Ministry of Health & Family Welfare to State and UT Governments	
8.12	Settlement of Transactions by Railways/ Defence/ Posts/ Telecom among Themselves etc.	
8.13 and 8.14	Settlement of Transactions by Railways/ Defence/ Posts/ Telecom with Ministry of Finance	
8.15- 8.18	Settlement of Transactions between Central Government and State Governments	
8.19	Arrangements for Credit of Income Tax Deducted at Source (TDS) from the Salary and Other Bills of State Government, to the Central Government	The revised provisions relating to payment and submission of accounts including uploading on the Tax Information Network has been incorporated.
8.20	Special Procedure for Settlement of Transactions relating to National Highways	Vide para 8.20.4, provisions relating to Direct Payment Procedure for National Highways has been incorporated.
8.21	Transactions relating to Payment of Loans/Grants by Central Government to Union Territory Governments (With Legislature)	
8.22	Procedure for Drawings by Union Territory Administrations against the Demands for Grants of Central Ministries/Departments (other than the Area Demand) for which provision does not exist in the Union Territory budget, and the Cash Settlement For It	
8.23	Procedure for Adjustment of Items of Central Civil Receipts/ Expenditure arising in the books of Posts/Telecom/Railways and Defence	

CHAPTER 9: RECOVERIES, PAYMENTS AND ACCOUNTING FUNCTIONS ARISING IN RESPECT OF CENTRAL GOVERNMENT EMPLOYEES SENT ON FOREIGN SERVICE/DEPUTATION		
9.1	Introductory	
9.2	Pension/Leave Salary Contributions	
9.3 and 9.4	Maintenance of Leave Account, Grant of Leave and Leave Salary payments etc. while on Foreign Service	
9.5	Maintenance of Register of Recoveries of Foreign Service Contributions	
9.6	Heads of Account for Credit of Leave Salary/Pension Contributions	
9.7	Payment of Pension or CPF Contributions, GPF and/or CGEGIS Subscriptions or Repayment of Loans and Advances During the period of Foreign Service out of India	
9.8	Discharge of Liability towards Earned Leave due to a Government Servant deputed to a Public Sector Undertaking on Final Absorption	
9.9	Dispensing with the System of Adjustment on account of Allocation of Leave Salary and Pensions between Departments of Central Government/UT Governments and Administrations	
9.10	Deputation of Central Government Officials to State Governments and vice- versa	
CHAPTER 10: LOANS, ADVANCES, GRANTS-IN-AID, GUARANTEES AND INVESTMENTS		
10.1	General	The authority of GFRs has been changed due to amendment of those rules.
10.2	Classification	
10.3	Procedure for loans and advances sanctioned byCentral Government	
10.4	Procedure for the repayment of loans and advances and interest thereon	The term PSB appearing in the last sub-para of this Para 10.4.2 has been replaced by the accredited bank
10.5	Loans Registers and Broadsheet	The authority of GFRs has been changed due to amendment of those rules.
10.6	Utilization Certificates	Para amended on the basis of GFRs, 2005.
10.7	Long term Advances to Central Government servants	The authority of GFRs has been changed due to amendment of those rules
10.8	Short term Advances to Central Government servants	The authority of GFRs has been changed due to amendment of those rules. The festival Advances, which were being classified under the head 7610, are now being booked under the head “Salaries”. The para has been accordingly amended.

10.9	Grants in aid	The authority of GFRs has been changed due to amendment of those rules. The provisions relating to the period prescribed for submission of UC has been changed as 12 months on the basis of amended GFRs.
10.10	Guarantees given by Central Government	Para has been amended on the basis of the provisions of FRBM.
10.11	Investments	
10.12	Permanent Advances	
Annexure A	Min. of Finance, Dept. of Economic Affairs O.M. on Loans and advances by the Central Government-Interest rates and other terms and conditions	
CHAPTER 11: APPROPRIATION ACCOUNTS (CENTRAL CIVIL)		
11.1	Concept and Scope	The latest order regarding New Service / New Instrument of service have been mentioned.
11.2	Signing of the Head-wise Appropriation Accounts by the Chief Accounting Authority	
11.3	Form for the preparation of Head wise Appropriation Accounts along with other ancillary statements and accredited Audit Officers	
11.4	Stage III Head-wise Appropriation Accounts duly Audited and Approved by the Chief Accounting Authority on File	
11.5	Norms for recording reasons for variations and their presentation	
11.6	Corrigendum to the Head wise Appropriation Accounts	
11.7	Condensation of Head wise Appropriation Accounts in accordance with the recommendations of the Public Accounts Committee.	
11.8	Stage IV-Head wise Appropriation Accounts	
Annexure	Flow chart	
Appendix		
CHAPTER 12: GUIDELINES FOR INTERNAL AUDIT OF THE DEPARTMENTAL ACCOUNTS ORGANIZATION		
12.1	Introductory	
12.2	Scope of Internal Audit	
12.3	Duties of Internal Audit	The provisions of GFRs that all grantee institutions or organizations should be open to inspection by the sanctioning authority (internal audit) and audit have been incorporated in this para.
12.3.1	Duties of Internal Audit	
12.3.2	Duties as per New Charter of Internal Audit	This new para has been added taking into account the recent developments in this regard.
12.4	Procedure for conducting Internal Audit	
12.5	Quantum of Audit	

12.6	Nature of checks to be exercised	
12.6.1(A)	Nature of checks to be exercised on the accounts of PAOs	
12.6.1 (B)	Nature of checks to be exercised on the accounts of Cheque Drawing / Non-Cheque	
12.7	Checking of receipts	
12.8	Programme for Internal Inspection	
12.9	Records, documents to be made available to the Internal Audit Parties	
12.10	Frequency of Internal Audit	
12.11	Drafting of procedure for submission of Inspection Reports	
12.12	Procedure of Test Audit Notes issued by Statutory Audit	
Annexure A	Register showing Particulars of Paid vouchers Furnished To Internal/ Statutory Audit	
Annexure B	Register for Watching Settlement of Audit Objections Included in the Test audit Notes	
CHAPTER 13: BANK RECONCILIATION–EXPENDITURE TRANSACTIONS		
13.1	General	
13.2	Categories of Transactions	
13.3	Introduction of Revised Scheme of Reporting Government Transactions	
13.4-13.5	Revised scheme of Reporting, Accounting and Reconciliation of Expenditure Accounts as	
13.6	Action in Pay & Accounts Office	
13.7	Action in Principal Accounts Office	
13.8	Residual Transactions For the Month of March	The period upto which the residual transactions of a
Annexure 1	Daily Main Scroll –UMEA Expenditure Accounts	
Annexure 1-A	Main Scroll-Union Ministries' Expenditure Accounts	
Annexure 2	Date wise Monthly Statement (DMS)--SBI	
Annexure 2 A	Date wise Monthly Statement (DMS)—RBI & other authorized banks	
Annexure 3	Monthly Settlement Statement -SBI	
Annexure 4	Monthly Settlement Statement -SBI	
Annexure 5	Monthly Settlement Statement -SBI	
Annexure 6	DMA-I	
Annexure 7	Ministry wise statement (PAO Wise)-DMA-2	
Annexure 8	Certificate in Lieu of Lost/ Misplaced Challan	
Annexure 9	Certificate in Lieu of Lost/ Misplaced Cheques	
CHAPTER14: BANK RECONCILIATION-REVENUE ACCOUNTS OF C.B.E.C.		
14.1.	System of collection of revenue in C.B.E.C.	The introduction of multi banking facility, authorizing
14.2	Accounting Procedure relating to Electronic Accounting system in Excise and Service Tax	

14.2.1	Procedure for acceptance of taxes at the receiving branches of authorized banks	procedure of EASIEST approved by CGA, Budget Division and C&AG of India has been added.
14.2.2 - 14.23	At the counter of receiving branch	
14.2.4	Challans tendered with cash	
14.2.5	Challans tendered with cheque/ demand draft / banker's cheque	
14.2.6	Generation of challan number	
14.2.7- 14.2.8	Preparation of scrolls by the collecting branch	
14.2.9	Treatment of clearing Returns	
14.2.10	Procedure for payment of refunds	
14.3	Procedure for payment of refunds	
14.4	Loss of counterfoil by the taxpayer	
14.5	Functions of Focal Point Branch	
14.6	Functions of Link Cell	
14.7	Central Accounts Section (CAS) RBI, Nagpur	
14.8	Rectifications of errors in 'EASIEST' challan data uploaded by banks –Procedure	
14.9	Rectification of errors by banks	
14.10	Redressal of Public grievances	
14.11	Customs duty collection	
14.11.1	Manual Payment System under EDI location	A new para has been added to incorporate the provisions.
14.11.2	Accounting Procedure for customs duty collection	
Annexures to Chapter 14		
Annexure I		
Annexure 1A		
Annexure IB		
Annexure I-C		
Annexure I-D		
Annexure -II		
Annexure -III		
Annexure - IV		
Annexure -V		
Annexure - VI		
Annexure - VII		
Annexure - VIII		
CHAPTER 15: BANK RECONCILIATION REVENUE TRANSACTIONS OF C.B.D.T.		
15.11.3- 15.11.4	Procedure for reporting transactions	to Link Cell/ SBI
15.12	Role of banks	(GAD), the up to 15th April, the existing provisions in this chapter have been amended.
15.13 -15.19	Action to be taken by Zonal Accounts Office	
15.20	Payment of Interest on Delayed Remittances	
15.21	Action to be taken by Principal Accounts Office	
15.22	Personal Deposit Accounts	
15.23	Accounting of March Transactions (OLTAS)	
Annexures to Chapter 15		
Annexure 1	Receipt scroll, Income & Other Direct Taxes	
Annexure 2	Payment scroll, Income & Other Direct Taxes	
Annexure 3	Daily Summary	
Annexure 4	Receipt Scroll (Main)	
Annexure 5	Payment Scroll (Main)	
Annexure 6	Daily Summary of Receipt and payments Adjusted by the Nodal Branch in Government Account	

Annexure 7	Analysis of the Transactions relating to the Central Board of Direct Taxes for the Month of ….. (Receipts)	
Annexure 8	Analysis of the Transactions relating to the Central Board of Direct Taxes for the Month of ……..(Refunds)	
Annexure 9	Transactions on account of CBDT -Amendment Statement	
Annexure 10	CBDT- Monthly Closing Statement issued by RBI (CAS), Nagpur (MH wise)	
Annexure 11	Summary of Transactions for the month – Issued by RBI, CAS, Nagpur	
Annexure 12	Summary of Transactions for the month – Issued by RBI, CAS, Nagpur	
Annexure 13	Bank wise summary of Transactions for the month of …….	
Annexure 14	Summary of Transactions for the month of ……(MH wise)	
CHAPTER 16: FINANCE ACCOUNTS		The existing Chapter 17 Finance Accounts and Miscellaneous has been split into two separate chapters: Chapter 16-Finance Accounts and Chapter 17-Miscellaneous. In Chapter 16 each of the components of Finance Accounts i.e. Statements 1-16 has been added and explained.
16.1	Finance Accounts of Union Government	
16.2	Form of Finance Accounts	
16.3	Material for Finance Accounts	
16.4	Components of Finance accounts	
16.4.1	Statement no.1-Summary of Transactions	
16.4.2	Statement no.2-Summary of Debt Position	
16.4.3	Statement No.3 – Loans and Advances by the Union Government	
16.4.4	Statement No. 4 Guarantees Given by the Union Governments	
16.4.5	Statement No. 5-Summary of Balances	
16.5	Part-II-Detailed Accounts and Other Statements	
16.5.1	Statement No. 6- Statement showing Percentage Distribution of Revenue Receipts and Revenue Expenditure for the year.	
16.5.2	Statement No. 7- Statement showing the distribution between Charged and Voted Expenditure.	
16.5.3	Statement No. 8- Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads	
16.5.4	Statement No. 9- Detailed Account of Revenue Expenditure by Minor Head and Capital Expenditure by Major Head.	

16.5.5	Statement No.10- Statement of Expenditure on Capital Account during and to the end of the year.	
16.5.6	Statement No.11- Statement showing the Investments of the Union Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies, etc, up to end of the year	
16.5.7	Statement No. 12 - Statement showing Capital and Other expenditure (outside the Revenue Account) to end of the year and the principal sources from which funds were provided for that expenditure	
16.6	B – Debt, Deposit, Remittances and Contingency Fund	
16.6.1	Statement No. 13- Statement of Receipts, Disbursements and Balances under heads of account relating to Debt, Deposits, Remittances and Contingency Fund	
16.6.2	Statement No. 14- Statement of Debt and other interest bearing obligations of Government.	
16.6.3	Statement No. 14 A- Details of Market Loans raised in India and securities issued to international Financial Institutions	
16.6.4	Statement No. 15- Statement of loans and advances showing the amounts advanced and repaid, interest received during the year and the balances of such loans and advances at the commencement and close of the year.	
16.6.5	Statement No. 16- Statement showing the position of National Small Savings Fund	
16.7	Certification of Finance Accounts	
16.8	Supply Of Finance Accounts	
CHAPTER 17: MISCELLANEOUS		
17.1	Procedure For Payment Of Arrear Claims	
17.2	Procedure for Receipt, Repayment and Accounting of Deposits under The Departmentalized Accounting System	
17.3	Refund of Deposits Where Detailed Accounts Are Maintained By the Departmental Officers	
17.4	Procedure for Transfer of Balances, Between Pay and Accounts Offices of the Same Organisation of a Ministry/ Department and Between Principal Accounts Offices.	
17.5	Budgetary and Accounting Arrangements Consequent upon Reorganization of Ministries	
17.6	Budgetary and Accounting Arrangements Consequent upon Reorganization of Ministries	
17.7	Personal Deposit Account	
17.8	Investigation of Cases by Special Police Establishment: Facilities/ Co-Operation required to be extended by Administrative Authorities, Procedure for Obtaining Original Documents Relating to Accounts Etc	
17.9	Adjustment of Payment and Accounting Charges in the Proforma Account of Departmental Commercial Undertakings of the Government of India	
17.10	Accounting and Reconciliation of Transactions Falling under PW Remittances Forest Remittances Etc. under the Departmentalized Accounting System	The para has been redrafted on the basis of the provisions of Footnote below MH 8782 (vide List of Major & Minor heads).

17.11	Safe Custody of Duplicate Keys of the Departmental Treasury Chests, Promissory Notes, Savings Certificates etc. Received As Securities.	
17.12.1-17.12.7	Raising and Pursuance of Objections	
17.12.8	Closing Of the Objection Book	
17.12.9	Delegation of Powers to Waive Objections or Forego Recovery of Irregular Expenditure	
17.12.10	Treatment of Erroneous Payment Admitted by the Pay and Accounts Office.	
17.12.11	Reports of Defalcations and Other Losses	
17.13	Review of Balances	
17.14	Adjustment of Gain or Loss by Exchange	
17.15	Acquisition of Stores on Deferred Payment Terms	
17.16	Period of Preservation of Records Maintained by the Departmentalized Pay and Accounts Offices	
17.17	Procedure for Sending Records to Old Record Room	
17.18	Delegation of Powers to Junior Accounts Officers AAOs in the Departmentalized Accounting Organisation	
Annexure 'A'	Abstract of Register of Receipts & Payments relating to Personal Deposit Account	

CHAPTER 1
BROAD FEATURES OF THE DEPARTMENTALISED ACCOUNTING SYSTEM AND BANKING ARRANGEMENTS

1.1 GENERAL

1.1.1 Article 150 of the Constitution provides for the maintenance of Government Accounts "……in such form as the President may, on the advice of the Comptroller & Auditor General, prescribe." With the Departmentalization of Accounts in 1976 the Presidential Notifications were issued in this regard under 1st Proviso to sub-section (1) of section 10 of the C&AG (Duties, powers and Conditions of Service Act, 1971). As per the notification, from 1st April, 1976 onwards the responsibility for compiling the accounts of the Union Government (Civil) including those relating to taxes, duties and other receipts and deposits realised or refunded under any law has been entrusted to the Controller General of Accounts in a phased manner. Thereby, the Comptroller and Auditor General of India stands fully relieved from the responsibility of compiling the accounts of Central Civil Ministries/Departments and Union Territories, except the accounts pertaining to:

(i) Indian Audit and Accounts Department; and

(ii) Union Territory Administrations of Chandigarh ~~and Dadra and Nagar Haveli~~. **(CS 13)**

1.1.2 ORGANISATION OF CONTROLLER GENERAL OF ACCOUNTS

1.1.2 (i). In pursuance of the Departmentalization of Accounts, a separate accounting organisation functioning under the Controller General of Accounts has been created in the Department of Expenditure of the Ministry of Finance. The functions of the Controller General of Accounts has been listed in the Allocation of Business Rules 1961, incorporated vide Presidential Notification dated 27th of September, 1980. A copy of the Presidential Notification is appended as Appendix '1'.
A separate Group 'A' Central Service named the 'Indian Civil Accounts Service' with its own service rules under the cadre control of the CGA was also formed to carry out these functions. The ICAS is primarily responsible for all expenditure control and accounting matters in the Civil Ministries of Union Government. ICAS officers have the dual responsibility of reporting to the Chief Accounting Authority of the Ministry (Secretary of the Ministry/Department through the Financial Adviser) for administrative and accounting matters within the Ministry, as well as to the Controller General of Accounts, on whose behalf they function in the line Ministries, to carry out its designated functions under the Allocation of Business Rules.

1.1.2(ii). The Duties and Responsibilities of Controller General of Accounts:

(a). As per the Allocation of Business Rules, the C.G.A is responsible for establishing and maintaining a technically sound accounting system in the Departmentalized Accounts Offices and to prescribe general principles, systems and form of Government accounts.

(b).The CGA on behalf of the Ministries and Departments liaises with the Budget Division and the Comptroller and Auditor General of India in accounting matters. His responsibilities include providing of necessary directions in accounting matters to the Ministries/Departments and issuing general instructions about the system and form of accounts and procedures for accounting of receipts and payments.

(c). In order to maintain the requisite technical standard of accounting in the Departmentalized Accounts Offices, he will have powers to inspect the offices, and will be expected with his staff, to ensure that accounts are maintained accurately, comprehensively, and in a correct manner.

(d). CGA is also responsible for ensuring timely and accurate rendition of accounting information to the concerned Ministries and Departments.

(e). As cadre controlling authority the Controller General of Accounts is responsible for the human resource development including cadre management of Group 'A' and Group 'B' officers.

(f) He further functions to coordinate and assist in introduction of Management Accounting system in the Civil Ministries/Departments.

(g). Reconciliation of cash balances of the Union Government with the Reserve Bank of India, consolidation of Monthly Accounts of the Union Government as submitted by various Ministries and preparation of Annual Accounts viz. Appropriation and Finance Accounts are some other functions of the CGA under the Allocation of Business Rules.

1.1.3 In the discharge of these functions, the CGA has the special responsibility for:

(i) Coordination with the Ministries in the administration and interpretation of Rules regarding Group 'C' and Group 'D' staff of the Central Civil Accounts Service;

(ii) Holding of Departmental examinations to maintain the requisite standard of technical expertise for accounting work in the Ministries and Departments;

(iii) Revising Treasury Rules, Account Codes and provisions of General Financial Rules in so far as they relate to the form and system of accounts etc., and the use of the services of the Banks for collecting receipts and making payments.

1.2 MAIN FEATURES OF DEPARTMENTALISATION OF ACCOUNTS

1.2.1 The scheme of Departmentalization of Accounts provides for the Secretary of the Ministry/Department concerned to be the Chief Accounting Authority. He discharges his functions through and with the assistance of the Financial Adviser/Pr.CCA/CCA/CA of the Ministry/Department concerned on these matters. The Financial Adviser works for and on behalf of the Chief Accounting Authority under the scheme of departmentalization and is responsible for the compilation and consolidation of the accounts of the Ministry in the prescribed form and their timely rendition to the Controller General of Accounts. Under this scheme the Financial Adviser has been made responsible for the submission of the audited Annual Appropriation Accounts duly signed by the Chief Accounting Authority, i.e. Secretary of the Ministry /Department concerned. He arranges payments through the PAOs/ the Pr. Accounts Office and the cheque drawing DDOs and is also responsible for arranging internal audit under the scheme. Financial Adviser is also responsible under the scheme of departmentalization to prepare budget estimates, revised estimates etc. and their subsequent transmission to the budget division in the Ministry of Finance.

The Pr. CCA/CCA/CA, as the case may be, is the Head of Accounting Organisation in the civil Ministries/Departments and functions under the overall supervision and control of the respective Financial Advisers. In practice, most of the above mentioned functions under the system of departmentalization are handled by the head of the accounting organizations or the Pr. CCAs/CCAs/CAs as the case may be, in each Ministry/Department.

1.2.2 The Financial Adviser/ Pr. CCA/CCA/CA, is responsible for the following main items of work under the scheme of departmentalization, performed for and on behalf of the Chief Accounting Authority:

(a) Arranging all payments through the Pay and Accounts Offices/ Principal Accounts Offices and the Drawing and Disbursing Officers wherever they are authorized to make certain types of payments

(detailed procedure given in Chapter 3). Any addition to the list of cheque drawing DDOs included in the Scheme of Departmentalisation of Accounts of a Ministry/Department is however required to have the specific approval of the Controller General of Accounts.

(b) Compilation and consolidation of accounts of the department and their submission in the prescribed form to the Controller General of Accounts.

(c) Preparation of Annual Appropriation Accounts for the Demands for Grants of the Ministry/Department, getting them duly audited and submitting to the CGA, duly signed by the Chief Accounting Authority/Secretary of the Ministry.

(c) Arranging internal inspection of payment and accounts records maintained by the various subordinate formations and Pay and Accounts Offices of the Department, and inspection of records pertaining to transaction of Government Ministries/Departments, maintained in Public Sector Banks.

1.2.3 A Principal Accounts Office will function under a Principal Accounts Officer (Pr.CCA/CCA/CA) of the Ministry/Department concerned which shall be responsible for:

(a) Consolidation of the accounts of the Ministry/Department in the manner prescribed by CGA;

(b) Preparation of Annual Appropriation Accounts of the Demands for Grants controlled by that Ministry/ Department, submission of Statement of Central Transactions and material for the Finance Account of the Union Government (Civil) to be sent to the Controller General of Accounts;

(c) Payment of loans and grants to State Governments through Reserve Bank of India, and wherever it has a drawing account, payment from it to Union Territory Governments/ Administrations;

(d) Preparation of manuals keeping in view the objective of management accounting system if any, and rendition of technical advice to Pay and Accounts Offices. It also maintains necessary liaison with CGA's Office for overall coordination and control in accounting matters;

(e) Maintaining Appropriation Audit Registers for the Ministry/Department as a whole, in order to watch the progress of expenditure under the various Grants operated on by the Ministry/Department.

1.2.4 Pay and Accounts Offices and in certain cases the departmental Drawing and Disbursing Officers (D.D.Os) so authorised to draw funds, will make payments pertaining to respective Ministries/Departments by means of cheques drawn on the offices/branches of the particular bank that may be accredited for handling the receipts and payments of the Ministry/Department.

1.2.4.1 Each Pay and Accounts Office or Drawing and Disbursing Officer authorised to make payments by cheques, will draw only on the particular branch/branches of the Bank with which it has been authorized to have an account. Out station payments shall be made in accordance with the provisions of para 1.6.

1.2.4.2 All receipts of the Ministry/Department shall also be finally accounted for in the books of the concerned Pay and Accounts Office.

1.2.4.3 The specific approval of the C.G.A. Ministry of Finance would have to be obtained for creation or re-organisation of a new Pay and Accounts Office.

1.2.5 The C.G.A/Addl.CGA/Jt. C.G.A.(s)/Dy. C.G.A.(s) have also been authorised to authenticate all orders and other instruments concerning the C.G.A's organisation vide Ministry of Home Affairs Notification No. F.23/5/78-public dated the 22nd September, 1978, as amended from time to time.

1.3 Roles and responsibilities of Pr.CCAs/CCAs/CAs as Heads of Accounting Organisation in Ministries/ Departments (substituted vide CS NO.23)

1.3.1 Departmental Accounting Organisations headed by Pr.CCAs/CCAs/CAs (Independent Charge) supervise the PAOs of Civil Ministries/ Departments to establish an efficient and effective payment system, and to support the tax collection system. They also have to monitor the performance of the system in conformity with prescribed rules and regulations, financial reporting functions and carry out Internal Audit in Civil Ministries/ Departments of the Union Government. They discharge the functions through and with the assistance of the CAs/Dy.CAs/ACAs and Sr.AOs/AOs of the Ministry/ Department concerned on these matters. The organisation has been at the forefront in leveraging information technology for delivery of these services in consonance with the constantly changing technological environment and increasing ICT penetration in the Country. In accordance with the revised outcome driven financial and accounting regime, a charter containing the roles and responsibilities of Pr.CCAs/CCAs/CAs (IC) as Head of Accounting Organisation and of CCAs/CAs not working as Head of Accounting Organisation and of Dy. CAs/ACAs are given below:-

1.3.2 Charter of Pr.CCAs/CCAs/CAs (IC) as Heads of Accounting Organisation in Ministries/ Departments

Pr.CCAs/CCAs/CAs (IC) of the Ministries/Departments concerned are the heads of the accounting organisation in the respective Ministries/Departments. Their broad functions are prescribed as below-

1. Receipts, Payments and Accounts:

i. Oversee that effective and efficient systems with necessary internal controls are in place for accounting of all receipts and payments of respective Ministry/Department of the Central Government.
ii. Supervise payments and receipts through Pay and Accounts Offices and Cheque Drawing and Disbursing Offices (CDDOs) of various Central Civil Ministries/Departments in conformity with prescribed Rules and regulations;
iii. Supervise timely payment to claimants (Government servants, vendors, grantee and loanee institutions etc. including payment to suppliers w.r.to procurement through GeM) as per codal provisions.
iv. Ensure efficiency, accuracy and timely submission of monthly and annual accounts to O/o CGA;
v. Ensure timely, accurate, comprehensive, relevant and useful Financial Reporting.
vi. Ensure accuracy and timely submission of monthly reports to O/o CGA.
vii. Monitor efficient service delivery to the Ministry/Department by the accredited/ authorized banks and monitor their system for timely realization of receipts into Government Accounts;
viii. Monitor adherence to prescribed accounting standards, rules and principles;
ix. Ensure timely submission of Audited Annual Appropriation Accounts duly signed by Chief Accounting Authority of the Ministry/Department to O/o CGA.
x. Ensure preparation of annual 'Accounts at a Glance' in r/o their Ministry/Department.
xi. Examine the proposal of Ministries/Departments for opening of a Personal Deposit Account or framing accounting procedure in respect of a newly created Fund in the Public Account of India for making it operational.
xii. Review of payment sanctions (including GST refunds sanction) by Pr.CCA /CCA /CA as per the monetary limit prescribed by O/o CGA from time to time.
xiii. Monitor the clearance of balances under Debt, Deposit, Suspense and Remittance (DDSR) heads and take timely corrective actions to clear adverse balances under the heads.
xiv. Monitor opening of appropriate heads of account for new schemes as per Budget circular and LMMHA.
xv. Monitor timely and accurate authorization of pension and other retirement benefits to retiring Government servants.
xvi. Coordinate with GeM Standing Committee on the matters relating to procurement and related payments.
xvii. Financial and technical advice specific to CBDT and CBIC on matters relating to accounting of direct/indirect taxes.

xviii. Pr.CCA, CBDT/Pr.CCA, CBIC shall oversee and monitor the overall banking operations in regard to collection and refund of direct/indirect taxes and their reconciliation and remittance to the Government Account.

xix. CCA, Finance shall be responsible for overseeing preparation of Internal Debt Accounting and compile Security/Bond-wise balances based on inputs from various stakeholders.

xx. Chief Controller (Pensions), CPAO, O/o CGA oversee disbursement and accounting of Pension and family pension through authorised Banks in respect of Central (Civil) Pensioners, National Capital Territory of Delhi, Union Territories without Legislature, Formers Members of Parliament, retired Judges of High Courts and Supreme Courts, All India Service Officers, Pension and other amenities to the former Presidents/Vice Presidents of India, Pension to Freedom Fighters and Family Pension to the families of the Central Government employees who are covered by NPS. CPAO is entrusted with the responsibility of administering the "Scheme of payment of pension to Central Government (Civil) Pensioners through Authorized Banks".

In respect of the above responsibilities, the Pr.CCAs/CCAs/CAs(IC) shall function under the direction, superintendence and control of the Controller General of Accounts.

2. Budget formulation including Outcome Budget:

i. Pr. CCA/CCA/CA (IC) shall monitor and assist in preparation of budgetary proposals and assist the administrative Ministries /Departments in better inter-se programme prioritization/allocation within the budgetary ceilings, based on the analysis of expenditure and profile of each programme /sub-programme.

ii. Provide necessary support to the administrative Ministries/Departments in preparation of Outcome Budgets/Output-Outcome Monitoring Framework (OOMF) in accordance with the time schedule/ guidelines laid down from time to time by Ministry of Finance.

iii. Furnish the budget estimates in r/o Public Account transactions to Budget Division and Composite Demands controlled by Budget Division for their inclusion in the Budget.

iv. Furnish budget estimates for interest on Provident Fund balances of employees and on various deposits in the Public Account including Reserve Funds.

v. Monitor all reports and statements related to Budget documents.

3. Estimation of Non- Tax Revenue Receipts:

i. Assist FA in periodical reviews of various non-tax revenue receipts of the Ministries/Departments with the Administrative Divisions and furnishes estimates of non- tax Revenue Receipts to Budget Division, DEA.

ii. CCA, Finance shall be responsible to furnish non-tax revenue receipts estimates relating to Group Insurance Scheme for Central Government employees to the Budget Division for its inclusion in the Budget [Specific to CCA(Fin)]

4.Internal Audit/Risk Based Audit:

(i) Discharge the duties of Member Secretary of Internal Audit Committee headed by the administrative Secretary to review audit paras of PAC, C&AG and Internal Audit and concomitant compliance/course correction.

(ii) They are responsible to conduct special audit in Ministries/Departments as per the direction of Chief Accounting Authority or CGA. The Internal Audit Wing working under the control and supervision of the Pr.CCAs/CCAs/CAs would move beyond the existing system of compliance /regulatory audit and would focus on:

a. Assessment of adequacy and effectiveness of internal controls in general, and soundness of financial systems and reliability of financial and accounting reports in particular;

b. Identification and monitoring of risk factors (including those contained in the Outcome Budget/OOMF Framework);

c. Critical assessment of economy, efficiency and effectiveness of service delivery mechanism to ensure value for money; and

d. Providing an effective monitoring system to facilitate mid-course corrections.

iii. Furnishes financial appraisal of schemes and monitors projects and schemes through regular Internal Audit.

iv. Conducts audit of accredited banks, authorised/other banks/CPPCs and Focal Point Bank branches including e-FPBs in respect of Government transactions in organisations where it has been required.

v. Conducts Internal Audit of collections of the National Small Savings Scheme. (Specific to M/o Finance)

vi. Shall ensure to prepare the Annual Audit plan and Annual Internal Audit review.

The above functions shall be carried out as per the guidelines issued by the CGA from time to time.

5. Public Financial Management System & IT projects:

i. Monitor the uses of PFMS and its different modules including coordinating with Ministry and PFMS Division of O/o CGA for timely, accurate and useful financial reporting for the purpose of tracking flow of funds to the last level implementing agency/beneficiary and its utilisation under Central Sector/Centrally Sponsored/Direct Benefit Transfer schemes of Government of India.

ii. Coordinate integration of data bases and processes for establishing a Government Integrated Financial Management Information System (GIFMIS).

iii. Render professional expertise in the functioning of the financial management system, from the system point of view and making it more effective.

iv. Monitor the implementation of security guidelines issued for access control and other related security aspects of PFMS and ensuring data security by regular monitoring of the system.

v. Ensure correct mapping of the accounting basket of Central Sector and Centrally Sponsored Schemes for accurate expenditure reporting.

vi. Regular review of reports and information in PFMS and to present it to the Executive for decision making.

vii. Monitor all reports and dashboard on regular basis to ensure accuracy of reports relating to performance of the schemes in their respective Ministries.

viii. Ensure timely weeding out of dormant registration of Agencies and etc.

6. Expenditure and Cash Management:

Coordinate with Ministries/Departments for compliance of Cash Management system guidelines issued by Budget Division, MoF (Monthly Expenditure Plan [MEP]/Quarterly Expenditure Plan (QEP) limits, implementation of TSA system for release of funds to Autonomous bodies in 'Just-in-time').

7. Disclosure and reporting requirements under FRBM Act.

Assist in preparation of the disclosure statements required under the FRBM Act in respect of their Ministry/Department for incorporation in the consolidated statement compiled by the Ministry of Finance for the Government as a whole.

8. Monitoring of Assets and Liabilities:

Assist Ministries/Departments for maintaining comprehensive record of Assets and Liabilities and monitoring of Government Guarantees.

9. Interaction between Ministry of Finance and the FAs:

The Pr.CCAs/CCAs/CAs (IC) shall provide required material and assistance for the quarterly meeting of FAs with Secretary (Expenditure) and other financial inputs as required by FAs from time to time.

10. General Administration and Coordination:

(i) Exercise the powers of the Head of the Department for the Accounting Organisation and is responsible for the Administration and Establishment related functions.

(ii) Discharge of responsibilities in terms of the Statutory powers to be exercised being the appointing authority/disciplinary authority.

Note:

a. In Ministries/ Departments which are headed by Pr. CCAs, these items of work may be delegated to CCAs/CAs as per their administrative convenience subject to codal provisions.

b. In addition to the above, Pr.CCAs/CCAs/CAs shall also be responsible for any other works assigned by Chief Accounting Authority/ Controller General of Accounts.

1.3.3 Charter of Chief Controller of Accounts (CCA) /Controller of Accounts(CA) (not working as Head of Accounting Organisation)

Pr.CCAs/CCAs/CAs(IC) discharges their functions as Head of Accounting Organisation through and with the assistance of the CCAs/CAs/Dy.CAs/ACAs and Sr.AOs/AOs of the Ministry/Department concerned. CCAs/CAs with independent charge shall have the same roles mentioned for Pr.CCA/CCA being Head of Accounting Organization. However, other CCAs/CAs working under Pr.CCA/CCA shall assist them in the specific functions indicated below:-

A. Receipts, Payments and Accounts

i. Ensure timely payment to claimants and monitors outstanding payment to suppliers/vendors in GeM.
ii. Monitor timely issue of Inter-Governmental Adjustment Advice (IGAA) and IAAA to RBI by PAOs.
iii. Monitors monthly cash flows and ensuring effective cash management. The work includes monitoring of expenditure against MEP/QEP ceiling given in DDG.
iv. Review payment sanctions through PFMS (including GST refunds) as per the monetary limit prescribed by O/o CGA from time to time. In Ministries/Departments where there is no sanctioned post of Dy.CA, the payment sanctions above Rs.50 lakhs would also be reviewed by the respective CAs or CCAs as the case may be.
v. Handle the work related to the Debt, Deposit, Suspense and Remittance (DDSR) heads and take corrective actions in respect of the adverse balances under the heads.
vi. Consult with administrative divisions to review non-tax revenue receipts and user charges.

B. General Administration and Coordination

i. Administration and Establishment related functions including procurement of stores and outsourcing of services of the accounting formation.
ii. Exercise the delegated powers of Head of the Department.
iii. Looks after the legal and RTI matters, Parliament Questions, Official languages and augmentation of manpower in the office.

C. Banking Arrangements

i. Banking arrangements of the Ministry and reconciliation issues with the banks.

D. Internal audit

i. Appraise, monitor and evaluate the individual schemes.
ii. Assessment of adequacy and effectiveness of internal controls in general, soundness of financial systems and reliability of accounting reports
iii. Identify and monitor risk factors and conducts risk based audit of the schemes in consultation with Programme Division/Implementing Agency of the Ministry/Department.
iv. Prepare Internal Audit Annual Review
v. Critical assessment of economy, efficiency and effectiveness of service delivery mechanism to ensure value of money.
vi. Provide an effective monitoring system to facilitate mid-course corrections.
vii. Perform the duties of Member Secretary of Internal Audit Committee.

1.3.4 Charter of Deputy Controller of Accounts (Dy.CA)

Pr.CCAs/CCAs/CAs(IC) discharges their functions as Head of Accounting Organisation through and with the assistance of the CCAs/CAs/Dy.CAs/ACAs and Sr.AOs/AOs of the Ministry/Department concerned. However, Dy. CA level officers working under Pr.CCA/CCA/CA shall assist them in the specific functions indicated below:

A. Receipts, Payments and Accounts

i. Ensure correctness of classification of accounts and figures in the monthly accounts of Ministry.
ii. Ensure timely settlement of Letter of Authorisation (LoA) issued through PFMS.
iii. Timely and accurate compilation & consolidation of monthly accounts and all monthly accounts certificates to be signed by CAs/CCAs should be routed through Dy. CA.
iv. Timely realization of receipts and its correct accounting.
v. Coordinate with the entire field PAOs, CDDOs for various reports, accounts etc.
vi. Prepare weekly and monthly expenditure and receipt reports as required by Secretary/FA/CGA.
vii. Prepare Accounts at a Glance, Quarterly and Annual Analysis of accounts and financial information.
viii. Ensure proper maintenance of records in the accounting organization in digital format and its timely retrieval.
ix. Review payment sanctions through PFMS (including GST refunds) as per the monetary limit prescribed by O/o CGA from time to time. In Ministries/Departments where there is no sanctioned post of Dy.CA, the payment sanctions through PFMS (including GST refunds) would also be reviewed by the respective CAs(independent) or CCAs(Independent) or Pr.CCAs as the case may be.
x. Implementation of Bharatkosh Portal.
xi. Monitor National Pension System (NPS) with reference to NSDL monthly report, uploading of quarterly report of NPS on NSDL portal for and on behalf of FA.

B. Budget

i. Assist Pr.CCAs/CCAs/CAs in allocation of budget to PAOs.
ii. Review periodically of receipts, its monthly and quarterly trends, and reviews of user charges, rent, licence fees, royalties, profit share and dividends.
iii. Assist Pr.CCAs/CCAs/CAs in preparation of Receipt Budget, budget related reports for its inclusion in the Budget documents, report on dividend, FRBM statements etc. as per Budget Circular issued by Ministry of Finance from time to time.

C. Financial Management Systems & IT projects:

i. PFMS related work, EAT module monitoring and training of agencies.
ii. Coordinate with Program Divisions to see registration of IAs and use of EAT module of PFMS for Central Sector Schemes.
iii. Reconcile the reports available in PFMS with the release data available with PAOs, on monthly basis.
iv. Coordinate with Project Offices and SPMUs for rollout of CSS schemes in States.
v. Ensure and follow up with concerned SPMUs for mapping of their ministries' CSS schemes with state schemes under PFMS-Treasury integration.
vi. New IT projects development and implementation of the Ministry/Department.
vii. Manage website of respective Pr. CCA/CCA/CA office with the help of the NIC team or through any external agency. If there is no separate website, coordinate with the main ministry website for posting information.
viii. Development of Dashboard for Pr. CCA/CCA/CA and Dy. CA in the respective ministry.
ix. Monitor banks performance on KPIs pertaining to their Ministry with the launch of PFMS Dashboard and Bank monitoring app.
x. Act as Assistant State Nodal Officer (ASNO) or ACGA, SPMU, PFMS if posted in the state.

D. Expenditure and Cash Management

i. Provide support to improve cash management through monitoring of monthly cash flows effectively in the context of cash expenditure/commitments, tighten the system of receipt and payment monitoring and assist in securing greater convergence of revenue inflows and expenditure outflows.
ii. Monitor the monthly and quarterly expenditure plans and report variations in timely manner.
iii. Scroll and put through reconciliation and suspense balance related work.

E. Administration and Establishment:

i. Assist CCA/CA in Administration, legal matter, disciplinary proceedings, vigilance related work and Establishment related functions of the accounting formation.
ii. Assist Pr.CCAs/CCAs/CAs in conduct & supervision of the Internal Audit
iii. Record and Inventory Management, weeding out of files and records, SAP related activities.
iv. Appellate Authority under RTI Act.
v. Matters related to Annual Training.
vi. Independent charge assignments in the encadred posts in the Finance/Accounts Divisions of the Central Government/Autonomous/Public Sector Bodies/ institutions etc.

F. PR, Communication and event management:

i. Responsibility to manage events, prepare the communication strategy and implement it in the respective CCA offices.

In addition to the above, Dy. CAs shall also be responsible for any other works assigned by Head of Accounting Organisation and Controller General of Accounts.

1.3.5 Charter of Assistant Controllers of Accounts (ACAs)

ACAs shall work as Pay & Accounts Office (PAO) for first few months of posting in the accounting formation. Thereafter, ACAs shall function as Principal Accounts Office (Pr.AO) of Ministry/Department. This exposure to Pr.AO should also include general administration of the office, including Head of Office charge (in the absence of next higher level officer i.e. DCA). During this time, they should also lead independent audits and also should be made functional in-charge of Internal Audit Wing. Assistant Controllers of Accounts (ACAs) shall assist Pr.CCA/CCA/CA in discharging the following specific functions:

i. PFMS related work, RECEIPT, EXPENDITURE, ADVANCE AND TRANSFER (REAT) module monitoring and training of agencies.
ii. Implement IT and other initiatives in emerging fields viz. implementation of PFMS modules, risk-based internal audit, data analytics for generating MIS reports, process re-engineering, etc.
iii. Specific involvement in budget work, or any other projects of the Ministry in consultation with Secretary/FA shall broaden their skill set, and also leverage the fact that ICAS officers comprise the majority of (and at times are the only) DRs at JTS/STS level in Ministries.
iv. Independent charge assignments in the encadred posts in the Finance/Accounts Divisions of the Central Government/ Autonomous/Public Sector bodies/Institutes etc. should be assumed by ACAs (and DCAs).
v. Organize Hindi Pakhwara and Vigilance Awareness Week in Pr. Accounts Office.

In addition to the above, ACAs shall also be responsible for any other works assigned by Head of Accounting Organisation and competent authority in the office of Controller General of Accounts.

(Authority: - CGA's O.M. No. TA-2-01001/2/2020-TA-II/(Comp 2001)/596 dated 23-07-2021)

1.4 DETAILED PROCEDURE IN REGARD TO BANKING ARRANGEMENTS FOR PAY AND ACCOUNTS OFFICES.

1.4.1 Under the departmentalized accounting system, the receipts and payments of each Ministry/Department of the Government of India are handled by the Reserve Bank of India or the Public/Private Sector Bank/s nominated for the particular Ministry/Department by the Reserve Bank of India on the advice of the Controller General of Accounts, in accordance with the memorandum of instructions (reproduced in Appendix '2'), and subsequent orders in this regard. Also, whenever (a) More than one bank is proposed to handle the transactions at the same station; and (b) the accredited bank is required to be changed, the proposal should be invariably referred to the Controller General of Accounts, Ministry of Finance who would process them further after necessary examination, and take suitable decision on the subject. However, in the following cases, the Pr.CCAs/CCAs/CAs of the Ministry/Department heading the accounting organization may directly approach the RBI, Department of Government and Bank Account, (Central Office), Mumbai for opening bank account:

(i) In favour of any newly constituted PAO or the CDDO, as long as the account is to be opened in the accredited bank without any change involved in Focal Point Branch; and

(ii) In a different branch of the accredited bank from a specified date with simultaneous closing of existing account in a branch, on account of administrative reasons like proximity of the branch etc. In such cases it should be ensured that the reference to the Reserve Bank of India, Mumbai contains full particulars of the Pay and Accounts Officer and/or cheque drawing DDO regarding the previous account number and location/address of branch bank etc.

1.4.2 The Pay & Accounts Officer will send to the branch with which he is placed in account, the specimen signature of the Accounts Officer/ Officers who are authorised to sign as second signatory in terms of OM NO.1 (3)/95/TA/Pt. file/575 dated 27-7-98. An independent officer, preferably higher in rank and whose signature is available with the bank, should duly countersign the specimen signature of the PAO authorized to sign cheques. When there is a change in the incumbency of any of the officers authorised to sign the cheques, the branch concerned should be duly informed in writing and the specimen signature of the incumbent officer should be attested and forwarded to the bank in the same manner.

1.4.3 The Principal Accounts Officer will obtain supply of cheque books required for use by the Pay and Accounts Offices from the Central Stamp Store, ISP, Nasik Road or the accredited bank concerned wherever so authorized by the CGA, and make arrangements for their distribution to the Pay and Accounts Offices. The detailed procedure in this regard as prescribed in Government of India, Ministry of Finance (Department of Expenditure) OM No. F.2 (12)/76-sc/1490-1503 dated the 16th August, 1976 wherever applicable, will apply even in cases where cheque books have been authorized to be obtained from the accredited banks directly (Appendix 3).

1.4.4 The name of the Min./Deptt. of the Govt. of India, the name of the station, name of the office/ name and branch of the bank may be got printed on MICR cheques and the designation of the officer/officers signing cheques, D.D.O. and bank code number etc. may be affixed by means of rubber stamps on the cheque foils. In the case of non-MICR cheques, all the above particulars may be affixed by means of rubber stamps.

1.4.5 The officer authorised to sign cheques will intimate to the paying branch of the bank the number of the chequebook and the number of the cheque forms included therein whenever a new chequebook is brought into use. The bank will keep a record of these particulars for verifying the genuineness of the cheques presented.

1.4.6 In case of a P.A.O. going on leave, a substitute is to be normally arranged by the Pr.CCA/CCA/CA concerned. If, however, it is not administratively convenient to post a substitute for short spells of leave and another P.A.O. is available in that office, that P.A.O. can be authorised to sign the cheques. If another P.A.O. is not available on the strength of that office, the P.A.O. going on leave has to ensure that no payments of important nature are pending. If stationed locally, cheques of urgent nature can be signed by the PAO even at his residence, but in those cases where the PAO goes out of station and no substitute can be arranged in his place and there is need for making arrangements for drawal of cheques, the Principal Accounts Officer may authorise the senior most Assistant/Junior Accounts Officer to sign cheques for the specified period of the absence of the P.A.O. The bills passed and cheques issued during the period of absence of P.A.O. should be reviewed by the regular incumbent after his return or by the full time substitute posted in his place. A certificate in this regard should be sent by the P.A.O. to the Principal Accounts Officer that the bills passed/cheques issued during the period of his leave/leave of his predecessor have been checked.

1.4.7 PAOs of civil Ministries/Departments will open two e-FPB accounts in RBI i.e one for receipts under Non Tax Receipts Portal (NTRP) and one for e-payments through Inter Accountal Adjustment Advice (IAAA). PAOs operate IAAA where RBI would make e-payments for amounts exceeding Rs.100 crore,

directly to PSUs/Other Parties etc. and RBI will send e-srolls for such payments to PAOs. PAOs need to send the request for account opening requests to the Regional Director,RBI,Mumbai. (Authority: S-11012/1(12)/HLM/2012/RBD/1414-1460 dated 22.8.2016). (**CS 20**)

1.5 MODE OF PAYMENT THROUGH ISSUE OF PAYMENT ADVICES AND CHEQUES:

1.5.1. PAYMENT ADVICES: The term 'Payment advice' is defined in the R&P Rules, 1983 that it would refer to the instructions issued by PAOs/CDDOs to the bank for direct credit by electronic transfer of the specified amount to the specified bank account of the payee. The payment advice other than electronically signed advices shall be accompanied by a cheque for an equal amount drawn in favour of the relevant accredited bank.

1.5.2 While passing bills for payment, the following points relating to payment advice will be observed::

(i) All payments to private parties such as suppliers, contractors, grantee, loanee institutions etc. above Rs.5000 (The monetary limit of Rs.5000 is applicable w.e.f. 5.12.2016) may be made by payment advices for direct credit by electronic transfer to the specified bank account of the payee in accordance with the amendment of R&P Rules, 1983. (Authority: F.NO.3(2)(1)/2016/R&P Rules/Amendment/649 dated 5.12.2016).

(ii) All payments towards settlement of retirement/terminal benefits such as gratuity, commuted value of pension, encashment of leave salary, CGEGIS, withdrawals from General Provident Fund etc. shall be paid by direct credit to the bank accounts of the beneficiaries.

(iii) All payments to Government servants, including salary payments, shall be made by electronically signed payment advices for direct credit to their bank accounts, subject to availability of banking facilities: provided that a one-time relaxation may be granted for payments by other recognized modes in cases of hardship where the reasons are duly approved by the Head of Department and Finance Advisor. (Authority: OM No.3(2)(1)/2016/TA/R&P Rules/Amendment/443 dated 12.5.2017.)

(iv) Payment of immediate relief in terms of Rule 79 and 80 of Compendium of Rules on Advances to Government Servants, 2005 to the family member of the government servant who dies in service, is not covered under (i) above. In this case, DDO shall draw and disburse eligible amount of immediate relief in cash either from Imprest or by drawing money from the Bank. DDO should ensure adjustment of this advance against the arrears of pay and allowances, leave salary, Death Gratuity, balance of GPF/CPF or any other payment due in respect of the deceased government servant.

(v) When payment is desired by different modes of payments ie. Payment advice/cheque/Demand draft/Postal Order/Money Order/Cash etc., separate bills shall be prepared by the DDOs and the following shall be clearly indicated on the top of the bills:

"Payments by (*)" (* payment advice or cheque or DD or Postal Order or Money Order or cash)'. **[CS 20]**

1.5.3 categories of cheques and their use

1.5.3.1 NEGOTIABLE - *Also referred to as Category 'A' cheques, these are to be used for* payments on account of personal claims to gazetted officers, to contractors and suppliers and to public sector companies, corporations etc. Negotiable cheques will be drawn as payable to or order of the 'Payee'. While writing cheques of this category name of the payee should be followed by his bank account number and name of bank/branch. As a safeguard against fraudulent payment all non-salary cheques in excess of Rs. 500 and salary cheques in excess of Rs. 1000 should be crossed and marked 'Account Payee'.

If in exceptional circumstances, a cheque in favour of a private person or a Government servant including pensioners is not crossed in this form at the request of the payee, payment will be made only to the payee or to a person holding letter of authority from the payee, on proper identification. In case of payment demanded through the messenger verification of the signature of the messenger is required to be carried out. For payment to the payee's banker in exceptional cases, this can be done on certifying that the amount has been placed to his credit. It should, however, be ensured that no payee makes it a practice to get uncrossed cheques in his favour as a matter of course.

~~**1.5.1.1.** It shall be permissible to pay the salaries and other payments by cheques/cash to Government servants at their option. However for large payments like HBA, the payment shall be made by cheque even if the salary and other payments are made in cash.~~

~~**1.5.1.2** In cases where the working of any bank accredited to a Ministry or Department is affected by go-slow etc. and timely payment of salary and other payments is likely to be delayed, the officers and staff getting salary by cheques may be issued 'open' cheques instead of 'Account Payee' cheques even when the amount to be paid in a case exceeds Rs. 1,000/- . For this purpose, the existing provisions contained in this sub-para, may be relaxed by the Pr.Chief Controller/Chief Controller/Controller of accounts with the approval of the Financial Adviser in respect of payments to be made at the headquarters of the Ministry/Department. At other places, the concerned Pay and Accounts Officer may take similar action with the approval of his Head of Department, subject to the condition that whenever such relaxation is granted, a report to that effect is immediately furnished to the Pr. Chief Controller/Chief Controller/ Controller of Accounts.~~ . **[CS 20]**

1.5.3.1.1 'Open' cheques will invariably be made over to the individual payees through the concerned Drawing and Disbursing Officers who would be responsible for obtaining their acknowledgement in the prescribed register having following columns (i) date (ii) name of the officer (iii) number of the cheque (iv) amount (v) bill number and date against which amount received and (vi) acknowledgement as prescribed in para 5 of Ministry of Finance, Department of Economic Affairs, OM No.F.10 (9)-B(TR)/76 dated the 28th February, 1976.

1.5.3.1.2 Where payment is made by Pay and Accounts Officer, the Government servant will have the option to get the same credited directly to their bank account through ECS or other modes of e-payment, wherever such facilities are available, through the accredited bank. This will be on exercising this option in writing and authorizing their Drawing and Disbursing Officer to credit the salary/ leave salary etc. in their bank account. The Pay and Accounts Officer will advise directly to the bank branch under intimation to the DDO, as per the procedure laid down for e-payments by the CGA, with a list of employees included in the cheque indicating accounts numbers, at least as many days in advance as required under the mode of e-payment used. This is to enable the bank to credit the amount to the respective accounts of the employees on due date. Clear cut instructions should be issued to the bank so that the amount is neither credited to their account prior to the date on which payment is due, nor delayed.

1.5.3.1.3 Acquittance for payments made to Government employees should be obtained in accordance with the provisions of Rule 92 of Central Government Account (Receipts and Payments) Rule, 1983. However, where payment is made by direct credit to individual's bank account, acquittance will not be required. In such cases the acknowledgement of the bank about getting the advice will be sufficient.

1.5.3.2 NON-TRANSFERABLE- Also referred to as Category 'B' cheques, these are meant for payment to the payee who is a Government officer for disbursement of salaries etc. and payments pertaining to office establishment and office contingencies. These cheques will be drawn in favour of the Payee by his official designation and will contain the superscription 'Not Transferable' on the top and will be drawn as payable to the payee only and not 'to order'. These cheques are not negotiable and payments will be made only to the Payee or to his messenger holding a letter of authority on proper identification. In such cases of cheques drawn in favour of government officials, the specimen signatures of these officers will be supplied to the bank in advance and care will be taken by the bank to see that the signature given as discharge on the cheque agrees with the specimen signature on record.

1.5.3.3. NOT NEGOTIABLE AND NOT PAYABLE IN CASH - CREDITABLE TO GOVERNMENT ACCOUNT ONLY

These cheques also referred to, as Category 'C' cheques contain the superscription 'Government Account'. These are meant for payment of inter-departmental or inter-governmental claims other than payment of loans and grants-in-aid to State Governments and to Union Territory Governments/Administrations and supply debits referred to in para 8.8 of Chapter 8. This will be irrespective of location of the payer and payee offices, and will be arranged only by issue of cheques of this category and not by demand drafts. Reserve Bank of India, Central Office, Mumbai vide their letter No. 2669/GA 64(12)/79-80 dated the 12th May, 1980 addressed to all the Public Sector Banks

transacting Government business, have issued directions for encashment of outstation cheques of this category pertaining to 'Government Account' at par.

1.6 BANK DRAFTS

1.6.1 Payment by bank drafts to outstation payees by Pay and Accounts Offices is permissible in the following types of cases:

(a) All cases where payment has to be made by bank drafts either under the provisions of any law, or other legal or contractual obligations;

(b) Payment towards pay and allowances and other personal entitlements of outstation establishments including contingencies etc. In such cases the bank drafts will be issued in favour of drawing and disbursing officer of the concerned outstation office to enable disbursement of pay and allowances and other personal entitlements of staff, office contingencies etc. in cash. The bank draft will be drawn in favour of the D.D.O. by designation (and the word 'ONLY' added after the designation of the 'Payee) and bear the superscription 'not transferable'. Bank drafts for the regular monthly pay and allowances of establishment will also bear the superscription 'Not to be Presented Before.....' (The earliest date on which the payment can be made under Rule 64 of C.G.A (Receipt & Payment) Rule, 1983).

(c) In case e-payment facility for direct payment to bank account is not available, the Public Sector Undertakings and Corporations (Other than local bodies) set up by Government should open bank accounts at the station where the Pay and Accounts Office concerned is located, in order to facilitate payment to them by crossed, negotiable cheques only. Wherever payments cannot be arranged through this mode, the same may be arranged by crossed demand draft(s).

(d) Payments to semi-Government/private institutions/ private companies/individuals, etc. not covered under (a) to (c) above and located at outstations may by made through crossed bank draft or direct credit to their bank account through the mode of e-payment as per the prescribed procedure.

1.6.2 For obtaining the bank drafts required for outstation payments, the Pay and Accounts Officer will present a requisition in Form SY 288 duly supported by a statement in duplicate showing the particulars of the bank drafts required along with a Cheque of category ‘A’ for the total amount drawn in favour of the bank as payee. If any special superscription is required to be made in the draft such as 'Account Payee', 'Not Transferable' or 'Not to be Presented Before.....', a specific request to this effect should be sent along with the requisition. A Register of Requisition of Bank Drafts should be maintained as indicated in para 2.3.4. of chapter 2 of this manual.

1.6.3 PAYMENT BY MAIL TRANSFER

1.6.3 (i) It has been decided in consultation with Reserve Bank of India that accredited Banks will also extend to the Departmentalised Central Government Ministries/Departments the facility of remittance of funds to Semi-Government/Grantee Institutions through Mail Transfers free of charge under their own remittance facilities scheme. This will be in addition to the existing facility of payment through Demand Drafts.

1.6.3 (ii) In order to enable the Pay and Accounts Office to arrange remittance by Mail Transfer, the Drawing and Disbursing Officer will submit the bill with an endorsement that the payment may be arranged by Mail Transfer. He will also indicate the account number and name of the Branch Bank through which the payment is to be remitted. The Pay and Accounts Office will intimate the particulars of cheque number and date to enable the Drawing and Disbursing Officer to complete his records and watch the acknowledgement from the grantee institution.

1.6.3 (iii) This facility will be available only for Autonomous Bodies/Public Sector Undertakings and Grantee Institutions for payment of grant-in-aid and will not be applicable for suppliers and other private parties.

1.6.4 In addition to mail transfers, electronic modes of payments available with the banks may also be utilized to the extent possible in accordance with the prescribed procedures.

1.7 PAYMENT BY AUTHORITY

In case of payments that are required to be authorised on the paying authorities abroad, the P.A.O. concerned will issue the authority which will be countersigned and embossed with special seal by the Principal Accounts Office and forwarded to the concerned authority abroad for making the payment. The necessary authority letters authorising the officer in the Principal Accounts Office to sign such letters, along with his specimen signatures and special seal should also be sent to all concerned. If such payments are required to be frequently authorised by a particular P.A.O. in any Ministry, that particular PAO himself may be authorised as a standing arrangement, to directly issue the authority duly embossed with special seal.

1.8 ISSUE OF FRESH CHEQUES IN LIEU OF LOST CHEQUES

The procedure prescribed in Rule 48 of C.G.A.(R & P) Rules, 1983 and inserted as para 2.4 of this Manual, shall be followed for the issue of a fresh cheque in lieu of a cheque issued earlier but reported to have been lost.

1.9 PAYMENT SCROLLS, RELATED RECONCILIATION AND ACCOUNTING PROCEDURE

1.9.1 The payment scroll will be prepared by the paying branch of the bank separately for each account holder, in quadruplicate and in the Form prescribed vide Annexure 3 to Appendix 2. As and when cheques are passed for payment, the cheques will be entered in the scroll with each day's scroll given a running serial number for the accounting year 1st April to 31st March. The serial numbers on the payment scrolls will bear the prefix DMA (E) and the scrolls will be totalled at the end of each day. For the detailed procedure to be followed by the banks, Appendix 2 to this Chapter may be referred to.

1.9.2 After the books of the branch have been balanced with reference to the total of the day's scrolls, two copies of the scrolls along with their paid vouchers will be sent by them to the designated 'Focal Point' branch (and not to PAO) with a forwarding Memo on a day-to-day basis. One copy of the scroll will be sent directly by them to the D.D.O. concerned. The fourth copy of the scrolls will be retained by the branches for their records. The Focal point branch on receiving the two copies of scrolls from the dealing branches along with paid cheques attached to the original scroll will consolidate the transactions of the various dealing branches including its own and prepare a Main scroll in triplicate, separately for each Ministry/Department. Two copies of the Main Scroll along with the original copy of the scroll and related instruments received from various dealing branches will be forwarded to the concerned PAO on day-to-day basis. While furnishing the daily memo in Annexure 7 to the Link Cell, the Focal point branch should furnish a certificate to the effect that necessary scrolls/paid cheques/etc. have already been submitted to concerned Govt. Officials.

On receipt of the copies of Main scroll and supporting documents the PAO will carry out verification from his records, and then certify and return the duplicate of the scroll within 24 hours to the 'Focal Point' branch. The following checks will be conducted by the PAO in this regard:

(i) That the particular cheque is the same that was issued by that Pay and Accounts Office;

(ii) That the payment recorded in the scroll tallies with the amount shown on the paid cheque;

(iii) That the payment shown in the scroll and on the cheque tallies with the amount passed for payment on the related voucher and the entry in the Register of Cheques Delivered (Form CAM-11). The entry in the Register of Cheques Delivered will be simultaneously ticked off and the date of encashment noted in it.

Note: - The checks at (i) and (ii) above are to be exercised scrupulously under the P.A.O's personal supervision.

1.9.3 Any discrepancy noticed by PAO must be promptly taken up with the Focal Point branch for rectification by means of an "Error Scroll". Sometimes, a Focal Point Branch serving more than one Pay and Accounts Office may include in the scroll, cheques of another PAO/Dept/Ministry. In such cases after verifying scrolls with reference to cheques issued by him, he should return the cheque not pertaining to his office and request the bank to revise the bank scroll by an 'error scroll' mentioned above. The PAO, while returning the cheque to bank, may also send a copy of the reference to the PAO to whom the cheque pertains giving full particulars of it to enable the latter to keep a record of its encashment and pursue the matter with his Focal Point Bank for inclusion of the cheque in his scroll. This will also avoid the possibility of issue of duplicate cheques in lieu of such cheques.

The Focal Point branches will similarly render receipt scrolls to the PAO along with challans. The entries in respect of receipt scrolls will be reconciled in the accounts in the manner laid down in para 1.10.2 et seq.

1.9.4 The Pay and Accounts Office in account with any bank other than Reserve Bank of India shall post the total of each day's payments and receipts as per the payment/receipt scrolls excluding discrepant items, if any. This will be posted in the Register of Public/Other Nominated (Private Sector) Bank Suspense in Form-C.A.M. 17. Separate folio may be opened for entering scrolls pertaining to the P.A.O. and each of his cheque drawing D.D.O.

1.9.5 The Pay and Accounts Officer will also tally the monthly gross payments/receipts worked out in this register with the gross amount derived from the monthly statements of disbursements and receipts received from all concerned bank(s) and record a certificate in this regard in the register. Thereafter he shall take the figures of payments and receipts for each month to the relevant minor heads Public/Other Nominated (Private Sector) Bank Suspense under 8658-Suspense Accounts- on the appropriate side i.e. credit and debit sides respectively in the Classified Abstract.

1.9.6 The idea behind opening the minor head 'Public/Other Nominated (Private Sector) Bank Suspense' is to exhibit in accounts, the difference between amounts of Central Government (Civil) transactions occurring in Public/Other Nominated (Private Sector) Banks which are included in Government Accounts and the amounts actually adjusted by the Reserve Bank of India, Central Accounts Section, Nagpur against the Central Government on the basis of advices received from the link branches of Public/Private Sector Banks through designated offices of Reserve Bank of India. The progressive balances outstanding on credit and debit sides under the minor head 'Public/Other Nominated (Private Sector) Bank Suspense' in the books of the Principal Accounts Officer concerned will represent respectively the payments and receipts of the Ministry/Department handled by its accredited Bank for which either settlement remains to be effected between the accredited Bank and the Reserve Bank of India or non clearances from it by the Principal Accounts Office concerned, due to non-receipt of monthly statement(s) of transactions from the R.B.I., Central Accounts Section, Nagpur before close of the monthly accounts of relevant month. Causes for such non-settlement will generally be (i) delay in receipt of memorandum of transaction(s) by link banks from branch banks, (ii) delay or omission on the part of link banks in including the amounts of branch bank's memorandum in their daily advice to Reserve Bank of India, (iii) difference between amounts indicated in branch bank memo (which gets reflected in the focal point bank memo) and the correct amounts of cheques paid/ receipt challans scrolled, (iv) Delay or omission on the part of Link Cell of the bank to settle the transactions with RBI(CAS), Nagpur and (v) erroneous classification of transactions of a Ministry Department against another Ministry/Department in its advice(s) by a branch or link cell which handles transactions of more than one Ministry/Department.
Similarly, in the Monthly Accounts of the Government of India consolidated by the Controller General of Accounts, progressive figures of credit and debit balances outstanding under the head 'Public/Other Nominated (Private Sector) Bank Suspense' will give a total picture thereof relating to all Civil Ministries/Departments put together.

1.9.7 Clearance from the suspense head as above by transfer to the head "8675, Deposits with Reserve Bank-Central Civil-(PSB)" shall be made by the Principal Accounts Office on receipt of intimation of the monthly figures from C.A.S. of Reserve Bank of India, Nagpur as indicated in detail in para 1.12.7et seq.

1.9.8 The Pay & Accounts Officer in account with a branch of the Reserve Bank of India as primary banker shall post the total of the day's payments/receipts as per the scrolls, in the Register of Reserve Bank Deposits (Form CAM-17). The monthly totals of receipt and payment scrolls as worked out in this register will be taken to the Classified Abstract as debit and credit respectively under the head of account "8675-Deposits with Reserve Bank- Central Civil-Reserve Bank (Headquarters)"

1.10 RECEIPT SCROLLS AND THE RELATED RECONCILIATION AND ACCOUNTING PROCEDURES

1.10.1 Receipts of Ministries/Departments are received in the form of cheques on local banks or demand drafts, drawn in favour of the Pay and Accounts Officer or cheque drawing D.D.O. as the case may be. Receipts in cash will, however, be accepted by cheque drawing D.D.Os. or other departmental officers subject to the provisions of Rule 18 of Central Government Account - R & P Rules,1983. Apart from above, both tax and non-tax receipts can also be effected through electronic credit to Government account by means of credit/debit card, internet banking etc. wherever so authorized and as per the procedures laid down for the purpose by the CGA, in consultation with the C&AG.

1.10.2 The receipts through instruments/cash will be remitted into Government account held by the P.A.O. or by the cheque drawing officer in the relevant branch of the bank accredited to the Ministry /Department concerned. It will be done through the prescribed Challan forms indicating the particulars of cash / cheque/ demand draft deposited and the account head classification. In case of the cheque drawing D.D.O. the challan will be prepared in triplicate. The receiving bank will prepare daily Receipt scrolls (Annexure-4) in quadruplicate, and separately for each account holder. The serial numbers on the receipt scroll will bear prefix DMA (R). The serial number of the entry in the scroll will be recorded on the corresponding challans for the purpose of identification. After the day's accounts are balanced, two copies of the receiptscrolls along with their challans will be sent to the designated Focal point branch with a forwarding memo (Annexure 5) on a day-to-day basis. One copy of the scroll will be sent by them directly to the concerned D.D.O while the Fourth copy of the scroll will be retained by the receiving branch. Based on the challans received by him the departmental officer will prepare a weekly statement of receipts giving the number and date of the challan, name of the depositor and the amount deposited. He will also check the entries in the copy of the scrolls with entries in the statement of receipts and reconcile with the bank if any discrepancy is detected, under advice to the PAO. He will also send to his PAO, a monthly bank reconciliation statement in Form CAM-22.

The Focal Point branches will consolidate the transactions of the various dealing branches including its own, and prepare a main scroll in triplicate (Annexure 6) separately for each Ministry/Department. Two copies of the Main scroll along with the original copy of the scroll and the related instruments received from various dealing branches will be forwarded to the concerned PAO for verification as in the case of payment scrolls.

1.10.3 On receipt of the bank scrolls The Pay & Accounts Office will check the entries in the scrolls with the challans attached to it and after proper linking, shall pass them on to the compilation section for posting. Compilation Section will post the total receipts as per scrolls in the register of Public /Other Nominated (Private Sector) Bank suspense or Reserve Bank Deposits as the case may be, in form C.A.M.-17, and compile the challans to the concerned receipt heads. He will also watch receipt of reconciliation statement from the cheque drawing DDOs to ensure that all the amounts credited by them have been correctly entered in the scrolls received by him. He will also watch whether credit is given in bank scrolls for all the cheques/bank drafts sent to the bank by him for credit into Government account, and take appropriate action in respect of those outstanding, in consultation with the bank. If any outstanding bank drafts pertains to one that was received from a Departmental Officer (without cheque

drawing powers) located outstation, he would have to keep the latter informed and/or take appropriate course of action through the Departmental officer with the party concerned.

1.10.4 Departmental officers other than the cheque drawing DDOs situated at the same station as the Pay and Accounts Officer shall remit the collections received in cash or local cheque/demand draft into the bank in which the Pay and Accounts Office holds an account, duly supported by challans. He will also send a weekly list of remittances into the bank to the Pay and Accounts Office to enable the PAO to watch receipt of corresponding credits in the bank scrolls received by him. In case any such cheque(s)/bank draft(s) remains outstanding at the end of the month subsequent to that in which the Departmental officer had reported it as remitted to the Bank or is dishonoured, the Pay and Accounts Office shall intimate the details of such instrument/s to the Departmental Officer for further action.

Departmental Officers situated at a station other than that of the Pay Accounts Office, shall obtain receipts through demand drafts drawn in favour of the Pay & Accounts Office and payable at the latter's station. Wherever he is empowered to receive cash, he shall convert the same into a demand draft drawn in favour of his P.A.O. and remit the same to the latter for crediting into Government account. If under the provisions of any Rule/Act, the receipts of a department are required to be remitted by the public by means of demand draft drawn in favour of departmental officer and such an officer happens to be a non- cheque drawing officer, he should endorse it in favour of the Pay and Accounts Officer with whom he is attached for crediting it into the Government account held by the latter. Reserve Bank of India in this regard have clarified that there is no legal bar to a crossed cheque/demand draft drawn in favour of departmental officer and bearing the endorsement 'Account Payee' being endorsed by him in favour of his Pay and Accounts Officer for this purpose.

Even category 'C' cheques/drafts bearing the endorsement "Not negotiable and not payable in cash- creditable to Government account only" drawn in favour of Pr. Chief Controller/Chief Controller/ Controller of Accounts i.e. Principal Accounts Officer, could be endorsed by him in favour of a P.A.O. under him for crediting to Government account.

Note:- Receipts relating to Direct Taxes (Income tax, Corporation tax) and Indirect Taxes (customs and excise duties etc.) administered by Central Board of Direct Taxes/Central Board of Excise and Customs will, however, be credited/remitted into the Reserve Bank of India and other nominated branches of Public/Private Sector Banks using challan forms specifically prescribed under the relevant provisions of the schemes of revenue collections of Central Board of Direct Taxes/Central Board of Excise and Customs.

1.11 REGISTER OF VALUABLES

Bank drafts or cheques received in the Pay and Accounts Office should be entered in the Register of Valuables (Form CAM-16) immediately on receipt and then sent to the Bank for credit to Government account on the next working day, along with a credit slip. In order to reduce clerical work in cases of heavy receipt of valuables from outstation/ non-cheque drawing D.D.Os, the covering list of valuables received from them may be pasted in the register after checking each entry in the list with the valuables enclosed with it. The register should be closed every fortnight and bank drafts/cheques for which the corresponding credits in the bank scrolls are not forthcoming should be investigated. Rule 49 of GFR, 2017 emphasizes migration to e-receipts to ensure customer convenience and immediate credit of receipts to the Government account. Non Tax Revenue Portal (NTRP) www.bharatkosh.gov.in has been made operational for facilitating online receipts from various stakeholders through concerned Government Ministries/Departments. In case of remittance of revenue through NEFT/RTGS, the amount shall be credited in the e-FPB receipt account of PAO specifically opened for this purpose in RBI. (Authority: S-11012/1(12)/HLM/2012/RBD/1281-1337 dated 22.8.2016). **[CS 20]**

1.12 ADVICES ON RESERVE BANK OF INDIA (CAS) NAGPUR AND OPERATION & CLEARANCE OF THE MINOR HEAD, RESERVE BANK SUSPENSE (C.A.O.) ETC:

1.12.1 Payments of loans and grants to State Governments and repayments of loans/payment of interest by State Governments are effected by the issue of advices to the Central Accounts Section of R.B.I.,

Nagpur by various Principal Accounts Offices etc. in terms of the procedure prescribed in Chapter 8. Advices issued by a Pr.A.O. to R.B.I.(CAS), Nagpur in this connection for effecting monetary settlement through its books will be given the same treatment in accounts as is given to cheques issued, except that the head '8658-Supense Accounts-R.B. Suspense (C.A.O.)' will be operated upon instead of the head '8670-Cheques and Bills' for affording contra credit. This suspense head will be cleared with a minus credit as soon as relevant intimation (clearance memo) is received from R.B.I., C.A.S., Nagpur about the settlement having been effected in the manner indicated in para 1.12.3 et seq.

1.12.2 Intimations received by a Principal Accounts Office from the RBI (CAS), Nagpur about credit having been afforded to the Ministry's/Department's account based on advices from Accountants General etc. will be dealt with in the same manner as receipt scrolls from banks (without supporting details as these would be awaited from the Accountants General concerned) and the head "Reserve Bank Suspense (C.A.O)" minus debit will be operated upon. On receipt of details from the A.G., the suspense head should be cleared through a transfer entry, affording debit to it and contra credit to the final head (s). This procedure for operating Reserve Bank Suspense (C.A.O.) may be adopted in respect of all such clearance memos received irrespective of whether or not the particulars are received and complied.

1.12.3 Form of Register of Reserve Bank Deposits-Part II (CAM 17A) has been devised for use in the manner indicated in the sub paras of this para and in the next para. However, Principal Accounts Offices which are not concerned with the operation of remittance heads need not open columns meant for indicating contra effect against Major Heads 8786 to 8789 (viz. columns 7 to 10).

All advices for payments of the type referred to in para 1.12.1. above should be entered in a register in form CAM 65 and should be submitted for signatures along with the register. Monthly total under column 3 of the register should be entered as credit against the head '8658 Suspense accounts-Reserve Bank Suspense (Central Accounts Office) in the classified/consolidated abstract. Along with this, the full classification of the final head(s) to which the payment is debitable should be indicated/pasted on a spare copy of each advice, and passed on to the Compilation Section along with the daily memorandum of advices issued, for posting in the compilation sheet etc. As soon as clearance memos are received from the RBI, their particulars should be entered in form CAM 17A. Total amount under column 12 thereof will be reckoned for posting against the concerned suspense head in the classified abstract, as responding minus credit.

Clearance memos received in the type of cases referred to in para 1.12.2 are to be entered in form CAM 17 A and (-) Debit shown in para 1.12.2 afforded to the concerned suspense head to the extent of the monthly total under column 6 of the register, and T.Es proposed in all cases on receipt of the particulars from the AGs in the manner indicated in para 1.12.2.

The total receipts and disbursements under columns 5 and 11 of the said register will be reckoned for the purpose of entry on the appropriate side of the classified abstract/consolidated abstract against the head of account "8675-Deposits with Reserve Bank-Central Civil-Reserve Bank, (Central Accounts Office)". Ordinarily, no balance should remain outstanding under the head 'Reserve Bank Suspense' at the close of the accounts of a financial year.

1.12.4 In the cases of operation of remittances heads by Supply accounts and External Affairs Offices etc. referred to in paras 8.8.1 and 8.9.1 of this Manual, the original adjustment of debit against these heads arising at the time of compilation of the payment vouchers will be done in a manner similar to adjustment under 'PAO Suspense', dealt with in para 8.2.1, with the difference that the settlement will be done by issuing advices on RBI, CAS, Nagpur instead of issue of cheques. The responding stage in these cases will commence with the issue of an advice to RBI(CAS) Nagpur. The advices may be entered in a separate register in form CAM 65. When the clearance memo is received from RBI, Nagpur, it should be entered in C.A.M.17A, in order to effect responding minus debit to the relevant remittance head from the monthly total thereunder. The corresponding debit will be given against the head '8675-Deposits with Reserve Bank - Central - Civil - Reserve Bank (CAO). Ordinarily, no balance should remain outstanding under these remittances heads at the close of the accounts of a financial year.

1.12.5 Monthly totals under column Nos. 5 & 11 should be tallied and reconciled with monthly report /adjustments submitted by R.B.I.(CAS), Nagpur vide portion (i)of para 1.12.6.

1.12.6 On receipt of the daily intimations of receipt and payment relating to each Ministry/Department from the Link Cell of the Public Sector Bank, the Central Accounts Section of RBI, Nagpur, will effect necessary settlement and, inter alia, work out daily balance of the Govt. of India. The Central Accounts Section, Reserve Bank of India, Nagpur shall maintain a separate proforma account called "Departmentalised Ministries' Account" (with details in respect of each Ministry/Department) in the General Ledger. The Central Accounts Section, R.B.I., Nagpur shall furnish Ministry-wise/Department-wise balance for each month to the concerned Pr.CCA/CCA/CA of the Ministry/ Department indicating (i) adjustment effected by the Central Accounts Section, Reserve Bank of India, Nagpur on the basis of advices received from the Pr. Accounts Office in terms of para 1.12.1 and from As.G in terms of para 1.12.2 read with paras 8.2 & 8.15, and from Railways in terms of para 8.13.1 etc. and (ii) balances (total receipt/payment) transferred from Reserve Bank of India offices representing transactions during the month in respect of that Ministry/Department as reported by (a) branch of RBI acting as primary banker and (b) by nominated office of RBI effecting settlement with the Head of Office, (Designated Link office of Bank) and the net balance of that Ministry/Department calculated therefrom, vide Reserve Bank of India circular No. 2036/GA-64 (12)-77/78 dated the 21st March, 1978.

1.12.7 The Principal Accounts Officer will be responsible for clearance from the Public/Other Nominated (Private Sector) Bank Suspense head, the figures reported by Central Accounts Section, Reserve Bank of India, Nagpur under (ii) (b) above. The clearance will be effected by means of a transfer entry by affording 'Minus debit' against the suspense head to the extent of the total receipts shown in the report, and 'Minus credit' to the extent of the total disbursements shown, with contra entry against the head 8675-Deposits with Reserve Bank-Central Civil-Reserve Bank (PSB)on the appropriate side.

1.12.8 The Principal Accounts Officer will also be responsible for effecting the necessary agreement of these figures in the Ministry/Department wise balances with the figures under the Reserve Bank Deposits/Public Sector Bank /Other Nominated (Private Sector) Bank Suspense heads appearing in the monthly account rendered by them to the Office of the Controller General of Accounts.
The differences detected during the course of agreement of the figures under "8675 Deposits with Reserve Bank- Central- Civil" (all the sub-heads) and amounts outstanding under "Public Sector Bank/Other Nominated (Private Sector) Bank Suspense" should be got analysed and settled before the accounts of the year to which they pertain, are closed. In exceptional cases where this has not been achieved, the matter should be pursued to its finality even thereafter, and adjustments that may be required should be incorporated in the accounts that are open.

Note:- The final adjustment for transferring the amount from the head '8675-Deposits with Reserve Bank'to'8999-Cash Balance' will be done by the Controller General of Accounts.

1.12.9 The responsibility for effecting reconciliation between the net increase/decrease in the balance of the Central Government as a whole with Reserve Bank as reported by the Reserve Bank and the net results of the credits/debits to the head 'R.B Deposits' reported in the accounts rendered by the various Principal Accounts Officers will be that of the Office of the C.G.A.. In effecting such reconciliation, the effect of the transactions taking place at the Banking treasuries as well as the Centre-State adjustments advised by Accountants General etc. will also be taken into account.

1.13 EXPENDITURE CONTROL

1.13.1 One of the important duties of each Pay and Accounts Office, as a prelude to the introduction of Exchequer Control that requires a law to be enacted under Article 149 of the Constitution is to see that, no payment is made in excess of budget allotment unless it is covered by an advance from the Contingency Fund.

1.13.2 Under the departmentalized system since all payments are closely related to appropriation at the very points of authorizing such payments, chance for error in classification requiring rectification through transfer entries in accounts are considerably reduced, if not totally eliminated.

1.13.3. Copies of all sanctions and orders signed in manuscript to be acted upon by the Pay and Accounts Office shall be either addressed to him or endorsed to him by the authority competent to accord sanction, indicating, inter-alia, the head of account under which the payment is to be classified and also quoting reference to the U.O. No. under which sanction of the Ministry of Finance/Financial Adviser was taken wherever necessary.

1.14 CLASSIFICATION OF EXPENDITURE IN DEPARTMENTALISED ACCOUNTS ORGANISATION

1.14.1 The following principles should be adopted for classifying the expenditure on departmental accounts organisation:

(a) The expenditure on a Pay and Accounts Office, which is exclusively dealing with a separate identifiable organisation will be treated as regular expenditure of the organisation without operating separate minor heads for this purpose. For example, expenditure on PAO (Tourism) will be debited to the head '3452-Tourism-Direction and Administration'.

(b) The expenditure on all other Pay & Accounts Offices as well as Pr. Accounts Offices of all Ministries/Departments including Internal Audit Wings set up under the scheme of Departmentalisation will be classified under the minor head 'Secretariat' below the appropriate Major head viz.,'2052-Secretariat-Services' or '2251-Secretariat-Social and Community Services' or '3451-Secretariat-Economic Services', as the case may be.

1.14.2 Budget provision will also be made according to the principles set forth above. In the case of (a) above, the provision will be included in the total provision for the organisation. In respect of (b), budget provision will be included in the Secretariat Demands for Grants of the concerned Ministries or Departments.

(**CS NO.17)**

1.15 AGENCY COMMISSION PAYABLE BY RBI TO BANKS ON GOVERNMENT TRANSACTIONS

RBI pays agency commission to banks for handling government business transactions. The agency commission rates on eligible government transactions are as under :-

S. No.	Type of Transaction	Unit	Rates applicable w.e.f 1/7/2019
1	Receipts - Physical	per transaction	Rs.40/-
2	Receipts – e-mode	per transaction	Rs.9/-
3	Pension Payments	per transaction	Rs.75/-
4	Payments other than Pension	per Rs.100 turnover	Rs. 6.50 paise

(Authority: Circular No. DGBA. GBD. 3144/31.02.007/2018-19 dated June 20, 2019 issued by Department of Government and Bank Accounts and circulated vide CGA'S OM No. S-11012/3(35)/TOC/2016/RBI/GBA/1151-1199 dated 12-7-2019).

1.16: PROCEDURE FOR LEVYING PENAL INTEREST ON ACCREDITED BANKS FOR DOING GOVERNMENT AGENCY BUSINESS:

1.16.1 Payment of interest on excess put through/double claim by the accredited bank: PAO need to initiate action with FPB for recovery of penal interest on excess put through/double claim by the accredited bank and send the requisite reports to Pr.AO for consolidation and onward transmission to O/o CGA in accordance with the procedure laid down in para 13.6 (xv) of CAM.

1.16.2 Payment of interest on delayed remittances: All challans pertaining to receipts should be scrutinized to detect cases of delays in remittance beyond maximum period. These delays should be investigated to ascertain whether these have occurred at the receiving branch or the nodal /FPB branch of the bank. A record of all such cases of delayed remittance should be kept in the PAO.

1.16.3 Calculation of Delay: 'T' is the date of Transaction which will be counted from the date of receipt in case of cash payment, and date of realization in case of cheques/ drafts at the receiving branch. Delayed period interest shall be imposed on the banks for the actual delayed period and not from the date of transaction (T). In other words, the delay period' calculation will start from the day following the prescribed put through date (actual "Put through date will be included for calculation of delay). Concerned Account Offices will identify cases of delay and inform their headquarters. All cases of recovery will be processed by the Accounts Officer and quarterly report will be submitted to their HQ for taking up the matter with the Head Office of the Banks.

1.16.4 Timelines for credit of government revenues:

(A) For manual receipts:

(i) Since all the branches of the agency banks are on CBS platform, all the agency banks (Public/Private Sector Banks), shall remit the physical government receipts collected by the branches of the banks to Government Account in RBI on the next working day i.e. T+1 (including put through) where T stands for the day when amount is received by the dealing branch.

(ii) For the branches falling under North Eastern States, the specified time for remittance would be T+2 days (including put through).

(B) For e-receipts:

i. The remittance period in respect of all govt transactions made through e-payments (including tax receipts of CBDT and CBEC) in respect of Public/Private Sector Banks will be T+1 working day (including Put through date).
ii. The following additional instructions for e-receipt collection by the accredited bank through Debit/Credit Cards/Net Banking are :

a. Remittance norms of T+1 working day including the Put Through day should be strictly followed. T is the day money is available with the receiving bank branch of the agency/accredited bank.
b. Penal interest should be levied on the delayed remittance of e-receipt into Government Account. i e. on delay beyond T+1 working day, if any.
c. In respect of transactions occurring through Debit/Credit Cards and Net Banking, the settlement should conform to the provisions contained in the Payment and Settlement Act, 2007 of the Reserve Bank of India and rules and regulations made therein.

1.16.5 For Small Savings Schemes of M/o Finance (PPF & SCSS etc):

In respect of Small Savings Schemes of M/o Finance (PPF & SCSS etc), the directions given in the M/o Finance, Dept of Economic Affairs, Budget Division OM No. F.17/1/2008-NS-II dated 15th May, 2008 (as amended from time to time) would be applicable. This order lays down the following conditions for remittances and rate of interest of penal interest on delayed remittance.

i. All remittances shall be credited to Government Account at RBI CAS Nagpur within 3 days including holidays for private sector banks and excluding holidays for Public Sector Banks.
ii. The Put-through Date is excluded from the grace period of 3 days (excluding holidays).
iii. In case of delays beyond the above-mentioned period, the penalty payable by accredited banks on such delayed remittances shall be the applicable rate of interest payable to the depositor plus 0.5% in case of delays up to 30 days and plus 1% in case of delays beyond 30 days.
iv. Observance of Rules and Regulations of the PPF Scheme and the SSCS Scheme as amended from time to time. Non-observance of rules and regulations would attract penal action including de authorisation of branch/bank. Pecuniary liabilities, if any, arising from such non-observance shall be borne entirely by the bank.

1.16.6 Rate of Penal Interest:

i. The rate of interest to be charged is Bank Rate as prevailing (which is generally notified biannually on May 1 and November 1) plus 2% or as decided by Reserve Bank in consultation with CGA from time to time.
ii. The period of delay in a transaction of Rs. 1 lakh and above shall attract delayed period Interest at Bank Rate + 2%.
iii. For the transaction below Rs 1 lakh in each case, the delayed period interest shall be levied only at the Bank Rate for delays up to 5 calendar days and above 5 calendar days at the Bank Rate 2 % for the full period of delay.
iv. For petty claims of delayed penal interest involving an amount of Rs.500/- or below will be ignored and excluded from the purview of penal interest (CGA'S OM no S-11012/3/P Intt(RP) /CGA/2007/R80/ 499 dated 06/04/2009). This limit of penal interest of Rs 500 is for per transaction.
v. In respect of Non-Tax and all other Government receipts also, for permissible time limit, calculation of delay period and delayed period interest, the above instructions shall be applicable.
vi. The rate of penal interest in case of PPF/SCSS schemes of Mo Finance is mentioned in para 1.16.5 above.
vii. All banks may build up their own internal control mechanism so that the preventive and corrective actions are taken by the bank for its branches well in time.

1.16.7 Reporting of Penal Interest:

i. Total delayed amount, which has not been remitted in time as per the above timelines and the penalty due along with details of individual cases will be intimated by the concerned Pr. CCAS/CCAS/CAs (for the Non- Civil Ministries by the concerned Head of the Department) to the Head Office of the bank concerned on a quarterly basis by 15th of the following month (eg. for the quarter ending June, the cases should be sent by 15th July) along with all necessary documents.
ii. Where penal interest payable is based on audit, all delays in remittance of receipts of Government along with Penal interest payable should be reported to the concerned banks within 3 months of completion of audit.
iii. In exceptional cases where Ministry Department is not able to lodge the penal interest claim within the stipulated time frame prescribed above, a case for seeking relaxation with full justification would be sent to CGA for consideration.

1.16.8 Payment of Penal Interest by Banks:

Banks will pay penal interest for claims lodged by concerned Ministries/Departments within a period 3 months from the date of issue of claims by Ministries/Departments. All agency banks may build up their own internal control mechanism so that preventive and corrective actions are taken by the bank for its branches.

1.16.9 Resolution of any dispute:

i. In case of any dispute in penal interest between the banks and the Ministries/Departments, such cases may be forwarded by the Banks to the GBA section of CGA for necessary action.
ii. All cases of dispute forwarded by banks will be put up to a committee formed for this purpose. The committee would be chaired by Additional CGA (GBA), O/o CGA with the following members
a. Pr. CCAS/CCAS/CAS (Independent charge) of the concerned Ministry for cases relating to Civil Ministries/Departments
b. JS Level officer (in case of Non Civil Ministries)
c. CGM, DGBA, RBI
d. Representative from the concerned bank at CGM/GM level
e. Jt CGA (GBA)-Member Secretary
iii. In case the banks do not pay penal interest or lodge any dispute within the prescribed timelines given above, direct debit of the bank's account will be done for the amount of Penal interest in consultation with RBI.

1.16.10.Terms of Waiver

(i) The penal interest levied on accredited banks cannot be waived. Only the period of delay counted for calculation of penal interest can be relaxed/condoned by the Committee/CGA of Accounts on case to case basis. Following are some of the cases in which period of delay can be relaxed/condoned for calculation of penal interest:

(a) Force majeure such as war not or by an act of God -The effective period of the Force majeure clause for relaxation of time period of delay will be decided by the O/o CGA in consultation with RBI.

(b) Continuous holidays as per RBI calendar

(c) Annual/Half yearly closing of accounts of banks (1 of April & 1 of October)

(ii) The period of Stake by the Bank's staff will not be excluded from the permissible period for remittance of Government revenues (Oro CGA OM no S-11012/3(35)/CBDT/DE/2003-04/RBD/790 dated 14/05/2008)

(iii) The committee will take into account all factors responsible for delay and then condone only the period of delay.

1.16.11 Grounds for Appeal: In cases where the decision of the Committee is not found acceptable by either the Ministry/Department or the bank, an appeal can be filed with the CGA within 30 days of the decision of the committee. The decision of the CGA will be final and binding.
(Authority : CGA's OM No. S-11012/1(31)/AC(22)/2015/RBD/332-424 dated 9th March 2016 and OM No. S 11012/2/3/RBI/2018/GBA/158-1606 dated 19th September 2019)

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APPENDIX 1
(Referred to in Para 1.1.2)

Extract from Allocation of Business Rules, 1961 as amended from time to time

"7A Organisation of the Controller General of Accounts dealing with

a. General principles of Government accounting relating to Union or State Governments and form of accounts and to training or revision of rules and manuals relating thereto;

b. Reconciliation of cash balances of Union Government with Reserve Bank in general and, in particular, of Reserve Bank Deposits pertaining to Civil Ministries or Departments;

c. Overseeing the maintenance of adequate standards of accounting by Central Civil Accounts Offices;

d. Consolidation of monthly accounts, preparation of review of trends of revenue realization and significant features of expenditure etc. and preparation of annual accounts (including Summary Civil Appropriation Accounts) showing under the respective heads, the annual receipts and disbursements for the purpose of the Union Government;

e. Administration of Central Treasury Rules and Central Government Account (Receipt and Payment) Rules 1983;

f. Co-ordination and assistance in the introduction of management accounting system in Civil Ministries or Departments;

g. Cadre Management of Group `A' (Indian Civil Accounts Service) and Group `B' Officers of the Central Civil Accounts Offices;

h. Matters relating to the Central Civil Accounts staff belonging to Group ‘C’ and ‘D’ ; and

i. Disbursements of Pension through PSBs in respect of Central Civil Pensioners Freedom Fighters, High Court Judges, Ex.M.P.s and Ex.Presidents.

APPENDIX 2

(REFERRED TO IN PARA 1.4.1 & 1.9.1)

Memorandum of instructions on banking and accounting arrangements in connection with receipts and payments on Government account by Public Sector Banks under the scheme of Departmentalisation of accounts.

A scheme for the decentralisation of accounts of the individual Ministries/ Departments of the Government of India was introduced in three phases with effect from 1st April,1976. Under the scheme of departmentalisation of accounts, the responsibility for maintenance of accounts at all levels was transferred from Accountants General to Integrated Financial Advisers of the Ministries/Departments. The arrangements in connection with payments and receipts of Government by public sector banks under the scheme of departmentalisation of accounts are indicated in this Memorandum for guidance of all concerned.

Note: Detailed Memorandum of Instructions outlining the banking and accounting arrangements in connection with the receipt of income tax and other direct taxes, central excise duties, and payment of civil pensions under the scheme for collection of taxes, dues etc. of scheme for payment of pension through public sector banks have been issued separately.

2. The Integrated Financial Adviser of the Ministry/Department will make budget allocations to various wings, departments or formations under his jurisdiction, on the strength of which the Accounts Officers in charge of Pay and Accounts Offices issue letters of credit, assigning the amounts allotted to Drawing and Disbursing Officers, quarterly or at other intervals as may be convenient, sending the necessary intimation directly to the concerned branches of public sector banks with whom the Department or Ministry is banking. Payments on behalf of a drawing and disbursing officer served by a branch during a specified period will not exceed the amount of assignment or letter of credit. Accounts opened by the branches on the strength of letters of credit assigning limits for drawing are know as “assignment accounts” or “letter of credit accounts”. Some of the Government officers may be allowed, as far as the paying bank is concerned, to operate on Government Account without limit of account. Such accounts are known as “drawing accounts”. There is a third type of Government account known as “Personal Ledger Account”. These are of the nature of regular current accounts opened in the name of Government Officers for the purpose of booking receipt and drawings, the essential condition being that drawings are restricted to the balance in the account.

3. The concerned branch will maintain a ledger in form as per Annexure-1 for assignment or letter of credit account of each drawing and disbursing officer for whom the branch will be acting as banker. For personal ledger accounts, form as per Annexure-2 will be used. Full particulars such as the name of the account, the date of opening the account, name and designation of the officials authorised to operate on the account, a reference to the letter from which the authority is derived, the amount of the assignment or letter of credit and the number of the cheque book and the number of cheque leaves which will be used for operation on the account will be recorded at the top of the first page of the account under the authentication of an authorised official of the bank. The essential particulars relating to the account will be carried over to subsequent folios under the initials of the checking official.

4. The specimen signature of officials authorised to operate on the assignment or letter of credit accounts or drawing accounts will be obtained on sheets prescribed by the bank for the purpose. If specimen signatures are furnished on letters, they will be cut out and pasted on cards. The specimen signature should invariably be attested by another Government Official, by one whose specimen signature is already recorded with the bank. If this is not possible, the specimen signature should be got attested by the Reserve Bank. Where a fresh specimen signature is furnished due to a change in the incumbency of the drawing official, incoming official’s specimen signature should be duly attested by the relieved official.

5. Government Departments maintaining accounts with the bank will make use of their own cheque forms for drawing on the accounts. For this purpose, the Pr.CCA/CCA/CA will make an annual or half-yearly assessment of the total number of cheque books required for his Ministry and either place a consolidated indent or authorise a senior officer in each department of the Ministry to place an indent for his department with the Deputy Controller of Stamps, Central Stamp Stores, Nasik, giving detailed instructions in regard to the distribution of the cheque books to various Pay and Accounts Officers or Drawing and Disbursing Officer as the case may be. The Drawing Officer will intimate to the branch concerned the number of the cheque book and the number of the cheque forms contained therein, whenever a new cheque book is brought into use. The signature on such advices will be verified by the authorised official of the branch and the particulars of the cheque book will be noted in the relative ledger under his initials, suitable remarks being made on the advices at the same time.

6. While passing Government cheques, apart from the checks and precautions usually exercised by banks, the following points will be observed:-

(i) Signature appearing on the cheques should be carefully scrutinized and compared with the specimen signature of the authorised official record with the bank.

(ii) Different periods of currency are prescribed for different classes of cheques in the Treasury Rules and these are usually printed on the cheques themselves. It should be ensured that a cheque presented is current in accordance with the period applicable to it.

(iii) In order to ensure that fraudulent and unauthorised cheques are not presented, each drawing officer will draw cheques only on one branch of a bank specified in this behalf by the integrated financial adviser or by any other person nominated by him.

(iv) As a further safeguard against fraudulent payments and with a view to protecting the interests of Government, any cheque in respect of the salary or pension of any person for an amount of Rs. 1000/- or more and any other cheque in respect of any expenditure other than the salary of an office employee or contingent expenditure for the office if it is in excess of Rs.500/- will be marked “Account Payee”.

(v) If a cheque is for an amount which is smaller than the amounts mentioned above and is not crossed in this form, it will be paid only to the payee on identification, or to his banker on a certificate from the banker that the amount has been placed to the payee’s credit, or to a person holding a letter of authority from the payee, after the payee’s signature on the letter has been certified and the messenger has been duly identified.

(vi) Inter-departmental and inter-governmental adjustment will be made by means of cheques. In all such cases, the cheques will be superscribed with the words “Account Government”. Where a cheque is superscribed with the words “Account Government”, the amount of the cheque should not be paid in cash and the drawee bank should ensure that the proceeds are paid to the credit of the Ministry, department or office of the Government concerned, either with itself or with another bank in the public sector conducting business on behalf of that Ministry, department or office as the case may be.

(vii) When amounts are required by officers of the Government to enable them to make disbursements of pay and allowances of non-gazetted staff and contingent or other expenditure in cash on behalf of Government, the cheque will be superscribed with the words “not transferable”. Where a cheque is superscribed with the words “not transferable”, the proceeds may be paid in cash, care being taken to ensure that payment is made either to the payee himself on identification or to his authorised agent being a person holding a letter of authority from him or to the payee’s banker. It should be borne in mind that payment can be made to a person holding a letter of authority from the payee only if the latter’s signature is known to the bank or he can be identified to the paying bank and also that payment can be made to the payee’s banker, only on his furnishing a certificate that the amount has been placed to the payee’s credit. A transfer of the cheque by endorsement in such cases should not be allowed under any circumstances.

(viii) The amount assigned or the amount mentioned in the letter of credit should not be exceeded at any time by reason of the payment of any cheque.

As Government cheques are issued in favour of individuals, private firms, joint stock companies and quasi-public bodies, it is essential that the staff attending to the payments should be fully conversant with the nature of endorsements to be made on the cheques by each class of payees. Unless it is proved that payment is made in due course i.e. in good faith and without negligence, the bank cannot secure the protection afforded by Sections 85 and 85A of the Negotiable Instruments Act.

7. In the case of cheques drawn in favour of Government Officials, the specimen signatures of the latter should be supplied to the bank in advance and care should be taken by the bank to ensure that the signature given as discharge on cheques agrees with the specimen on record. The specimen signatures of the payee officials will not be recorded along with those of the drawing officials. They will be kept in separate files, alphabetically arranged according to departments to facilitate the verification of endorsements on cheques or signatures on other documents, if any, as and when this may be required.

8. One or more counter clerks conversant with endorsement and the signatures of the Government officials concerned, depending upon the volume of work involved, will be posted to receive cheques drawn on Government account and tendered over the counter for payment in cash. The counter clerk will examine the cheque and, if he finds it prima facie in order and properly endorsed, add his initials on the left hand bottom corner of the cheque and issue a token to the tenderer after recording its number on the cheque. He will then pass on the cheque to the ledger clerk. The ledger clerk will examine the cheque with reference to the various points detailed in paragraph 6 above and if it is found to be in order, will post the cheque in the relative account in the ledger as also in the payment scroll. After entry in the scroll, the cheque will be branded with the pay cash stamp and the serial number of the entry in the scroll recorded on it above the stamp. The ledger and scroll with the relative cheques will be put up to the authorised passing official and the passed cheque will be sent to the cash payment counter for the payment of cash against the surrender of the tokens issued.

9. (i) Cheques on Government account may be tendered with pay-in-slips or challans, for credit of some other account maintained at the branch, in which case the transactions will be only a transfer transaction. Cheques on Government account may also be received through clearing. In all these cases, the cheques will be examined with reference to the various points detailed in paragraph-6 above, posted in the ledger accounts and payment scroll and duly passed by the passing official.

(ii) Payment scrolls will be prepared in quadruplicate in the form set in Annexure 3.

10. RECEIPTS ON BEHALF OF GOVERNMENT.

Receipts on behalf of Government departments will be dealt with as under:-

(a). The depositor will deposit the amount of dues payable to any department or formation of the Ministry with the branch of the public sector bank, with which the department or formation of the concerned Ministry is banking. The deposit will be accepted in cash or by means of a cheque or draft, along with the appropriate challans in duplicate or triplicate or quadruplicate as required.

(b). Before a deposit on Government account is accepted, the accompanying challans will be carefully scrutinised to see that they are properly filled in. The scrutiny of the challans will be attended to by the counter clerk in the case of those accompanied by cheques or drafts and by the receiving teller in the case of those tendered with cash. The scrutiny will be conducted with special reference to the following points:-

i. that the proper challan form in duplicate, triplicate or quadruplicate as required has been used.
ii. that all the columns which are required to be completed by the tenderer have been filled in and that the remitter's signature with his full address and the date of the remittance are furnished

thereon. (The amount to be deposited is recorded in both words and figures by the tenderer in the challans.)

iii. that the correct head of account to which the amount should be credited in Government account is clearly written on the challan, either by the remitter or the departmental officer on whose account the amount is deposited.

iv. that where the challans are accompanied by cheques or drafts, the latter are drawn or are endorsed in favour of the concerned branch,

v. that the particulars of the cash or cheques or drafts are entered on the reverse of the challans in the space provided thereon and

vi. that the amounts creditable to different heads of accounts are not entered in the same challan.

(c). After scrutinising the challan and satisfying himself that the amount of cash, cheque or draft as tendered agrees with the amount shown on the challan, the receiving counter clerk or teller will issue a paper token to the depositor to facilitate delivery of the receipted challan to him. In the case of challans accompanied by cheques or drafts, the counter clerk will indicate on the token the date on which the receipted challan will be available for delivery to the depositors. Paper tokens of different colours, serially numbered, may be used for tenderers of cheques or drafts or cash as the case may be. The token number will be recorded at the time of its issue on the receipt portion/copy of the challan to facilitate delivery of receipted challans to depositor.

(d). All receipts on account of Government will be entered in a receipt scroll in quadruplicate in the form set out in Annexure 4, with separate column for cash, transfer and clearing. challans with cheques or drafts will be entered in the clearing column of the scroll as on the date on which the proceeds of the cheques or drafts are expected to be realised. A separate scroll will be prepared for each department or formation of the Ministry, and for each major head of account, if required by the department or formation of that Ministry. The serial number of each entry in the scroll will be recorded on the corresponding cheque for the purpose of identification. Each day's scroll will also be given a running serial number for the accounting year from 1st April to 31st March, separate serial numbers being given to scrolls of each account to facilitate detection of any omission in submitting the daily scrolls. All copies of the challans will be branded with a suitable receipt stamp containing the name of the bank, branch and centre and in the copy/copies of challans meant for the tenderer the amount should be written in words and figures and that challan(s) should be signed in full. However, the bank official may only initial against the amount already indicated in the body of other copies of challan(s). As regards Government Departments, the initials and Cash Received stamp of the bank affixed on the challan should be adequate in view of the additional check available in the receipted scrolls. The receipted challans will thereafter be handed over to the counter clerk for delivery to the depositors against surrender of the paper tokens issued earlier. The scroll will be totaled after the close of business every day by the receiving branch concerned and the books of the branch balanced for the day with reference to the totals of the day's scrolls and the other transactions of branch. Every depositor will be submitting in the normal course a copy of the challan to the concerned departmental officer. On the basis of these challans, the departmental officer will prepare a weekly statement of receipts giving the number and date of the challan, name of the depositor and the amount deposited and forward the same to the designated Pay and Accounts Officer. The departmental officer will also check the entries in the copy of the scroll received by him with the entries in the statement of receipts and reconcile any discrepancy detected with the bank under advice to the Accounts Officer, Pay and Accounts Office. (Please see Annexure 15 for additional precautions to be exercised while passing instruments).

11. Under the revised procedure introduced with effect from 1st May, 1989, all the existing branches of the accredited banks nominated under the erstwhile procedure continue to handle the transactions of the concerned Ministry/departments in the usual way. The Pay and Accounts Officer/Drawing and Disbursing Officers continue to be in account with same dealing branch as hithertofore. The dealing branches are however, now linked to the newly designated 'Focal Point' branch of the accredited bank for the purpose of reporting. The Focal Point branch would invariably be a branch designated as such by the accredited bank at a centre where the PAO is situated. The Focal Point branch should preferably be situated nearer to the place of office of the PAO so that unnecessary correspondence may be avoided and better rapport established. The revised procedure is outlined in the following paragraphs:-

(I) DEALING BRANCHES.

The dealing branch will continue to maintain the accounts of the DDOs/PAOs and prepare daily payment and receipt scrolls (Annexure-3 and 4) in quadruplicate separately for each account holder. Each day's scroll will be given a running serial number for the accounting year from 1st April to 31st March, separate serial numbers being given to scrolls of each account. These serial numbers on the scrolls shall bear prefix DMA (E) for payments and DMA (R) for receipts. The serial numbers of the entry in the scroll will be recorded on the corresponding cheques/challans for the purpose of identification. After the books of the branch are balanced with reference to the total of day's scrolls, two copies of scrolls along with relative challans/paid cheques will be sent by them to the Focal Point branch with a forwarding memorandum (Annexure -5) on a day-to-day basis. One copy of the scroll will be sent direct by the dealing branch to the concerned DDO. The fourth copy of the scroll will be retained by the branch for its own record. The dealing branch will not report/furnish any documents direct to the PAO. No Datewise Monthly Statement will be prepared by the dealing branch.

(II) FOCAL POINT BRANCH.

(a) The Focal Point branch, in addition to acting as a dealing branch, will also be responsible for prompt and accurate accounting of the transactions reported to it daily by all the dealing branches linked to it.

(b) The Focal Point branch will receive from dealing branches linked to it, two copies of scrolls along with challans/paid cheques attached to the original scroll. It will separate the original and duplicate copies of scrolls and subject them to careful scrutiny for accuracy. It will consolidate the transactions of the various dealing branches including its own and prepare a Main Scroll in triplicate (Annexure-6) separately for each Ministry/Department giving the totals of all accounts separately for which scrolls have been received from each branch. Two copies of the Main scroll alongwith the original copy of the scroll with relative instruments received from various dealing branches will be forwarded to the concerned PAO on day-to-day basis. The duplicate copy of the scrolls without instruments, received from the dealing branches will be stitched and retained by the Focal Point branch for its record. Simultaneously, the aggregate of the receipts and payments arrived at in the main scroll will be incorporated in a daily memorandum (Annexure-7) and same will be reported to its link cell at Nagpur on a day-to-day basis. The daily memorandum by the Focal Point branches of SBI are however sent to SBI, Governments Accounts Department, Bombay on a day-to-day basis. While furnishing the daily memorandum in Annexure-7 to the link cell/SBI,GAD Mumbai as the case may be, the Focal Point branch is also to furnish a certificate to the effect that necessary scrolls/paid cheques/challans, etc. have already been submitted to the concerned Government officials. The report in Annexure-7 is to be sent through telex/telegram, if the net amount is Rs.1 lakh and above. A 'nil' advice is to be sent where there are no transactions to report. The Main scroll submitted to PAO as well as the Memo/Nil advice to link cell should bear a serial number in consecutive order for the year from 1st April, to 31st March.

(c) Since the challans/paid cheques are important documents evidencing payments into/withdrawal from Government account, utmost care has to be exercised by the dealing branch/focal point branch to ensure that no challans/paid cheques are lost/misplaced while handling the documents. However, in the event of loss/misplacement of documents during transit, a certificate in Annexure- and Annexure- should be prepared by the Focal Point branch in lieu of lost challans/paid cheques in consultation with the dealing branch and attach it to the copies of relevant scrolls. The certificates should be serially numbered, separately for challans and paid cheques and number indicated against the entry in the relevant scrolls. A record thereof should be maintained by the Focal Point branch. If the lost/misplaced challan/paid cheque is recovered subsequently, it should also be forwarded to the concerned departmental officer separately citing a reference to the relative certificate. (It should be ensured that reimbursement are claimed by focal point branches only after the relative documents are submitted to the government accounting authorities.)

(d) The PAO, on receipt of copies of Main Scroll and supporting documents, will certify and return the duplicate copy of the scroll within 24 hours to the Focal Point branch after verification. The Focal Point branch should keep a watch on the prompt receipt of the certified copy of the scroll from the PAO.

(e) The Focal Point branch should ensure that:-

i. the mistakes/discrepancies pointed out by PAO are rectified after proper verification through error scroll, where necessary, as per the procedure,
ii. the missing challans/paid cheques are submitted to PAO directly,
iii. the copies of Main Scrolls duly verified by PAO are kept on its record,
iv. the mistakes/discrepancies in scroll, resulting from erroneous entry of credit or debit, will be rectified by withdrawal of erroneous credit or debit by minus credit or minus debit as the case may be and not by passing contra debit/credit adjustment by the banks.

(f) Methodology to be followed for adjustments of wrong debits/credits.

i. the original transaction, which was booked wrongly may be shown as minus figure under the relevant column in the Error scroll and then the correct transaction may be entered. The total figures as appearing in the Error scroll under Receipt and Payment Columns, i.e. minus or plus, may be incorporated in the relevant scroll of the department for the day. Suitable remarks may also be made in the office copy of the original scroll against the relevant entry for which adjustment has been carried out. The aggregate Receipts and Payments figures of the scroll, minus or plus as the case may be, after adjustment of the error, may be reported to the Focal Point branch. The Focal Point branch will incorporate the receipt and payment figures of the dealing branch, as they appear on the branch scroll viz. Either minus or plus in the Main Scroll and the aggregate Receipt and payment figures, either minus or plus, arrived at in the Main Scroll should be reported to Reserve Bank for settlement through link cell at Nagpur or SBI, GAD, Mumbai as the case may be.
ii. For the purpose of inter bank settlement the minus receipts may be treated as 'Payment' and the minus payment as 'Receipt' and the branch account may be credited and debited accordingly.
iii. When the totals of receipt and payment transactions arrived at in the Main Scroll reveal a minus figure, it/they should be reported as such. However, for purpose of inter branch adjustments/settlement the minus receipt and minus payments may be taken as payment and receipts respectively. An illustration of the minus adjustments is furnished below:-

ILLUSTRATION:

A branch of the bank had effected receipt transactions of Rs. 1,54,000 and payment transactions of Rs. 2,60,000 on 5th March in respect of PAO 'B'. These transactions had been wrongly reported as Rs.5,14,000 (R) and Rs. 6,20,000 (P). Corrections were carried out by bank on 9th March. The receipt & payments transactions of PAO 'B' at that branch on that date were Rs. 48,00,000 (R) and Rs. 78,00,000(P). Adjustment entries would appear in the scroll as under:-

Particulars in Error Scroll.

	Receipts	**Payments**
Correct transaction of 5th March	1,54,000	2,60,000
Withdrawal of wrong figures reported On 5th March	(-)5,14,000	(-)6,20,000
Total	**(-)3,60,000**	**(-)3,60,000**

These minus figures will be adjusted in the Day's Scrolls (Receipt or Payment as the case may be) on 9th March as under:-

	Receipts	**Payments**

Total transactions of the day (as shown In the respective Scrolls)	48,00,000	78,00,000
Adjustment of error as shown in Error Scroll.	(-) 3,60,000	(-) 3,60,000
Total	**(+)44,40,000**	**(+)74,40,000**

(g) The Focal Point branch will also prepare in quintuplicate, the Datewise Monthly Statements (DMS) (Annexure -8) of the respective Ministry/Department and submit four copies thereof to concerned PAO for verification latest by the 3rd of the following month, retaining the fifth copy as office copy. Two copies of the monthly statement will be returned by the PAO duly verified to the Focal Point branch within 3 days of receipt thereof. Out of the two certified copies so received by the Focal Point branch, one copy will be retained by the Focal Point branch and the other will be forwarded to its link cell at Nagpur so as to reach the later by 10th of the following month. In case of Ministries/Departments banking with SBI, however, the Focal Point branch will send the certified copy of DMS to SBI, Government Accounts Department, Mumbai by 10th of every succeeding month.

(h) The Focal Point branch will be responsible for reconciliation of accounts with the respective PAO and settle any discrepancy pointed out by him. The adjustments on account of discrepancies/errors pointed out by the PAO will be incorporated in a separate error scroll and reported to PAO/link cell (or SBI, GAD, Mumbai as the case may be) for accounting.
Note: Out of the two copies, original copy of DMS will be retained by the PAO for his record and the duplicate duly verified sent to his Principal Accounts Office/Controller of Accounts latest by 8th of the following month.

(III) LINK CELL AT NAGPUR (IN CASE OF MINISTRIES/DEPARTMENTS BANKING WITH AUTHORISED BANKS OTHER THAN SBI.

(a) The link cell of the bank at Nagpur on receipt of daily advices/telegrams/telex from various Focal Point branches will decode them and report them through Daily Memo (Annexure-7) to RBI, Central Accounts Section, Nagpur which will generate daily statements and simultaneously carry out necessary adjustments both in Government and bank accounts. The link cell while furnishing the daily memo in Annexure -7 to CAS, Nagpur will also furnish a certificate to the effect that relevant documents have been submitted by its Focal Point branches to the respective Government officials. Two copies of the relative daily statements will be sent by CAS, Nagpur to link cell of the bank which will retain one copy and return the other to CAS duly verified. Link Cell will maintain PAO-wise records of transactions/adjustments made. Link Cell will verify the data in the statement as furnished by CAS, with reference to branch memo/advices. Discrepancy, if any will be pointed out to CAS, Nagpur for rectification in the subsequent statement. RBI, CAS, Nagpur will also generate on behalf of the link cell of banks, monthly statements showing transactions (1) PAO wise date-wise (Annexure -11) and (2) Ministry/Department-wise PAO-wise (Annexure-12). Two copies of PAO-wise statement will be forwarded to the link cell by RBI, CAS, Nagpur. One copy of the statement will be furnished to the PAO by the Link Cell by 5th of the following month retaining the other copy as its record. As regards Ministry-wise statements, one copy of the statements will also be furnished to the link cell by RBI,CAS. The RBI, CAS, Nagpur will send one copy each of monthly statement, PAO-wise and date-wise, i.e. (Annexure-11) and (ii) Ministry wise PAO-wise i.e. (Annexure-12) along with consolidated monthly statement to the CCA/CA of the Ministry/Department by 15th of the following month.

Note:- The arrangement of generating monthly statement by CAS, Nagpur on behalf of Link cell is a purely temporary measure. Link Cells will be required to take over their work when they are computerized.

(b) Link Cell will also prepare separate statements (Annexure - 10) for adjustment of discrepancies reported by Focal Point branch and furnish them to RBI, CAS, Nagpur for adjustment in Ministry's

Accounts. RBI, CAS will process them, PAO-wise on the computer and furnish two copies to Link Cell. One copy will be retained by it and the other will be returned to RBI, CAS, Nagpur.

(IV) S.B.I., GAD, Mumbai (IN CASE OF MINISTRIES/DEPARTMENTS BANKING WITH SBI).

(a) On receipt of daily memorandums/telegrams in respect of transactions from various Focal Point branches, the Government Accounts Department, Mumbai will consolidate the position and report the consolidated figures (receipt/payments separately) to RBI. Central Accounts Section, Nagpur for eventual settlement. SBI, GAD, Mumbai while reporting the consolidated figure to RBI, CAS, Nagpur will also furnish a certificate to the effect that relevant documents have been submitted by its focal point branches to the respective Government officials.

(b) SBI, GAD, Mumbai will prepare four copies of monthly settlement statement as per Annexure-11 and forward three copies thereof to RBI, CAS, Nagpur for verification before 5th of the succeeding month. RBI after verification will forward one copy (alongwith the monthly closing balance statement) to each Principal Accounts Office of the Ministry/Department, one copy to SBI, GAD, Mumbai and retain one copy for their record.

(c) SBI,GAD, Mumbai will also prepare four copies of monthly settlement statement PAO-wise showing transactions date-wise (Annexure- 11) and forward original copy to respective Principal Accounts Office, duplicate/triplicate copy each to the respective PAO and Focal Point Branch(s) and retain the fourth copy for their record.

(d) SBI, GAD, Mumbai will also prepare monthly settlement statement in duplicate as per Annexure - 12 and forward one copy thereof to respective Principal Accounts Office of the concerned Ministry/Department.

(e) SBI,GAD, Mumbai will furnish to CAS, Nagpur daily the Ministry/Department-wise transactions statement. At the end of the month SBI will furnish to CAS, Nagpur (PAO-wise monthly statement of transactions and Ministry-wise/Department-wise monthly statement of transactions to enable CAS, Nagpur to submit consolidated monthly statement to Controller of Accounts.

(V) SELF MONITORING

Link Cell at Nagpur will also receive a copy of certified DMS from its Focal Point branch latest by the 10th of the following month. On receipt, thereof, the link cell should compare entries of receipts and payments in respect of each PAO date-wise with reference to amounts put through as shown in Annexure-8. In case if finds that the amount as shown in the DMS and as appearing in Annexure-8 differs it should adjust the difference in the daily advice for the next day showing corrections distinctly giving a reference to the date of each transactions. This will ensure settlement of accounts on self reconciliation basis. In doing so, it should keep a note of corrections in the DMS so that, if later, the same discrepancy is pointed out by the Focal Point branch at the instance of PAO, double adjustments is avoided. A similar procedure should be adopted by SBI, GAD, Mumbai.

(VI) MARCH RESIDUAL TRANSACTIONS :-

(a) The transactions relating to Ministries/Departments, reported by the Focal Point branch to Reserve Bank of India, Central Accounts Section, Nagpur during the month of April may include transactions affected by the dealing branches pertaining to the month of March (or, in exceptional cases, earlier).

(b) The transactions pertaining to a financial year are required to be adjusted to the extent possible, in the account of that year itself. As such, the transactions effected during the month of March should be expeditiously advised by the dealing branches to the Focal Point branch to enable the later to report the same to RBI, CAS, Nagpur through the link cell. In particular, the transactions taking place from 15th March till the end of the month should be reported by telex/telegram. As regards residual March

transactions which could not be reported to RBI during the concerned financial year, the Focal Point branch should segregate from 1st April, all the transactions pertaining to the previous financial year and prepare separate Main scroll for (a) the residual transactions pertaining to March or earlier (i.e., during the earlier financial year) (b) current transactions i.e., those effected from the 1st April onwards. The main scroll for March transactions prepared from 1st April to 15th April should be distinctly marked as March Residual-1, March Residual-2 ..... and so on up to March Residual 15. Focal Point branch should report these transactions to the Link Cell in separate Daily Memo. i.e., one for March and the other for April transactions. This procedure of reporting should continue up to and including of 15th April, and all transactions thereafter advised by the dealing branches will be reported in the usual manner and adjusted in the accounts of month of report at CAS, Nagpur. The same procedure should also be followed by the link cell in reporting these transactions to RBI, CAS Nagpur. The Focal Point branch should also furnish two separate monthly statements, one pertaining to "March Account" clearly marked as such, covering transaction relating to the period up to 31st March but reported during 1st to 15th April and the other covering the April transactions (which may include transactions of the previous month/s reported after 15th April) as usual. The monthly statement pertaining to the" March Account" should be sent to the concerned Pay and Accounts Officer latest by the 30th April. The statement relating to the month of April should be sent latest by the 3rd of the following month in the normal course.

(VII) RESERVE BANK OF INDIA OFFICES.

With the introduction of revised procedure from 1st May,1989, RBI offices ceased to be the designated offices for settlement of DMA transactions handled by accredited banks. RBI offices, will however, continue to handle the transactions of Ministries/Departments accredited to them either exclusively or concurrently with SBI in the usual way. The RBI offices will follow the procedure applicable to the dealing branches and Focal Point branches as the office function both as dealing branch and Focal Point branch in respect of those Ministries/Departments for which they are acting as bankers. Each office of the Bank will act independently and render accounts to Pay and Accounts Officer. The transactions effected by them in respect of the accredited Ministries/Departments will be accounted for by them in their books and the balances, in Departmentalised Ministries' Accounts reported to CAS, Nagpur through telegram/telex daily. The offices render scrolls, etc. to the Pay and Accounts Officer/Drawing and Disbursing Officer on daily basis, submit Date-wise Monthly statements to Pay and Accounts Officer for verification/certification and also attend to reconciliation work thereof . RBI offices should telex the PAO-wise monthly receipts and payments of each Ministry/Department to CAS, Nagpur immediately after the month-end transfer of balances followed by detailed monthly statement.

(VIII) RECONCILIATION.

(a) Efforts should be made to verify the scrolls promptly, if any discrepancy is detected, the same should be got settled by personal contact. If the scrolls are verified correctly, the DMS would become only a copy of verified figures and would not pose any problem subsequently.

(b) the reconciliation work will be done in two parts:-
First part will be reconciliation between the accounts rendered by the dealing branches to focal Point branch. This will be the responsibility of the concerned Focal Point Branch.
Second part will be reconciliation from the level of Focal Point Branch onwards right up to the stage of transactions put through. This will be the responsibility of PAO and Focal Point branch concerned.

12. TURN OVER COMMISSION.

The Link Cell of the bank will arrange to submit claims, Ministry-wise-/Department-wise, for turnover commission on Government transactions settled with RBI, CAS Nagpur to that office on quarterly basis for settlement. They have to ensure that adjustments on account of discrepancies of transactions originally reported are furnished in separate statements. It should also ensure that adjustments of

discrepancies are correctly taken into account for arriving at total Government turnover and there is no double claim of turnover commission on account of such adjustments.

13. RECOVERY OF INTEREST ON DELAYED REMITTANCES:

Government of India levy interest on remittance delayed for credit to Government account and on excess/double reimbursement obtained by banks. In view of this, dealing branches/Focal Point branches and Link Cell should ensure that the transactions are reported promptly and correctly to avoid payment of interest (please see Annexure-14 for detailed procedure for recovery of interest from public sector banks).

14. Job cards No.1,2 and 3 have been given at the end for the guidance of banks for branch level receipts, branch level payments and focal Point branch level procedures.

15. It will be desirable for every bank transacting any business under the arrangements referred to in this memorandum to open currency chests at centres where receipt and payment transactions on Government account under this scheme are likely to be handled.

16. It may be necessary for the Comptroller and Auditor General of India to undertake a percentage audit of the transactions under this scheme. It is, therefore, suggested that as far as possible the books and ledgers connected with Government transactions may be segregated

ANNEXURE I
(Vide paragraph 3 to Appendix 2)

ASSIGNMENT/LETTER OF CREDIT ACCOUNT LEDGER

(1) Name of the account (in full) …….

(2) Address ……..

(3) Account opened on ……

(4) Reference ……

(5) Cheques will be signed by ……

(6) Special instructions, if any ……

(7) Amount assigned ……..

(8) Particulars of cheque books in use

Date of entry No. of book No. of cheque forms

Date	Particulars of withdrawals	Particulars of cheque		Disbursements	Progressive total	Initials of PAO	Remarks
		No.	Date	Rs.	Rs.		

ANNEXURE – 2

(Vide paragraph 3 of Appendix 2)

PERSONAL LEDGER ACCOUNT

(1) Name of the account (in full) ……..

(2) Address ……..

(3) Account opened on ……

(4) Reference ……..

(5) Cheques will be signed by ……

(6) Special instructions, if any ……

(7) Amount assigned ……..

(8) Particulars of cheque books in use

Date of entry No. of book No. of cheque forms

Date	Particulars of Deposits/ withdrawals	Particulars of cheque		Debits	Credits	Balance Cr. Amount	Initials	Remarks
		No.	Date	Rs.	Rs.	Rs.		

ANNEXURE - 3
Statement - 1

Payment Scroll

Name of Bank ……..

Code No	Dealing Branch	Code No.

Sr. No.
Date :

Head of A/c. (PAO) Code No. - .....

Name of Drawer :……..
(i.e. PAO/DDO)

Sr. No.	Cheque		Amount			Progressive Total		Initials
	No.	Date	Cash Rs.	Clearing Rs.	Transfer Rs.	Rs.	P.	

ANNEXURE - 4
Statement – 2

Receipt Scroll

Sr. No.
Date :

Name of Bank ……..……..

Code No.

Dealing Branch .

Code No

Head of A/c. (Min./Deptt./PAO)

Code No

Sr. No.	Name of Depositor	Challan no.	Amount			Progressive Total		Initials
			Cash Rs.	Clearing Rs.	Transfer Rs.	Rs.	P.	

ANNEXURE - 5
Statement - 3

Daily Advice of Transaction (To be submitted by dealing branches to Focal Point Branch) in respect of Union Ministries' Transactions -- (Expenditure Accounts)

Name of the PAO:

Code No.

To

The Branch Manager

……..

……..

Name of Ministry/Deptt. :

Code No. .....

Date :

Sr.No.

Name of Dealing Branch :

Code No. .....

Receipts (Rs.)	**Disbursements (Rs.)**

Branch Manager

The Receipt/Payment Scrolls alongwith receipted challans, paid cheques etc. must be attached to this advice.

ANNEXURE - 6
Statement – 4

MAIN SCROLL -- UNION MINISTRIES' EXPENDITURE ACCOUNTS

Name of Focal Point Branch : ……..…… Code No…….....

Name of PAO : ……..……Code No…….....Running Sr. No…….....

Name of Ministry/Deptt……..……Code No……..... Date: …….

Sr. No.	Name of Dealing Branch	Date of Transaction at dealing branch	Receipts Rs.	Payments Rs.	Remarks
	Sub-Total				
Transactions of Focal Point Branch					
Grand Total					

1. To be prepared in triplicate
2. Two copies -- original with scrolls and paid cheques/receipted challans and duplicate without documents to be submitted to PAO on a day-to-day basis.
3. Duplicate copy duly verified by PAO, to be obtained by the Focal point branch on a day-to-day basis.
4. Third copy to be retained as office copy.
5. Scrolls of dealing Branches with documents to be attached to original Main Scrolls should be in the same order in which entries are listed in this Main Scroll.
6. The Grand Total of receipts and payments should be reported to Link Cell, Nagpur on a day-to-day basis.

Branch Manager

Branch Seal

ANNEXURE - 7
Statement - 5

Daily Memo
TRANSACTIONS ON BEHALF OF RBI
(Government transactions)

Sr. No……..
Date : ……..

Name of Bank : …….. Code No……..
Name of Focal Point Branch : …….…… Code No……...

Receipts	Code No.	On a/c. of	Code No.	Disbursements
		Central Govt. Railways* Postal Accts.* Defence* Telecomm* DMA*		
Total Receipts		Total	Total Disbursements	
		Net Receipts/ Disbursements		
		Check Total		

Telegraphed Not Telegraphed

Branch Manager

*Name of Ministry/Dept. (Minor) Accounts and Code No.

Receipts Disbursements

(In Quintuplicate)

ANNEXURE - 8
Statement - 6

Union Ministries' Expenditure Accounts -- Monthly Statement
Of Receipts and Disbursements for the Month of ……..20……..

Name of Bank ……Code No. ……

Name of Focal Point Branch …… Code No. ……

Name of PAO ……....Code No. ……

Name of Ministry/Deptt…….. Code No……..

Date	Receipts Rs.	Disbursements Rs.	Initials of Supv. Official
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.			
30.			
31.			
Total			

……..……20……..

Branch Manager

Instructions for compilation of the form :

(i) To be prepared in Quintuplicate.

(ii) Four copies to be sent to Pay & Accounts Officer concerned and fifth copy to be retained at the Branch.

(iii) Two copies will be received back from Pay & Accounts Officer duly certified. One certified copy should be forwarded by the Branch to Link Cell, Nagpur so as to reach them on or before 10th of the following month. The other verified copy be filed.

Note : To be compiled and handed over to PAO for verification latest by the 3rd of the following month.

ANNEXURE - 9
Statement – 7

Transactions on account of Departmentalised Ministries' Accounts

(Union Ministries' Expenditure Accounts)

Sr. No……..
Date ……..

Name of Bank :..... Code No. :

Name of Focal Point Branch : .....Code No.:
Month of Account :

(Applicable for residual March Account only)

Receipts	Code No. of		Disbursements
	Ministry	P.A.O.	
Total			

Net Receipts/

Disbursements : ……

Net amount may be credited/debited to DMA by contra debit/credit to our Current Account No. I maintained with you.

Officer-in-Charge of Link Cell

ANNEXURE - 10
Statement - 8

Transactions of Union Ministries' Expenditure Accounts

Amendment Statement -- Receipts/Disbursements*

Serial No. :.....

Date : .....

Name of Bank : .....

Code No. : .....

Please amend the entries against the following heads of accounts as indicated below :

Name of Focal Point Branch	Code No.	Mini/Deptt.	Code No.	Name of PAO	Code No.	Date of transactions	Original amount Rs.	Amended amount Rs.

Officer-in-Charge of Link Cell

* Amendment to Receipts & Disbursements should be reported in separate statements.

ANNEXURE - 11
Statement – 9

Settlements made by.....on account of
(Name of Bank)

Union Ministries' expenditure Account transactions PAO-wise, date-wise for the month of ……..

Name of Ministry/Deptt.:…… Code No.:.....

Name of Focal Point Branch :……..... Code No. .....

Name of P.A.O. : ……Code No.....

Date of Transactions	Date of settlement with RBI, CAS, Nagpur	Amount settled	
		Receipts Rs.	Payments Rs.

ANNEXURE - 12
Statement – 10

Statement showing monthly settlements made by
……..
(Name of Bank)

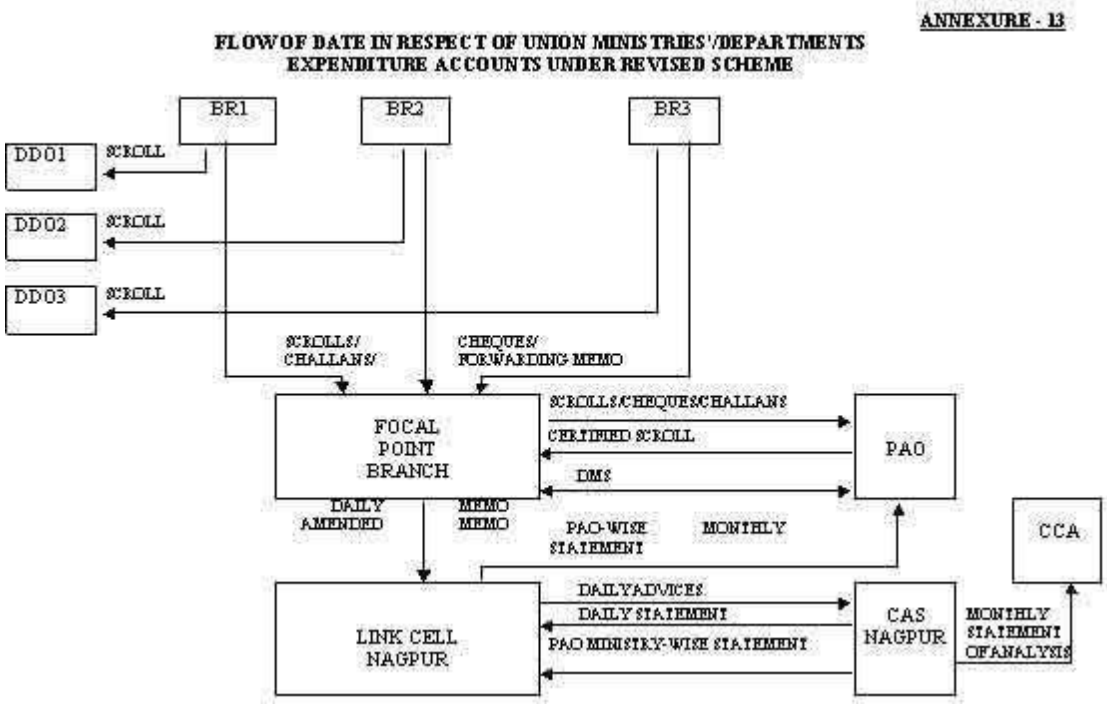
PAO-wise, of the Ministry of ……Deptt. of……..

For the month of ……

PAO	Code No.	Name of Focal Point Branch	Code No.	Amount settled	
				Receipts Rs.	Payments Rs.

ANNEXURE – 13

FLOW OF DATA IN RESPECT OF UNION MINISTRIES'/DEPARTMENTS EXPENDITURE ACCOUNTS UNDER REVISED SCHEME



ANNEXURE – 14

DEPARTMENTALISED MINISTRIES' ACCOUNTS
JOB CARD NO. 1

BRANCH LEVEL PAYMENTS

PROCEDURE	SPECIAL INSTRUCTIONS
1. Cheques on Government account are presented for payment in cash on counter. The cheques are also received through clearing/transfer.	Cheques in respect of salary, pension etc. for Rs.1000/- and above and cheques in respect of expenditure, if in excess of Rs.500/-, are marked "account payee".
2. Examine the cheque properly with reference to its currency, amount and verify the signatures of the issuing authority in addition to the usual precaution taken while passing a cheque. It should also be ensured that the amount mentioned in the letter of credit should not be exceeded at any time by reason of payment of any cheque and that the cheque is 'free from stoppage'.	Cheques for lesser amount are paid to payee only on identification or to his banker on a certificate from the banker that the amount has been placed to the payee's credit or to a person holding a letter of authority from the payee, after proper verification of identification.
3. The clerk should add his initials on the left hand bottom corner of the cheque and issue a token after recording the token number on the cheque.	Cheques meant for payment to the payee who is a Govt. Officer for disbursement of salaries etc. of office establishment and for office contingencies and marked 'Not Transferable' and payable to 'payee only' are paid to himself or his authorise agent holding a letter of authority on verification of payee's signature.
4. The Ledger Clerk will examine the cheque as stated in (2) and post the amount in the ledger as also the payment scroll.	All inter-departmental and inter-Governmental adjustments are made by means of cheques superscribed with the words "Account Government" not to be paid in cash but only credited to their account.
5. Brand the cheque with 'Pay Cash' stamp and record the Serial number of the entry in the scroll on it.	
6. The ledger and scroll alongwith the relative cheques to be put up to the authorised passing official and the passed cheques to be sent to cash payment counter for payment of cash against the surrender of the token issued. The cheques received through clearing/transfer are similarly scrutinised and passed by the authorised passing office.	
7. Payment scrolls to be prepared in triplicate or quadruplicate as the case may be in form Annexure -	

8. Serial number of each entry in the scroll to be recorded on the cheque.	
9. Each day's scroll to be given a running serial number from accounting year 1st April.	Give the prefix 'DMA (E)' for serial numbers on the scroll.
10. Total the scroll at the end of each day and balance the books with reference to the totals of the scrolls.	
11. All paid cheques are noted individually in the payment Register, where following details are recorded. (1) Date of payment (2) No. of cheques (3) Amount of cheques.	
12. On the next day, the original and duplicate copies of scrolls with the cheques attached to the original copy of the scroll alongwith a forwarding Memo in Annexure 5 to be sent to the designated Focal point branch. If a DDO is in account then the triplicate copy will be forwarded to him, the quadruplicate being retained for record.	If the dealing branch and the focal point branch are not at the same centre, send the scrolls/cheques, etc. by Registered Post.

JOB CARD NO. 2

BRANCH LEVEL RECEIPTS

PROCEDURE	SPECIAL INSTRUCTIONS
1. Counter Clerk will accept the receipts in the form of cash/cheque/ draft alongwith the challans in duplicate/ triplicate/ quadruplicate as the case may be. (a) Following things are to be checked in the challan. (1) Amount (2) Name and address of the depositor (3) Head of account (4) That the proper authority has authorised the bank to accept money (5) The amounts to be credited to more than one head of account are not included in the same challan. (b) In the case of cheque/draft, it should be checked that 1. The cheques/drafts are in favour of the PAO maintaining account with the bank. If not, they should be properly endorsed. 2. In the case of account payee cheques, special endorsement is required authorising the bank to collect and credit the amount to the account of the concerned PAO.	The banks will not have to receive amounts from members of public unless the relative supplementary memorandum of instructions on banking and accounting arrangements of the concerned ministry provides for this.
2. In the case of challans accompanied by cheques/drafts, acknowledgement is given on the triplicate/quadruplicate copy of challans as a token of receipt.	
3. Enter in a Receipt scroll in triplicate or quadruplicate in form Annexure - 4.	
4. Record the serial number of the entry in the scroll on the right hand top corner of the challan.	
5. Give running serial number for the accounting year from 1st April to each day's scroll	Give the prefix 'DMA(R)' for serial numbers on the scroll.
6. Brand all copies of the challans with a suitable receipt stamp containing name of the bank, branch and centre and only one copy of challan to be returned to the depositor will be signed in full by an authorised official.	
7. Receipted challan may be handed over to counter clerk for delivery to depositor.	
8. Total the scroll at the end of each day and balance the books with reference to the totals of the scrolls.	
9 All receipted challans are noted individually in the	

receipt Register wherein the name of the depositor, his address, amount and date of receipts are written.	
10. On the next day, the original and duplicate copies of scrolls with the challans attached to the original copy of the scroll to be sent to the designated Focal Point branch. If a DDO is in account, then the triplicate copy will be forwarded to him, the quadruplicate being retained for record	

JOB CARD NO. 3
FOCAL POINT BRANCH

PROCEDURE	SPECIAL INSTRUCTIONS
1. On receipt of two copies of scrolls alongwith challans/cheques attached to the original scroll, separate original and duplicate copies of the scrolls and subject them to careful scrutiny for accuracy.	
2. Consolidate the transactions of the various dealing branches including your own and prepare a Main Scroll in triplicate in Annexure - 6 separately for each Ministry/ Department giving total transactions of each branch.	Give a serial number in consecutive order to the Main Scroll.
3. Forward 2 copies of the Main Scroll alongwith original copy of the scroll with the relative instruments received from various dealing branches to the Pay and Accounts Officer on a day-to-day basis.	
4. Stitch and retain the duplicate copy of the scroll without any instruments received from the branches for your record.	
5. Incorporate the aggregate of the receipts and payments arrived at the Main Scroll in the Daily Memo (Annexure -7) and report to your Link Cell at Nagpur on a day-to-day basis.	a. Give a serial number in consecutive order to the Memo/Nil advice. b. Send the report to your Link Cell through Fax/telex/telegram, if the net amount is Rs.1 lakh and above. c. Send a 'Nil' advice if there are no transactions to report.
6. Keep a watch on the prompt receipt of the certified copy of the scroll from the PAO.	Ensure that - (a) the mistakes/discrepancies pointed out by PAO are verified after proper verification through error scroll. (b) missing challans/paid cheques are submitted to PAO directly. (c)the copies of the Main Scrolls duly verified by the PAO are kept on the record of the branch.
7. Prepare in quintuplicate the date-wise monthly statements (DMS) in Annexure 8 and submit four copies thereof to the concerned PAO for verification by 3rd of the following month. Retain the fifth copy as office copy.	
8. On receipt of 2 copies of verified DMS from the PAO, forward one copy to your Link Cell at Nagpur before 10th of the following month and retain the other copy on your record.	Prepare separate set of scrolls for March Residual transactions upto 15th of April. Report these transactions in a separate Daily Memo to Link Cell during the above period.

ANNEXURE 15

Additional precautions to be exercised while passing various instruments for payment.

(1) It should be ensured that the instrument presented for payment is genuine, valid and outstanding.

(2) Stoppage, if any, should be verified with reference to the stop list.

(3) The signature of the drawing officials on the instruments should be verified by the passing officials before passing the instruments for payments with reference to the specimen signatures of the authorised officials on record.

(4) The specimen signature cards of the DDOs should be maintained with the care. These cards should be indexed, classified account-wise, periodically updated and invariably held in the custody of passing officials. To ensure quick access to specimen signatures it would be advisable to allot serial numbers to the various specimen signature cards and arrange the cards in serial order. The said numbers whenever allotted to the DDOs may be intimated to the concerned Government Department and they may be requested to clearly indicate the names and designations of the signing officials and to quote the number allotted to them below their signatures on the instruments (and advices) to facilitate identification of the signatures.

APPENDIX 3
(Referred to in Para 1.4.3)

INSTRUCTIONS REGARDING THE PROCEDURE FOR INDENTING SAFE-CUSTODY, ISSUE AND ACCOUNTAL OF CHEQUE BOOKS IN THE DEPARTMENTALISED ACCOUNTING SYSTEM.

It has been decided after consultation with the Comptroller & Auditor General of India that the following procedure will be followed in regard to indenting, safe-custody, issue and accountal of cheques/cheque books in the Ministries/Departments in which the Departmentalised accounting system has been introduced.

2. ANNUAL INDENT

The supply of cheque-books of different varieties required for making payments by the Pay & Accounts Officers and cheque drawing departmental officers will be made by the Controller of Stamps, Nasik Road. For this purpose all the Pay and Accounts Offices should intimate their requirements of cheque books including the requirements of cheque-drawing officers in their jurisdiction, for the next financial year to the Pr.CCA/CCA/CA of the concerned Ministry/Department before the 15th January every year.

3. ASSESSING THE REQUIREMENTS

The annual requirements should be based on the average of the actual consumption of cheque forms during the preceding calendar year i.e. from January to December of the previous year. Additional provision may be made while preparing the indent for extra requirements which can be anticipated during the next financial year. The stock in hand as well as the requirement of cheque books for the remaining three months of the current financial year, should also be taken into account. To the requirements so worked out, a reserve stock of cheque books equal to approximately three months' requirement, should be added, to meet unforeseen requirements and to safeguard against delay in printing, transmission etc.

4. PREPARATION AND SENDING OF CONSOLIDATED INDENT BY PR.CCA/CCA/CA.

Based on requirements intimated by all the Pay and Accounts Officers, a consolidated annual indent will be prepared by the Financial Adviser through the Pr.A.O. indicating the requirements of different varieties of cheque books and sent to the Controller of Stamps, Nasik Road by the end of January every year. Specimen signatures of an Officer in the Principal Accounts Office will be sent to the Controller of Stamps, Nasik Road by the Chief Controller of Accounts.

The total requirements of cheques of each Ministry/Department will be sent by the Press to the indenting officers of the Ministry/Department concerned who will in turn have to despatch the requisite number of cheques to different PAOs/Cheque drawing DDOs (including those at outstations under their control). The name of the Ministry/Department/ Organisation/PAO and also the name of the branch of the bank will have to be stamped by means of a rubber stamp, on the cheques before issue.

5. ACCOUNTING VERIFICATION OF SERIAL NUMBER ETC.

The cheque books received from the Controller of Stamps, Nasik Road will contain machine-numbered cheque forms. On receipt of the bulk supply of cheque books, they should be carefully scrutinised under the supervision of the officer-in-charge to see that each book contains the number of cheque forms specified therein, and that serial numbers printed thereon are in consecutive order. The actual counting of the cheques and the checking of their serial numbers may be done by the Junior Accountants of the Sections who will sign each book in full in token of having conducted the check. The cheque-cashier and the officer-in-charge, will test check 10 per cent and 5 per cent respectively, of the cheque books checked by the Junior Accountants and should sign in the books so test checked by them.

There is no objection if the Principal Accounts Office, immediately on receipt of the cheque books, supplies these cheque books in the same sealed packets as received from the Security Press, to the different P.A.Os under its control as per their indents processed and consolidated by the Pr.A.O. It shall then be the responsibility of the receiving PAO to open the packets and verify the correctness of cheque-leaves/cheque books as per instant orders and take the cheque books on stock. In case any discrepancy is noticed by the PAO on receipt of the packets the PAO should bring it to the notice of the Pr.A.O. immediately, who shall take up the matter with the India Security Press from whom the cheque books are received.

The cheque books received in excess of the annual requirements of the PAOs would, however, continue to be retained in the Pr.A.O. who shall verify the correctness of the cheque books/cheque leaves and take them on stock.

6. CUSTODY AND STORAGE.

The cheque books will remain in joint custody of the cheque-cashier and the officer in charge. The stock of blank cheque books should be stored in a steel almirah with double lock of which one key should be kept by the Officer in Charge and other by the Cheque-Cashier. The duplicate set of keys will be kept in an envelope duly sealed by the Officer in Charge and the Cheque Cashier, in the custody of the Head of the Office/Principal Accounts Officer. In the case of an outstation Pay & Accounts Office comprising only one Accounts Officer, the duplicate set of keys duly sealed in a cover, may be kept in the relevant branch of the bank with which the PAO is in account.

Note :- If the double lock system for custody of cheque books is not feasible in any office owing to the smallness of the establishment or lack of facilities, the cheque books should be in the custody of the Head of the Office under lock and key. The Head of the Office will be responsible for their safe custody and issue, to the Cashier as and when required, of the required number of chequebooks.

7. STOCK REGISTER OF CHEQUE-BOOKS

A Stock Register of Cheque Books/Forms should be maintained to keep an account of the receipts, issues and balance of cheque books/forms (Form CAM 1). Each morning, the Cheque-Cashier should take such cheque books from the Officer in Charge, as are likely to be used during the course of the day and should remain responsible for their use and return of the balance at the close of the day. Another register should be maintained by the cashier for showing the cheque forms received by him each day and those returned by him. The entry should be made by the Cashier with his dated initials in this register.

8. ISSUE OF CHEQUE BOOKS TO DRAWING AND DISBURSING OFFICERS

The Drawing and Disbursing Officers vested with cheque drawing powers, will requisition their requirement of cheque books from the concerned Pay and Accounts Office. The latter will supply to the DDO the minimum number of cheque books, sufficient for his requirement for three months. Issue of such books will also be entered in the stock Register of Cheque books.

In cases where the power of drawal of funds by cheque(s) is withdrawn from any cheque drawing DDO, all the unused forms from partly used**/wholy unused** cheque books with that officer shall be defaced by writing the word 'cancelled' promptly across each cheque form and its counter-foil (but without the signature of the

Drawing Officer) and returned to the Pay & Accounts Officer concerned who shall destroy them after keeping a note in the relevant records. ~~All unused cheque books with such an officer shall , however, be returned by him to the Pay & Accounts Officer without any cancellation. Such cheque books shall be taken into stock in the Stock Register of cheque books held by the Pay & Accounts Officer and shall be re-issued to any other Cheque Drawing DDO under his account control or to his own office~~. (CS NO.25)

If and when a Pay & Accounts Office is wound up, all partly used/wholly unused cheque books in the custody of that office shall be returned along with a complete accountal of cheque books so remaining as per the Stock Register, to the Principal Accounts Office , which shall in turn take action on the same lines as indicated in the above sub-para.

9. DAILY ACCOUNT OF CHEQUE FORMS USED

An account of cheque forms used daily should be maintained by the Cashier in (Form CAM 2) and submitted to the Officer in Charge at the time of closing of the accounts daily. In this register the cheque numbers used during the day should also be noted.

10. ACCOUNT OF CHEQUES BY D.D.Os

The Drawing and Disbursing Officers enjoying cheque drawing powers will also maintain the account of cheque books and the cheques used daily in the same form as detailed in para 7 and 9.

11. STOCK TAKING AT THE CHANGE OF THE OFFICER IN CHARGE

Every six months, in April and October, stock taking of the cheque books should be done by an officer other than the officer-in-charge (cheques) and a certificate of physical count recorded by him in the stock register. This stock taking should also be done whenever there is a change of the officer in charge (cheques) and the relieving officer should initial the entry in respect of each of the cheque book noted in the Form CAM 2 and sign a certificate in the Stock Register in the following form :-

"Received the current cheque books as indicated by my initials in the register of account of cheque forms and the unused cheque books from ..... to as entered in the Stock Register"

Note:- In the case of a Pay & Accounts Office comprising only one Accounts Officer, half-yearlyphysical verification of stock of cheque-books may be arranged as indicated below:-

(a) if at any station, there is more than one such Pay & Accounts Office functioning under a Principal Accounts Officer, mutual physical verification may be entrusted among those Pay & Accounts Offices;

(b) if at any station, there is only one such Pay and Accounts Office under a Principal Accounts Officer but there are Pay and Accounts Offices functioning under other/another Principal Accounts Officer, the Principal Accounts Offices by mutual consultation could arrange for the physical verification between their Pay & Accounts Offices;

(c) if a single such Pay & Accounts Office is located at any station, then the physical verification may be conducted by the Inspecting Officer of the internal inspection party entrusted with the inspection of that office or by any other gazetted officer (including Dy. Controller of Accounts, Controller of Accounts , or Chief Controller of Accounts) who visits the office on any official work.

In the case of a cheque drawing D.D.O. the physical verification can be entrusted either to the Inspecting Officer of the internal inspection party conducting the normal inspection of his office or be any gazetted officer of his Department who visits that office on any other official work.

12. INTIMATION TO BANK REGARDING USE OF CHEQUE BOOKS

Before the cheque books are actually brought into use, during a particular period, the officer in charge (cheques) shall send intimation in Form CAM 3 to the bank upon which he draws the cheque, notifying the serial numbers of the cheque books and the number of cheques contained therein.

The Drawing and Disbursing Officers authorised to issue cheques will intimate the cheque numbers etc. to the bank as well to the Pay and Accounts Office.

13. xxxxxx not printed

14. Whenever facilities are available, cheques will be written by means of cheque perforating machines which will use indelible chemical ribbon, to give adequate safeguards against fraudulent alteration in the cheques. The cheque forms for this purpose will have to be obtained, not in the form of bound books but in the form of rolls. The indent for such rolls should be made separately from that for bound cheque books and separate account of such cheques should be maintained.

15. Whenever cheques in book form are used, the details of the payee, the amount and date should be filled in the counterfoil.

(Vide Ministry of Finance, Department of Expenditure, Special Cell OM NO.F.2(27)/76-SC dated 14.5.1976, D.O. letter No.F.2(12)/76-Spl.Cell 1490-1503 dated 16.8.1976 and CGA's OM No.S.11019/App.4/78/TA/4652 dated 28.7.1979).

CHAPTER 2
PRE-CHECK PAYMENT PROCEDURE IN THE CENTRAL CIVIL ACCOUNTS OFFICES WHERE SCHEME OF MERGED DRAWING AND DISBURSING OFFICERS HAS NOT BEEN INTRODUCED.

2.1 General

The following procedures will be observed in the presentation, processing and passing of claims against Government presented to Pay and Accounts Offices for payment.

2.1.1 The payment procedures will be subject to provisions contained in the Central Government Account (Receipts & Payments Rules) 1983, particularly Rules 29 to 36 that lay down the general procedures relating to presentation of claims for withdrawal from Government account. The bills should only be in the form of claims and not acknowledgements. The bills may be submitted by the claimants either in person or through a messenger, or through a bank or other authorised agent, or by post. Subject to the instructions contained in paras 1.5.1 to 1.5.3 of Chapter I, every bill should bear an endorsement showing:

a. The party, person, bank or the authorised agent in whose favour the cheque or demand draft is to be drawn;
b. Whether the cheque/demand draft required is crossed or open. (In case of open cheques they will not be sent by post).

2.1.2 Note (a) under Rule 64 of C.G.A.- R & P Rules, 1983**,** provides that monthly salary bills should reach Pay and Accounts Offices by the 20th of the month to which they relate. During the last week of the month bills other than monthly salary bills should not be submitted to Pay and Accounts Offices except those that are unavoidable and urgent.

2.2 TOKENS

2.2.1 The 'counter clerk' is authorised to receive the bills in the Pay and Accounts Office. Except in the case of bills received by post, a number bearing metal token/slip is to be given by him against each bill, to the person who presents it. If the bills are processed through COMPACT (accounting software package), the token numbers will be given through a slip and will be system generated. He has to note the token number on the bill before sending it to the concerned pre-check payment section through a Bill Diary (CAM 4). After the bill is passed, the token number recorded on each bill will also be noted on the counterfoil of the cheque prepared for payment. The 'Counter clerk' will hand over the cheque to the person who presents the metal token/slip after verifying the details of the amount and the payee of the bill. If any bill is required to be returned on account of observations, the token/slip will be taken back from the messenger while handing over the bill. A Register of Tokens (CAM 5) is to be used to record the receipt and issue of tokens/slips. The counter clerk should verify the tokens/slips that are yet to be redeemed after taking into account the stock of tokens in-hand, on a daily basis. This verification enables a numerical check of the bills that exist in the office that should be equal to the number of tokens that are NOT in-hand. A certificate of such verification should be recorded and put up to the Jr. Accounts Officer/ Asstt. Accounts Officer in the Register of Tokens.

2.2.2 The Assistant /Junior Accounts Officer should verify on a daily basis that all the corresponding tokens/slips for the bills paid during the day by cheques as well as bills returned are received back, and record a certificate to this effect in Form CAM 6, for submitting to the Pay and Accounts Officer in-charge.

2.2.3 On the 20th of each month, the Assistant/Junior Accounts Officer shall undertake a detailed verification/count of all tokens in hand in Form CAM 7 after making necessary enquiries from the Payment Section, in Form CAM 8, and report the result to the Pay and Accounts Officer.

2.2.4 In the cases where the metal token/slip issued to the presenter of a bill is lost, the procedure that is to be followed for updating the stock position of tokens and issue of cheques will be as follows:

(a) A note of the loss of token(s)/acknowledgement slip should be recorded in the Token Register showing the Number of the token/slip that has been lost, under the attestation of the Pay and Accounts Officer.

(b) The cost of metal token to be recovered may be decided upon by the Ministry/Department concerned and the number of tokens lost should be deducted from the total number of tokens in stock.

(c) The following precautions should be taken while handing over cheques in cases where the token is not produced:-

(i) Where the payment is due to a DDO by cheques 'Not Transferable" or "Creditable to Government Account only", the request for issue of the cheque(s) should come from the DDO concerned in writing and his signature should be verified before delivering the cheque(s) to the DDO or his messenger.

(ii) Where 'Negotiable' cheques are to be issued on account of personal claims or claims of contractors/ suppliers etc., the same should be crossed and marked 'Account Payee'. Open cheque should not be issued under this category if the token has been lost. In all cases of lost tokens, the written request from the DDO for the issue of cheque(s) should clearly indicate the fact of loss of token(s) and the cheque(s) should be delivered only after verification of the signature of the DDO or his messenger.

2.3 SCRUTINY AND PAYMENT PROCEDURES

2.3.1 Bills should be passed for payment **and Payment Advice or** cheque **or in such other form as may be prescribed by Government from time to time** issued within a maximum of five ~~seven~~ working days of their receipt. **Processing of bills for payment for purchases made on GeM be made within a maximum of two working days of their receipt from DDO through PFMS in line with the timelines prescribed by DoE from time to time. The date of token generation shall be the starting point for reckoning of time for processing of payments (Inserted vide CS 11).** Effort should be towards passing the bills and making payments within a shorter period and the Pr.CCA/CCA/CA should lay down norms in this regard as well as personally monitor their compliance. In addition the bills indicated as 'Immediate' by a D.D.O. should be attended to urgently, so that the cheques are issued on either the same or the next day. The checks that are to be exercised on the bills by the payment section have been indicated in Chapter 4 dealing exclusively with this aspect.

2.3.2 The Pay and Accounts Officer should obtain the specimen signatures of the officers drawing pay, contingent, grants-in-aid bills etc. He should paste it on the pages of the payment register set apart for the purpose, duly attested in ink. The Senior Accountant/Accountant concerned withreference to the relevant specimen signature should verify the signature on each bill.

2.3.3 After duly examining the bills on all aspects and recording pay order for the payment in words and figures on each bill, the Senior Accountant/Accountant should submit them to the Pay and Accounts Officer through his Assistant/Junior Accounts Officer for his scrutiny. This should be done along with the concerned 'DDO wise Bill Passing-cum-Expenditure Control Register' in Form CAM 9. The Pay and Accounts Officer will examine the bills, compare the signature of the drawing officer with his specimen signature and satisfy himself of the correctness of the charges. Thereafter, he will tick off the relevant entry, affix his initials in the ECR and approve the pay orders over his full dated signature. After this, the bills so passed will be made over immediately to the cheque section.

2.3.4 Payments in respect of outstation establishments will be done through bank drafts, or alternatively through direct credit to the account of the payee through banking channels by following the approved e-payment procedure. The provisions of paras 1.6.1 to 1.6.3 of Chapter 1 are relevant for the purpose of payments through bank drafts. The required bank drafts should be obtained from the relevant branch of the bank with which the Pay and Accounts Office is in account, by sending a requisition in Form SY 288 available with the bank. Requisition for cancellation of the bank drafts obtained earlier or issue of fresh drafts in lieu of the cancelled one should be sent separately to the banks and should not be included in the requisition Statement of fresh demand drafts. Every requisition sent to the bank shall be entered in the Register of Bank Drafts (Form CAM 12) and the PAO/Cheque drawing DDO, should watch their receipt from the bank and dispatch to the payees concerned through this Register. The bank will return one copy of the requisition Statement to the PAO while issuing bank drafts. The bank draft should be dispatched with a forwarding letter in Form CAM 13 to the party concerned by Registered Post, and the receipt of acknowledgement should be watched. The details of cancellation or corrections in Demand Draft will be noted against the original entry in CAM 12.

2.3.5 The cheque writer shall prepare a cheque for the net amount. When two or more bills are payable to the same person, a single cheque can be issued for the total amount and the particulars of each bill entered separately in the register of cheques delivered. The cheque writer will note the number of the cheque prominently on the bill, enter its details in the Register of the Cheques Drawn (Form CAM 10) and submit the cheque along with the bill to the Pay and Accounts Officer (and also to the second officer authorised to sign the cheque for payments of Rs. ten lakhs and above), through the Assistant/Junior Accounts Officer. The Pay and Accounts Officer signing the cheque will tick the cheque number, see that the amount of cheque agrees with the amount passed for payment and then sign the cheque after cancelling the pay order given earlier. The passed bill together with the cheque will be returned to the Cheque Section. At the time of its delivery the cheque section will affix the date on the cheque. If the acknowledgement is received by the time of delivery/dispatch of the cheque, the Cheque Section will immediately attach the payee's acknowledgement to the bill, stamp it as paid and write the Voucher Number on the upper right hand corner of the bill. The details of payments for each day should be entered in the Register of Cheques Delivered (Form CAM 11) on a separate page for each day. The register may be prepared with second and third perforated copies for each page for making two carbon copies required as "Daily Memorandum of Pre-check Payments by the PAO". The acknowledgement receipt should be watched in every case and should be in the following form.

"Received by cheque Rs.....from the .....in payment of Bill No.....dated. on account of.....".

If the crossed cheque/demand draft is required to be sent by post, the Cheque Section will dispatch the instrument/valuable by Registered Post along with the covering memo (Form CAM 13) and a copy of the ‘printed acknowledgement’. The acknowledgement form is to be returned by the payee to the PAO on receiving the payment, and the PAO is required to keep a watch on the same.

2.4 PROCEDURE FOR ISSUE OF A FRESH CHEQUE IN LIEU OF A LOST ONE

2.4.1 If the Pay and Accounts Officer of a departmentalized accounts office is approached with the request for a fresh cheque in lieu of the one issued by him earlier on the grounds that it has been lost, the Pay and Accounts Officer shall proceed with such request in the manner stated below :

(i) The Pay and Accounts Office should send an intimation regarding the reported loss of cheque to the bank/branch on which the cheque was drawn by registered post (Acknowledgement Due), and advise it to 'stop payment' if it is presented thereafter. If the currency of such a cheque has not expired in terms of Rule 45 of the C.G.A. (R &P) Rules, 1983**,** at the time of sending of intimation, the bank shall acknowledge in writing that it has kept a note of the 'Stop Payment Order', in the following form -

"We acknowledge receipt of your letter No.....dated.....and advise having noted to stop payment of cheque No..... dated..... for Rs..... favouring.....In this connection, it is certified that cheque No..... dated.....for Rs.....reported by the drawing officer to have been drawn by him on this bank in favour of.....will not be paid, if presented thereafter".

In case the currency of the cheque reported to have been lost has expired at the time of intimation to the bank, the acknowledgement of the 'Stop Payment Order' from the bank may not be insisted. The postal acknowledgement in such cases may be treated as sufficient for the record of the Pay & Accounts Office.

(ii) The Pay and Accounts Officer should satisfy himself that the payment of the cheque in question has not been made from the records maintained in his office viz. the payment / error scrolls received from the paying bank, Register of Cheques Delivered, etc. If the currency of the lost cheque expires on Saturday, the Pay and Accounts officer shall also verify the payment scroll for the subsequent working day of the bank.

(iii) The party requesting for the issue of fresh cheque in place of the lost one should execute an indemnity bond in the Form 'GAR 12'. The execution of such an indemnity bond is not necessary in the case of a Government department/Public Undertaking wholly owned by Government or the bank. In these cases a fresh cheque can be issued on receipt of a certificate that the cheque alleged to have been lost was not received by them or it was lost after receiving and that it will be returned to the Pay and Accounts Office, if found afterwards.

(iv) The Pay and Accounts Officer may issue a fresh cheque in lieu of the lost one under intimation to the DDO and /or payee on completion of the requirements in clauses (i) to (iii) above. He should also keep a suitable note regarding the issue of a fresh cheque in lieu of the lost one on the spare leaf provided in M.I.C.R. cheque book, and on the counterfoil where MICR cheques have not so far been introduced, as well as on the paid vouchers and against the relevant entries in the register of cheques delivered.

2.4.2 If it is found afterwards that the original cheque has been paid, the P.A.O. will telegraphically/by fax take up the matter with the paying branch and place the paid amount under the head "8658-Suspense Accounts-102-Suspense Account(Civil)- Cheques cancelled but paid", till the matter is investigated and the amount either recovered or written off. The paid cheque till that time will be removed from the payment scroll and kept in the personal custody of the P.A.O. In case D.D.O. notices such fact of payment, he will immediately report the matter by telegram/fax to the paying branch and inform the P.A.O. for further action. For the detailed procedure to be followed by cheque drawing D.D.Os Para 3.5.1(xii) of Chapter 3 may be referred to.

2.5 Procedure for issue of fresh cheque in lieu of cancelled/ time barredcheque

2.5.1 Revalidation of time-barred cheque by PAO/ cheque drawing DDO is not permissible irrespective of the date of its drawing, and fresh cheques will be issued in all such cases.

The time barred cheque received back by the PAO should be cancelled under his signature and not destroyed. The cancelled cheque should be treated as a voucher/ sub-voucher for issuing fresh cheque in lieu thereof and the fact of issuing fresh cheque should be noted on it. The amount of the time barred cheque (i.e. voucher) should be classified as (-) credit below the head "8670-Cheques & Bills-PAO Cheques" in terms of para 5.1.1 (i) of C.A.M. Entries regarding cancellation of old cheque with voucher number of the fresh cheque etc. should also be noted on the counterfoil/ record slip of the old cheque book.

2.6 PROCEDURE FOR RETURNING BILLS UNPASSED

2.6.1 If for any reason it becomes necessary to return a bill without passing, it should be returned to the bill counter with a Half Margin Memorandum (Form CAM 14) stating the reasons for return of the bill. The drawer of the bill will be separately informed to collect the bill from the Bill Counter after surrendering the token. In the case of bills received through post, the same should be returned by registered post along with the half margin memorandum.

2.6.2 The bill will be passed for the admissible amount with the amounts considered inadmissible being disallowed, in case minor omissions/inaccuracies are noticed. Simultaneously the drawer of the bill should be intimated regarding the amount disallowed and the reasons for the disallowance.

2.7 CLOSING OF THE DAY'S /YEAR'S TRANSACTIONS

2.7.1 The Pay and Accounts Officer, at the end of the day should take up the register of cheques drawn along with the chequebook and verify that the number of the cheques is serially entered in the register and that cheques other than those accounted for in the register have not been removed. He should also initial the spare leaf of the cheque book/counterfoil of the next unused cheque (the first to be used on the next day). Turning back to the last initial will enable him to ascertain the number of cheque forms that have been actually used during the day. At the end of the financial year he should also intimate his Pr.A.O. regarding the total number of cheques issued on the last day, total amount thereof and the number and amount of the last cheque, under each category. This intimation should reach telegraphically/by fax from outstation Pay & Accounts Officers to the Principal Accounts Officer by the 1st working day of the next financial year.

2.7.2 The entries in the register of cheques delivered should be added up at the end of each day and the vouchers transmitted to the Accounts Section for detailed compilation, along with the second and third perforated carbon copies of the relevant day's page of the register.

2.7.3 On receipt of payment scrolls from the Bank regarding the cheques encashed, the corresponding cheque numbers should be ticked off in the Register of Cheques Delivered. A list of outstanding cheques should also be prepared in the Pay and Accounts Office every month from the un-ticked entries in the register of cheques delivered. The total amount of such outstanding cheques at the end of the month should be reconciled with the balance outstanding under the suspense head "PAO Cheques".

Note:- If any cheque appears to be outstanding for an unduly long period, necessary enquiries should be made regarding its non-encashment. If the same cannot be traced, the payment should be stopped and the charge representing it cancelled and revise suitably the entries in the accounts against it.

2.7.4 The following particulars of the cheques outstanding/remaining un-encashed for more than three months should be noted in a separate register and pursued at once for tracing it.

1. Cheque number and date;

2. Voucher number and date;

3. Drawee's name;

4. To whom delivered / dispatched;

5. Date of delivery / number and date of forwarding letter;

6. Particulars of payment (HBA, GPF, Contingency, salary etc.); and

7. Remarks, if any.

The cheques pending shall be referred to the concerned authority/ person etc. for finding out whether the cheque has been got encashed and if so, they shall be asked to furnish the date of encashment along with other requisite particulars.

(i) In cases, where the party / person concerned intimates non-receipt / loss of cheque the PAO shall issue duplicate cheque after following the procedure laid down in para 2.4.

(ii) In case efforts of the PAO to trace the cheque after one year has failed, it shall be reported to Pr.CCA/CCA /CA with full facts and the amount shall be written back in the accounts.

(iii) In case, where the cheque was issued to another Accounts Officer in inter-departmental settlement for clearance of the balance under 'PAO Suspense' etc. the matter shall be investigated to ascertain whether it would lead to missing credit/ debits of GPF, HBA etc. In such cases, the matter shall be pursued with the concerned Accounts Officer at a higher level to find out the whereabouts of the cheque. In case, the efforts taken in this regard do not work out, the amount shall be written off to the MH-8680-Misc. Govt. Accounts after following the procedure laid down in Rule 38 of Govt. Accounting Rules, 1990, with the approval of the competent authority.
(Authority- No.1(2)/94/TA/110 dated 10-4-95.)

2.7.5 The "Accounts Officer's Check Register" (Form CAM 15) will be maintained personally by the Pay and Accounts Officer, showing the total daily issue and encashment of cheques and the balance of unpaid cheques at the end of each month. This should be compared with the total of the cheques outstanding as per the list of outstanding cheques, and the balance at the end of each month independently tallied with the amount outstanding under the suspense head "PAO-Cheques".

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CHAPTER 3
PROCEDURE TO BE FOLLOWED BY DRAWING AND DISBURSING OFFICERS AUTHORISED TO DRAW CHEQUES (CHEQUE DRAWING DDOs)

3.1 DELEGATION OF CHEQUE DRAWING POWERS TO DRAWING AND DISBURSING OFFICERS.

3.1.1 As a general rule, all payments in the departmentalized system of accounting are to be made only by the Pay and Accounts Offices of the Ministry/Department after proper pre-check. However, as a partial exception to this rule the Controller General of Accounts may delegate powers to draw funds to the drawing and disbursing officers of offices, which are not located at the same station as that of their Pay and Accounts Office. The funds for arranging payments in such cases may be drawn directly from the local branches of the Bank accredited to the Ministry/ Department through cheques for the categories of bills specified in para 3.1.3.

The proposals for delegation of cheque drawing powers to Drawing and Disbursing Officers should be submitted to the Controller General of Accounts. Such proposals should be submitted only after due scrutiny with the required details and against the laid down parameters as indicated below. The need to restrict the number of cheque drawing DDOs should be kept in view before forwarding the proposal with the recommendation of concerned Pr. Chief Controller/ Chief Controller/ Controller of Accounts. While submitting the proposal for delegating cheque drawing powers to the DDOs to Controller General of Accounts, the following information which include information against the laid down parameters should invariably be furnished:

1. The complete designation and address of the Drawing and Disbursing Officer;

2. The name of the Pay and Accounts Office under whose payment control the DDO is placed with;
3. Total number of staff under the payment control of the DDO;
4. The Budget Grant for the relevant year other than salary;
5. The distance from the nearest cheque drawing D.D.O.;
6. Distance from the Pay and Accounts Office;
7. The average number of bills submitted to the PAO for pre-check during the preceding one year; and
8. Whether the payment/accounting function is proposed to be handled by an accounts officer from one of the organized accounts services.

On obtaining the approval of the Controller General of Accounts for delegation of cheque drawing powers to a DDO, the head of the accounts organisation may directly approach the Reserve Bank of India, Department of Government Account, Central Office, Mumbai for opening the bank account in respect of the new cheque drawing DDO. For opening assignment accounts in respect of cheque drawing powers given to the divisional officers in terms of the C.P.W.A. Code in the Public Works Department, such approval is not necessary. In such cases a copy of the request made to the R.B.I. should, however, be endorsed to the Controller General of Accounts.

3.1.2 Every Government Officer who is authorised to draw cheques on a bank shall send his specimen signature to the Bank/branch concerned, as per the instructions prescribed in this regard for the Pay and Accounts Officers vide para 1.4.2.

3.1.3 Cheque Drawing DDOs are permitted to make payments for the following categories of bills:

a. Pay and allowances including wages and advances and final bills relating to medical claims, except bills for salary and Government contribution for employees under the Defined Pension Contribution Scheme which will be submitted to PAO;
b. Travel expenses ;
c. Office contingencies;
d. All categories of Advances from the provident funds ;
e. Withdrawals from G.P. Fund and final withdrawal of accumulations in the fund for group 'D' government servants;
f. Payments arising under the Deposit Linked Insurance Scheme to group 'D' government servants; and
g. All short- term loans and advances to government servants, that are recoverable in less than 60 instalments.

Payments of advances can be made by CDDOs only after obtaining the sanction of the competent authority. A copy of the sanction should also be endorsed to the Pay and Accounts Officer.

Bills for all other kinds of payments to Government servants will be presented to the Pay and Accounts Office concerned for pre-check and payment by bank drafts. This includes payments like long-term loans and advances and withdrawals from provident fund (other than Group 'D' staff) under the relevant rules of General Provident Fund (Central Services) Rules, 1960 or corresponding provisions of other Provident Fund Rules. Issue of cheques against their assignment by the D.D.Os to make such payments is not permitted.

The purposes detailed in the Central Public Works Account Code may be deemed to be those approved by the Controller General of Accounts, for the Executive Engineers functioning as cheque drawing D.D.Os under Central Public Works Department and other departments for which the provisions of Central Public Works Account Code are authorised to be followed. However, prior approval of the Controller General of Accounts will be required for the delegation of cheque drawing powers to the said division or divisional office, if an officer other than the Executive Engineer is declared as a drawing and disbursing officer, for drawing bills for works and ancillary payments in addition to pay and allowances etc.

(Authority: Note under rule 11(2) of C.G.A. (R&P) Rules 1983).

Note: 1 For certain departments, with the prior approval of the Controller General of Accounts, the drawing and disbursing officer may be delegated powers for drawal of cheque for the limited purposes of making payments of certain specified nature.

Note: 2 The term 'office contingencies' referred to above shall be interpreted in a restricted manner to cover only those items that would fall within the sanctioning powers of the D.D.O and certain periodical payments like rent, rates and taxes, electricity, water and telephone charges and other day-to-day office expenses.

Note: 3 Cheque drawing D.D.Os are not authorised to issue cheques for drawal of advances sanctioned after the details of final payment has been moved to PAO, in terms of Rule 34(3) (v) of G.P.F. (CS) Rules, 1960. Bills for the purpose duly supported by formal sanction of the competent authority, shall be forwarded to the PAO for payment after pre-check.

Note: 4 The details of the provident fund advances paid by the drawing and disbursing officer have to be forwarded to the P.A.O every month, through a statement of the amounts paid and including the particulars of the sanction, names of the subscribers, their account numbers, etc.. This is to enable the PAOs to ensure that the debit vouchers are received and posted by them in the

accounts of the subscribers and that the debits adjustable by Accounts Officers of other Departments/Governments are passed on to them without fail.

Note 5:- In relaxation to the provisions of para 3.1.3, the Welfare Commissioners in the Ministry of Labour and Employment, functioning as Cheque Drawing and Disbursing Officers, have been authorized to make payment of Scholarship/Stipend to the children of Beedi Workers. Authority :CGA's letter No. 10(5)/DBT/TA/Pt.2/2013/29 dated 15.1.2015.**(Inserted vide CS 6)**

3.1.4 In some cases the cheque drawing D.D.O. can be permitted by the head of department in consultation with the Principal Accounts Office, to make payments on account of pay and allowances and office contingencies etc. of one or more offices situated at the same or nearby stations, in addition to that of his own office. The heads of these offices will present such bills to the designated cheque drawing D.D.O for payment. Any such arrangement made to attach any DDO with a CDDO for payment functions should be intimated to the CGA and appropriate code under the given category obtained for the concerned DDOs.

3.2 QUARTERLY ASSIGNMENT.

3.2.1 Expenditure cannot be incurred out of the Consolidated Fund in anticipation of the passing of Appropriation (Vote on Account) or the Appropriation Act relating to the budget of a financial year. The Letter of Credit in favour of a cheque drawing DDO at the beginning of the financial year will therefore cover only the amount for which Vote on Account has been obtained.

After the Appropriation Act has been passed by the Parliament and assented to by the President, the Finance Wing communicates the budget allotment. On the basis of the budget allotment communicated by the Finance Division, the Head of the Department will make distribution of the allotment among the drawing and disbursing officers under his control, through the Pay and Accounts Office at the headquarters. On the basis of the allotments and the net cash requirements for disbursal of pay and allowances, traveling allowances, contingencies etc. intimated by the cheque drawing D.D.Os, the Pay and Accounts Office will determine the amount of assignment for every quarter of the financial year. For determining the assignment of each quarter, the PAO will take into account the anticipated drawals on account of advances and withdrawals from GPF for which DDOs are authorised to issue cheques. The Pay and Accounts Officer will authorise the paying branch of the bank by means of a Letter of Credit, to make payment of cheques drawn from time to time by the concerned Drawing and Disbursing Officer during the said quarter, not exceeding the limit specified in the Letter of Credit. While issuing the Letter of Credit for the first quarter of the financial year after the Appropriation Act is passed, the PAO will take into account the Letter of Credit issued earlier on the basis of the "Vote on Account".

The paying branch is responsible to ensure that at no time the amount assigned in the Letter of Credit is exceeded on account of the payment of any cheque issued by the CDDO. Except in respect of the first quarter as stated above, the fresh Letter of Credit issued after expiry of the period prescribed in the earlier letter of credit shall be treated as an addition to the unspent balance of the earlier letter of credit. The Pay and Accounts Officers while communicating the assignment for the second and subsequent quarters should indicate not only the amount assigned for that quarter, but also the progressive total of assignments upto the end of the quarter. This will enable the bank to ensure that the total cumulative drawals from the beginning of the year do not exceed the total progressive assignments. The unspent assignment of the last quarter of the financial year is not to be carried forward to the next year.

The cheques actually issued during the last quarter but presented for payment during the next quarter in the subsequent financial year, will be taken by the banks against the assignment of the year in which they were drawn, and not the year in which they are paid.

The C.D.D.Os are required to keep a close watch over the drawings made by them and should take prompt action for assignment of additional funds by Pay and Accounts Office, through the renewal of the Letter of Credit. The system of quarterly allotment will apply to disbursing officers functioning on Public Works Division pattern also.

3.2.2 The cheque drawing officer in whose favour an assignment account has been opened in the accredited bank, is not permitted to draw the whole amount for placing in a separate account in the bank or in a private account.[Rule 50(2) of Central Government Account(Receipts and Payments) Rules,1983). It is also not permissible to draw cheques and deposit the amount in the department's cash chest at the end of the year for the purpose of showing the full amount of the assignment as utilized. (Below Rule 50(2) of CGA(R&P) Rules ,1983.

3.2.3 The procedure prescribed in paragraphs 1.4 to 1.6 of Chapter 1 regarding the sending of specimen signature, provision for different categories of cheques and the procedure for obtaining bank drafts will apply to cheque drawing DDOs also.

3.3 PROCEDURE FOR PAYMENT

3.3.1 The bills relating to the classes of payments referred to in para 3.1.3 above will be prepared in accordance with the rules and procedures prescribed in Central Government Account, (Receipt and Payments) Rules, 1983/General Financial Rules, 2005. etc. and presented to the officer authorised to issue cheques. For the bills of his own office, the cheque drawing D.D.O. will ensure that to the extent possible, a person other than the one responsible for the preparation of the bills has checked them independently.

3.3.2 The bills received for payment from non- cheque drawing D.D.Os will be verified to ensure that they relate only to the classes of payments for which the D.D.Os are authorised to make payments. The bills which do not fall under these categories if received, will be returned to the D.D.O concerned for sending them to the Pay and Accounts office for pre-check and payment. After this preliminary verification, the bills will be entered in the "Register of Bills Received" (Form CAM 18) and subjected to relevant checks enumerated in Part III and section I of part IV of the Central Government Account, Receipt and Payment Rules, 1983, read with Chapter 4 of this manual. It will also be ensured through the "Register of Cheques Issued" (Form CAM 19) that the quarterly assignments in respect of each office as intimated by the Pay and Accounts Office, are not exceeded. The PAO shall also maintain a suitable register in respect of each DDO to ensure that the drawal is not in excess of the assignments. This register should be posted from the weekly accounts of the D.D.Os as well as reconciled with the bank scrolls.

In the office of the cheque drawing DDOs, the bills shall be arithmetically checked, ensured that the claim is admissible, authority is good, the signature and countersignature where necessary are genuine and in order, and corrections, if any, have been duly attested. After satisfying in all respects, the cheque drawing officer will sign the pay order on the bill showing the amount for which the bill is passed (in words and figures) and cancel the Pay Order. The cheque will then be prepared for the net amount of the bill. The provisions contained in Rule 42 of CGA, R & P Rules, 1983 should be observed while writing the cheques.

The cheque drawing officer will get the number and date of all cheques issued noted in the 'Register of Cheques Issued' (Form CAM 19), and attest the entry at the time of signing of each cheque. Another officer, preferably in the Gazetted rank, will then subject the entries in this register to check with reference to the ‘pass order’ in the paid voucher. The register should be closed on the same day by striking the totals of Col. 7, and the instructions under para 2.7.1 of this manual will also be complied with.

3.3.3 At the end of the financial year cheque drawing DDOs should intimate details of total numberof cheques issued on the last day, amount thereof and the number and amount of last cheque

issued under each category, by fax/telegraphically to the Pay and Accounts Officer. It should reach not later than the 1st day of the next financial year so as to enable the PAO to send a consolidated statement to the Pr. Accounts Office.

3.4 LIST OF PAYMENTS AND BANK RECONCILIATION

3.4.1 As per the procedure laid down for reporting and accounting of transactions, the dealing branch of the bank will send a copy of the daily scroll to the cheque drawing DDO.

3.4.2 The scrolls received from the bank shall be checked with reference to the entries in the 'Register of Cheques Issued', to verify the cheque number and the amount of cheques paid. On verification, the date of encashment should be noted in the relevant column of the Register of Cheques Issued. A Bank Reconciliation Statement (Form CAM 20) should be drawn up every month explaining the difference between total payments made as per the bank scroll and the total payments during the month as per the Register of Cheques Issued. The statement will indicate the details of the cheques issued during the month but not reported through scrolls as cleared. Similarly, it will show the details of cheques cleared during the month that was issued in the previous month/s. Discrepancies noticed in the scrolls should be taken up with the bank immediately for rectification.

The DDOs shall prepare a bank reconciliation statement every month and send it to the PAO along with a reconciliation statement in respect of receipts in Form CAM- 22).

3.4.3 The drawing and disbursing officer shall prepare a 'List of Payments' in triplicate, in Form CAM -21 as indicated below. Two copies of the list of payment accompanied by the paid vouchers should be sent to the Pay and Accounts Office, as indicated below-

1st to 7th	by the 9th of the month
8th to 14th	by the 16th of the month
15th to 21st	by the 23rd of the month
22nd to the end of the Month	DAILY
Last day's scroll	by the 3rd of the following month.

Note :- Sub-vouchers upto Rs. 500/- in value shall be retained by the cheque-drawing officers in their offices vide Rule 111 (3) of Central Government Account (Receipt and Payment) Rules,1983 for the audit of their initial records. A certificate would however be recorded by them on each contingency bill to the effect that sub-vouchers of value upto Rs. 500 numbering from Sub-Voucher.....to Sub-voucher. have been retained in his office.

3.4.4 The due dates for submission of compiled accounts to the Pay and Accounts Office, for the officers rendering accounts on the Public Works/Forest Accounting System shall be the 7th of the succeeding month.

3.5 CUSTODY OF CHEQUE BOOKS - PRECAUTIONS.

3.5.1 The Pay and Accounts Offices concerned will supply the Chequebooks to their cheque drawing DDOs. The following instructions contained in Central Government Accounts (Receipts and Payments) Rules, 1983 should be carefully observed by the cheque drawing officers in this regard :

(i) The cheque drawing DDOs will maintain an account of cheque books and cheque forms used on daily basis and in the same form as detailed in paras 7 and 9 of Annexure 3 of chapter 1.

(ii) The drawing officers on receiving them, will carefully examine the Cheque books, count the number of forms contained in each cheque book and record a certificate of count on the fly leaf.

(iii) Cheque books must be kept under lock and key and in the personal custody of the drawing officer. When relieved, he shall take receipt for the exact number of cheques made over to the relieving officer.

(iv) The cheque drawing DDOs will notify the number of cheque book and the serial numbers of cheque forms it contains that he brings into use from time to time, to the dealing bank on which he draws cheques, as well as the Pay and Accounts Officer. The bank will keep a record of the particulars for verifying the genuineness of the cheques presented for payment under Rule 39 of CGA(R&P) Rules, 1983.

(v) The loss of cheque books or a blank cheque form shall be promptly notified to bank branch with whom the disbursing officer is in account with.

(vi) Cheques drawn in favor of corporate bodies, firms or private persons shall be crossed, unless a specific request to the contrary is received from the payee. Subject to any instructions received from the payee a cheque shall be crossed "& Co." and the words "Not negotiable" inserted between the crossing. Where the payee has a banking account, further precaution shall be adopted if possible by crossing "----------& Co." by quoting the name of the bank through which the payee will receive payment and by adding the words "A/c payee only-not negotiable". This rule shall apply to all cases where the use of crossed cheques is prescribed {Rule 44 of C.G.A.(R&P) Rules, 1983}.

(vii) All cheques should be written and signed in indelible ink only and in case of cheques of category 'A', the account number and the details of bank/branch should be written after the name of the payee.

(viii) Irrespective of the category, all cheques drawn for Rs.10 lakhs and above shall bear two signatures. For this purpose the Head of the accounting organisation shall nominate another gazetted officer /senior most non-gazetted officer, as second signatory (O.M. No. 1(3)/95/TA/Pt.file/578 dated 27.7.98).

(ix) The drawing officer shall attest with his full signature all the corrections and alterations in a cheque [Rule 43 of Central Government Account (Receipts and Payments), Rules, 1983].

(x) Cheques shall be payable at any time within three months after the month of issue, for example, a cheque bearing any date in January is payable up to 30th April.

In case of expiry of the currency of a cheque the same may be inquired into and retrieved by the cheque drawing DDO. However, revalidation of a time barred cheque is not permissible regardless of the date of its drawal. The provisions of Para 2.5.1 may be strictly followed for the cancellation of the time barred cheques and issue of fresh cheque in lieu thereof. In the event of non-return of the time-barred cheque to the drawer, the drawer should require the payee either to return the cheque for cancellation/issue of fresh cheque in lieu thereof. (Rules 45 of C.G.A.(R&P) Rules , 1983.

(xi) When it is necessary to issue a fresh cheque in place of the time barred cheque, in case of non-MICR cheque the cancellation of time barred cheque must be recorded with dated signature on the counterfoil, while in case of MICR cheque it will be recorded on the loose leaf, and then the cheque must be cancelled. In case fresh cheque is not required to be issued, the cheque should be defaced/cancelled as above and forwarded to the P.A.O. The entries in the accounts should simultaneously be suitably reversed (Rule 44 of C.G.A.(R&P) Rules, 1983).

(xii) The cheque drawing DDO may receive request for issue of fresh cheque in place of a cheque issued by him earlier on the grounds that it has been lost. If it is within a period of one year from the date of issue of original cheque, he should send intimation by registered post/fax (acknowledgement due) to the bank on which it has been drawn, regarding the reported loss of the cheque and advise it to stop payment if the cheque is presented for payment thereafter. If the currency of the cheque has

not expired at the time of sending the intimation, the bank shall acknowledge in writing in the form given in para 2.4.1 of chapter 2 of this manual. If the currency of the cheque alleged to have been lost has expired at the time of intimation to the bank, the acknowledgement of the 'stop payment order' may not be insisted upon from the bank. In such cases the postal acknowledgement may be treated as sufficient for the record of the cheque drawing DDO. The cheque drawing DDO on receipt of acknowledgement from the bank will send a copy of the same to the Pay and Account Office, for issue of a non-payment certificate.

The PAO concerned on receiving a copy of this acknowledgement from the said D.D.O., will issue a non-payment certificate to the D.D.O. after verification of his relevant records i.e. Register of Cheques delivered, etc. and after keeping a suitable note against the relevant entry in that register. The non payment certificate will be in the following form :

"Certified that cheque No.....dated.....for Rs.....reported by.....(the drawing officer) to have been drawn by him on.....branch of.....bank in favour of. has not been paid".

The D.D.O. will then note the particulars of the non-payment certificate against the relevant entry in the office copy of the list of payments, to indicate that the original cheque has not been paid and it has been 'stopped' from payment. He will also make a similar note on the counterfoil of that cheque and office copy of the relevant paid voucher before issuing a fresh cheque in lieu thereof. Provisions of para 2.4.1 (iii) of this manual will be followed for the purpose of issue of fresh cheque and the number and date of the fresh cheque will also be noted on the list of payments, paid voucher and counterfoil of the old and cancelled cheque. Even though paying banks may not be required to issue 'non-payment certificate', there will be no change in their responsibilities towards lost cheques. To ensure that a cheque for which such advice has been received is not subsequently paid, they will exercise all usual precautions. If it is found afterwards that the original cheque has been paid, the DDO will report the matter immediately to the paying branch under telegraphic intimation/fax to the P.A.O [Rule 48 of Central Government Account(Receipt and Payment) Rules, 1983].

3.6 RECEIPT SCROLLS.

Procedure laid down in para 1.10 of this manual should be followed.

3.7 ACTION IN PAY AND ACCOUNTS OFFICE ON PAYMENT SCROLLS

The two copies of list of payments received from the cheque drawing DDOs should be kept in a guard file in the Pay and Accounts Office. One of these will be used as 'Register of Cheques Delivered' in the PAO, while the second copy with paid vouchers will be sent to Compilation Section. After the receipt of the Payment scroll and paid cheques from the bank, the procedure laid down in para 1.9 of Chapter 1 will be followed for reconciliation.

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CHAPTER 4
PRINCIPLES AND PROCEDURES OF PRE CHECK AND POST CHECK TO BE CONDUCTED BY PAY AND ACCOUNTS OFFICES

4.1 INTRODUCTORY

4.1.1 Bills presented to Pay and Accounts Offices are required to be passed for payment after pre-check.

4.1.2 It is the duty of the Pay and Accounts Officer to see that the incurring of expenditure from the Consolidated Fund of India is governed by the following essential conditions:-

(i) that there is provision of funds authorised by the competent authority fixing the limits within which expenditure can be incurred;

(ii) that the expenditure incurred conforms to the relevant provisions of the Act, Constitution and of the laws made thereunder and should also be in accordance with the financial rules and regulations framed by the competent authority; and

(iii) that there exists sanction, either special or general, accorded by the competent authority authorising expenditure.

4.2 BUDGET PROVISIONS AND CHECK AGAINST PROVISION OF FUNDS

4.2.1 Articles 112 to 116 of the Constitution contain the important financial provisions that describe the control, which Parliament exercises over expenditure from the Consolidated Fund of India. Some important aspects of the budgetary system are indicated below.

(a) Budget – The Finance Ministry places before the Parliament under Article 112(1) of the Constitution an Annual Financial Statement giving the estimated receipts and expenditure of the Central Government for the ensuing financial year. This statement, also called the 'Budget', is prepared usually on the last working day of February. The statement not only includes the estimated receipts and expenditure for the ensuing financial year but also contains revised provisions for the current year besides actuals for the previous three years.
The Budget presented before Parliament is based on the Revised Estimates/Budget Estimates submitted by various individual offices duly vetted and consolidated by the Heads of Departments/Ministries.

(b) Separate Budget for Plan and Non-Plan – Estimates for plan and Non-Plan items should always be prepared and presented separately. The departments are not empowered to utilize savings under Plan against any excesses under Non-Plan items and vice versa.

(c) Vote on Account – As the passing of the Budget by both the Houses of Parliament may take some time, the Finance Ministry may obtain 'A Vote on Account' to cover expenditure for the first one month or such longer period as may be necessary generally in proportion to the annual Budget. This will, however, be utilized only to meet normal expenditure of the departments, and not for any new service.

(d) Distribution of Grants – After the Budget is passed, the Finance Ministry communicates to the various Ministries/Departments figures of Revised Grants for the current year as also the Budget Grants for the next financial year, which in turn, will be communicated to the various offices/units.

(e) Expenditure on new service – No expenditure shall be incurred during a financial year on a 'New Service' not included in the Annual Budget without obtaining a supplementary grant. Details of cases treated as New Service are given in Annexure-1 to Appendix-3 of GFR and Rule 10 of Delegation of Financial Powers Rules.

(f) Excess over sanctioned grant not permissible – No expenditure should be incurred in excess of the total grant sanctioned by Parliament. If any excess is found necessary, supplementary grant or appropriation or an advance from the Contingency Fund should be obtained.

(g) Budget grant to be utilized only during the year – Any grant or appropriation sanctioned for a financial year should be utilized only during the year including clearing off of liabilities for the previous years. Any unspent balance will not be available for utilization in the next year and thus lapses at the end of the year.

(h) Re-appropriation – Re-appropriation of funds from one primary unit to another primary unit within a grant may be sanctioned by the Department/Administrators/Head Of Departments before the close of financial year. However, there are various instructions under Rule 10 of DFPRs restricting such re-appropriation, e.g., re-appropriation not permissible between 'charged' expenditure and 'voted' expenditure, or between 'Plan' and 'Non-Plan' expenditure, or Major Works and other items of expenditure, etc.

(i) Surrender of Savings: Any anticipated saving noticed by the departments should be immediately surrendered to the Government without waiting for the close of the year. Such savings should not be utilized to introduce fresh item of expenditure, which may wait till next year. However, such savings can be kept for adjustment by re-appropriation against excesses found necessary under other items of essential expenditure.

(j) Form of Budget Estimates and Sub-Head: The form in which the Budget Estimates are to be prepared and the sub-heads under which provisions for expenditure are to be made should be as prescribed by the Finance Ministry and no change is permissible.

(k) Advance from Contingency Fund: If any excess over the sanctioned grant is found unavoidable or expenditure on a new service not provided in the Budget Estimates becomes necessary and, it there is no time to obtain supplementary grant, an advance from the Contingency Fund set up under Article-267 (1) of the Constitution shall be obtained before incurring the expenditure.

(l) Acceptance of Revised Estimates: The figures as accepted by the Ministry of Finance against Revised Estimates are communicated to the offices by the Heads of Departments some time in January-February. The expenditure for the remaining part of the year should be so adjusted as to be within the accepted provisions. If in any case it is found that the accepted provision is not sufficient to meet the essential items of expenditure the matter should be taken up with the Head of Department immediately for possible re-appropriation within their powers.

(m) Final Estimates: The offices will be required to submit the Final Estimates along with the Monthly Statement of Expenditure of February to be submitted in March. The excesses or savings over the accepted Revised Estimates will be indicated in this statement with full justification. While no additional provision could be granted by the Finance Ministry, the Head of Department may provide additional funds needed by any office by re-appropriation of savings from other units to the extend available. The final expenditure to be incurred by the units during March will be only after the additional funds are provided by re-appropriation. It should be ensured that there are absolutely no variations between the accepted Revised Estimates (plus additional provision by re-appropriation, or minus provision shows as

surrendered in the Final Estimates) and the actual final expenditure up to the end of March. Hence the Final Estimates included in the statement for February should be carefully assessed and accurately prepared. There could normally be no excesses, as the PAO will not entertain any claim in excess of the provision. Non-utilization of the available provisions by any office is also seriously viewed, as this would have deprived of some other needy unit from utilizing the same.

4.2.2 No expenditure incurred from the Consolidated and Contingency Funds of India on or after 1st April of a financial year, under the provisions of Articles 114 to 116 and 267(1) of the Constitution, will be protected by law unless authorised by an Appropriation Act passed in accordance with the provisions of Article 114. All disbursements from the Consolidated Fund during a financial year, which are not authorised by the Annual Appropriation Act passed by the Legislature before the close of the year, will, therefore, be challenged by Audit as unauthorised expenditure, until regularized by an Appropriation Act. The Pay and Accounts Officers should note this.

4.2.3 The check against provision of funds should be directed primarily to ascertaining that the money sought to be spent is to be applied to the purpose or purposes for which the Grants and Appropriations specified in the Schedule to an Appropriation Act passed under Article 114 of the Constitution were intended to provide and that the amount of expenditure against each Grant or Appropriation does not exceed the amount included in that Schedule.

Note: - The term 'Appropriation' as used in this paragraph and elsewhere in this Manual stands for sums required to meet "charged" expenditure as specified in the Schedule to an Appropriation Act passed under Article 114 of the Constitution. A gist of the classification so far issued on the types of transactions that could be treated as 'charged' expenditure under the provisions of the Constitution is included as Appendix "B" to this chapter.

4.2.4 The pre-check to be applied to all payments by the departmentalized Accounts Offices includes a check against provision of funds also. It is an important part of the functions of the Pay & Accounts Office to see that no payment is made in excess of the budget allotment. In order to exercise an effective check in this regard, a separate register D.D.O-wise Bill Passing cum Expenditure Control Register in Form CAM-9, should be maintained in the Accounts Office for each drawing officer and by sub-heads and units of appropriation so as to ensure at the time of passing each bill that the amount of the bill under check is covered by budget allotment. If the amount of any bill leads to excess over the budget allotment or is not covered by an advance from the Contingency Fund, the Pay & Accounts Officer should decline payment under advice to the authority controlling the grant so that the latter could arrange for additional funds. An Appropriation Audit Register Form CAM-62 shall be maintained for this purpose. **In case of an urgent requirement of expenditure attracting the provisions of New Service/New Instruments of Service and thereby supplementary demands through the approval of Parliament, the same should be referred to Ministry of Finance. The excess expenditure in such cases can be allowed by the concerned Financial Advisers only on the specific approval of Secretary (Expenditure) that the necessary funds will be made available through the next batch of supplementary demands for grant. (CS 15)**

Note:- In cases where payment of a bill/claim would lead to excess over the provision under any unit of appropriation, the payment may be made by the Pay and Accounts Office only on receipt of an assurance in writing from the Ministry/Head of Department controlling the grant that the expenditure involved is not on a New Service or New Instrument of Service; that necessary funds to accommodate the expenditure will be provided for in time by issue of re-appropriation order etc. that a note to the effect has been kept for further action, and that the Grant as a whole (i.e. separately under Revenue and Capital Sections) is not likely to be exceeded. This applies in respect of any new item of expenditure for which provision for which does not exist in the Budget (as distinct from expenditure on "NEW SERVICE" or "New Instrument of Service" not provided in the Budget) as well as in cases where the existing provision is not sufficient to cover the payments.
If such a contingency for inevitable payment of a bill arises towards the close of financial year vide

Appendix – 10 of GFR 2017, (**CS 15**) and the expenditure under the grant as a whole is likely to be exceeded, the orders of the Financial Advisor on behalf of the Chief Accounting Authority will have to be sought. Incase of the additional required funds being made available merely by re-allocation (and not by re- appropriation) of savings, if any under the same sub-head of appropriation - the related claim will be passed for payment only after additional funds therefore are allocated in writing by the controlling officer.

4.3 SCRUTINY OF DISTRIBUTION OF GRANTS APPROPRIATION, CHECK OF REAPPROPRIATION ORDERS, AND SCRUTINY WITH REFERENCE TO THE GUIDELINES ON "NEW SERVICE"/"NEW INSTRUMENT OF SERVICE"

4.3.1 While scrutinizing orders relating to allotment and reappropriation of funds, provisions of Rules contained in Rule No. 55 and 56 of the General Financial Rules, 2017 **(CS 15)** and Rules 7 to 10 of the compilation of Delegation of Financial Powers Rules 1978, as amended from time to time, may be kept in view. It may also be checked whether relevant orders are issued by the competent authority and that the total of the allotments among various controlling and disbursing officers does not exceed the funds duly provided under the relevant head and further that reappropriation orders are free from arithmetical inaccuracies etc. and contain full reasons for the reappropriations.

4.3.2 Ministry of Finance (Department of Economic Affairs) O.M. No.F.1(23)-B(AC)/2005 dated 25th May, 2006 containing guidelines on the above subject are reproduced in the Appendix "A" along with the annexure thereto. The provisions thereof may be kept in view while exercising check of sanction etc. and pre-check of bills.

4.4 CHECK OF SANCTIONS FOR EXPENDITURE

4.4.1 Under Article 77(3) of the Constitution the power to sanction expenditure from the Consolidated Fund of India and the Contingency Fund of India including the powers to dispose of property and stores belonging to the Central Government is vested in the President. The sanction of the President, given directly or by authorities to whom the necessary powers have been delegated, is necessary before expenditure can be incurred from the Fund. The extent and conditions of delegation of financial powers to different authorities are contained in the Delegation of Financial Powers Rules, as amended from time to time.

4.4.2 The responsibilities of the Pay & Accounts Office in regard to check of sanctions is to see that:
(a) The sanction conforms to the relevant provisions of the Constitution and of the Laws and Rules made there under and is also in accordance with the financial rules, regulations and orders issued by a competent authority either in pursuance of any provisions of the Constitution or of the Laws and Rules made there under or by virtue of powers formally delegated to it by a higher authority.

Note:- The rules, regulations and orders against which check is conducted, mainly fall under the following categories-

(i) rules and orders regulating the powers to incur and sanction expenditure from the Consolidated Fund of India and the Contingency Fund of India;

(ii) rules and orders dealing with the mode of presentation of claims against Government, withdrawing moneys from the Consolidated Fund, Contingency Fund and Public Account of India, and in general the financial rules prescribing the detailed procedure to be followed by Government servants in dealing with Government transaction and

(iii) rules and orders regulating the conditions of service and pay and allowances and pensions of Government servants.

(b) the authority sanctioning the expenditure is competent to do so by virtue of the powers vested in it by the provisions of the Constitution, laws, rules or orders there under or by rules of Delegation of Financial Powers made by a competent authority; and

(c) the sanction is definite and needs no reference either to the sanctioning authority or to any higher authority.

4.4.3 In the check of sanctions from the point of view of competence of the sanctioning authority, the following guiding principles should be observed: -

(a) If the sanctioning authority is vested with full powers in respect of certain classes of expenditure the sanction accorded under such powers should not be questioned except on grounds of propriety. When objection is raised against a sanction on grounds of propriety, the Accounts Office should explain to the sanctioning authority why the sanction is considered open to objection. Ordinarily, the occasion for raising objections on grounds of propriety should arise only rarely as it is primarily the responsibility of the sanctioning authority to satisfy itself on the propriety of the sanction. It is only in cases of blatant or gross violation of accepted principles of financial propriety that objections can be legitimately taken by the Accounts Office. Even in such cases the Accounts Office should not stop the payment but should report the matter to the Financial Adviser through the Principal Accounts Officer for such action as the Financial Adviser may consider necessary. In the case of sanctions issued by the Ministry with the concurrence of the Financial Adviser, it is not open to the Accounts Office to raise objections on grounds of propriety.

(b) The Pay and Accounts Officer should bring to the notice of the competent authority any expenditure which does not seem to be covered by the terms of the Article, Section, rule or order quoted as justifying it, and which has been incurred by placing upon the Article, Section, rule or order an interpretation which may seem to it not to be a natural, plain, or reasonable interpretation. In the case of regulations framed by a department of Government, the Pay and Accounts Office will accept what the department considers to be the correct interpretation of its own regulations, provided that such interpretation is not opposed to the ruling of any superior authority, or contrary to any established financial principle or rule. Such discretionary power of interpretation does not, however, give a department a free hand to interpret its rules to suit particular cases in other than a natural or reasonable manner. So long as a rule or regulation remains unamended, the department is bound by it and the rules should be carefully adhered to. The Pay and Accounts Office should bring to the notice of his Pr.A.O. or of the Financial Adviser through Pr.A.O, the cases where rules and regulations are found to have been observed merely in the letter but not in spirit. For example, sanctions and orders for the grant of special pay or other allowances or concessions which are in conflict with the broad spirit or main principles of the relevant service rules.

(c) If the sanctioning authority is vested with powers, which may be exercised subject to the fulfillment of certain conditions, the sanction can be accepted on the certification of the sanctioning authority that the prescribed conditions have been fulfilled. Similarly, where the sanctioning authority is vested with powers which can be exercised provided due regard is paid to certain criteria, sanctions accorded under such powers cannot be challenged unless the disregard of the criteria is considered so serious as to make the sanction perverse. In such cases it is the duty of the Accounts Officer to report the matter to the Financial Adviser through the Principal Accounts Officer for final decision.

(d) For the purpose of financial sanctions a group of works which forms one project shall be considered as one work and the necessity for obtaining the sanction of a higher authority to a project is not avoided on the ground that the cost of each particular work in the project does not require such sanction.

(e) All sanctions (other than for inter-governmental/Departmental transactions) issued by Ministries/Departments for the amounts above Rs.50 lakhs and upto to Rs.~~1~~ **5** crore **(vide CS 8)** should be reviewed by Dy.CAs and above Rs. ~~1~~ **5** crore by CAs / CCAs/ Pr.CCAs. **Sanctions issued by Ministries/Departments for TSA assignment to Autonomous Bodies (ABs) are also applicable for review as per the prescribed monetary limit (inserted vide CS 11). In Ministries/Departments, wher there is no sanctioned posts of Dy.CA, the sanctions above Rs.50 lakhs and upto Rs.5 crore whould also be reviewed by the respective CAs/CCAs/Pr.CCAs**.(**inserted vide CS 8)** Whenever the voucher in respect of the respect of the above sanctions comes up for pre-check, it should be paid after review by the authorities above if they are stationed at the same place as the PAO. In other cases, if the sanctions are received in advance by an outstation PAO, it should be got reviewed as far as possible before the bill comes up for payment and if not, after payment. In respect of Post Check payments, the sanction orders should be put up to CCA/CA/Dy.CA as above in the case of same station and in respect of outstations, copy of the sanction order along with the observations of PAOs should be sent to CCA/CA/Dy.CA by name, who should return the same recording therein their views/observations within 3 working days of receipt of the copy of the sanction order. As the CCAs/Cas/Dy.CAs would be receiving the copy of the sanction orders with the views/observations of the Headquarters. However, a record of sanction orders received and returned should be maintained.

Note: PAO must submit sanction for review to higher authorities on the same day he/she receives it in the system. Review time duration of high value sanctions by Dy.CA or CA or CCA or Pr.CCA, where required, should not be attributed to addition to the processing time of bills and should be done in parallel as smuch as possible. It needs to be reviewed by the said authority within a maximum of two working days and returned to PAO. (inserted vide CS 11).

4.4.4 Sanctions with a long period of currency for example delegation of financial powers as well as sanctions of a permanent nature should be scrutinized carefully and reviewed periodically. If there is any reason to think that the sanctioning authority concerned should be invited to review the sanction, such action may be taken.

4.5 CHECK OF CLASSIFICATION IN ACCOUNTS

4.5.1 The transactions dealt with in the departmental accounts organizations should be classified in accounts strictly under the Major and Minor Heads shown in the List of Major and Minor Heads of Account as corrected from time to time. The detailed classifications below the Minor Heads will be as shown in the Detailed Demands for Grants.

4.6 ALLOCATION OF EXPENDITURE BETWEEN CAPITAL AND REVENUE

4.6.1 The classification of expenditure as Capital or Revenue will broadly depend on the following conditions:-

(a) Capital expenditure may be generally defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character or of reducing recurring liabilities.

(b) It is not essential that the concrete assets should be productive in character or that they should even be revenue producing. A productive asset may be considered as one which produces sufficient revenue to afford a surplus over all charges relevant to its functioning. It may on rare occasions be necessary and justifiable to treat as capital a scheme not commercially remunerative but involving large expenditure, say for the construction of a new city.

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

(d) Expenditure on a temporary asset cannot ordinarily be considered as expenditure of capital nature.

4.6.2 When it has been decided that the expenditure on a scheme for creation of a new or additional asset shall be classed as 'Capital' the following main principles shall be applied for the treatment of expenditure in accounts:-

(a) Capital bears all charges for the first construction of a project as well as charges for intermediate maintenance of the work while not yet opened for service including charges for such further additions and improvements, as may be sanctioned under rules made by competent authority.

(b) Subject to (c) below, revenue bears 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 competent authority, and are debitable to the Revenue Account.

(c) In the case of works of renewal and improvements which partake both of capital and revenue nature, it is impracticable to draw a hard and fast line between what is properly debitable to capital or revenue. Allocation in such cases is made by detailed rules and formulae devised by the executive authorities, which are applied in estimates and accounts to determine the allocation of expenditure between capital and revenue. These rules and formulae must necessarily be based upon some general principle of sound finance, which should aim at an equitable distribution of burdens between present and future generations.

(d) In theory it is legitimate to make capital bear the charges for interest on money borrowed to finance the construction of a new project before the project becomes revenue earning. In fact, a Government project is only part of the operations of Government and it may be sound financial to meet interest charges from other revenue during the process of construction. The charge of interest to capital in Government accounts is justified only when there would be undue disturbance in the Government's budgetary position by taking interest to revenue. The writing back of capitalized interest should be the first charge on any capital receipts or surplus revenue derived from a project when opened for working.

(e) Capital receipts in so far as they relate to expenditure previously debited to capital accruing during the process of construction of a project should be utilized in reduction of expenditure. Thereafter, their treatment in the accounts may depend on circumstances, but except in the case of recovered stores in Railways and the Posts and Telecommunications Departments or as otherwise provided in the rules of allocation applicable to a particular Department, they should never be credited to the ordinary revenue account of the undertaking.

4.7 ACCOUNTING OF TRANSACTIONS UNDER RESERVES AND RESERVE FUNDS

4.7.1 Any device to render the grants non-lapsing by withdrawing such amounts to a Fund is contraryto the strict theory of Parliamentary financial control. However, such a course is adopted with the cognizance and approval of the Parliament to constitute a specific Reserve or Reserve Fund. These Reserves or Reserve Funds may be classified under the following three categories according to the sources from which they are funded:-

(i) Funds accumulated from grants made by another Government and at times aided by public subscriptions, e.g., Fund formed from subvention from the Central Road Fund; Fund for Economic Development and Improvement of Rural Areas;

(ii) Funds accumulated from sums set aside by the Union or State Governments from the Consolidated Fund of India or the Consolidated Fund of the State, as the case may be, to provide reserves for expenditure to be incurred by themselves on particular purposes, e.g., the various Depreciation or Renewals Reserve Funds created in respect of commercial departments and undertakings;

(iii) Funds accumulated from contributions made by outside agencies to the Union or State Governments, e.g. Deposit Account of grants made by the Indian Council of Agricultural Research; deposit account of grants made by the Indian Central Cotton Committee.

4.7.2 The main principles which would govern the procedure for accounting of expenditure met from Reserves or Reserve Funds and its exhibition in estimates and accounts are set out below:-

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

(ii) A grant from an outside agency to the Union or 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-paras (i) and (ii) above or out of moneys set aside by the Union or State Government from the Consolidated Fund of India or the State, as the case may be, the transfers to and the expenditure from the reserves are required to be voted by the Parliament/Legislature (or shown as 'Charged').

4.7.3 The method of accounting applied to the Reserve Funds mentioned in para 4.7.1 should be as follows, in keeping with the aforementioned principles: -

The grants from outside agencies that do not retain control over the expenditure met there from 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 the relevant head in the Deposit section of accounts by debit to the service major head concerned. In the case of Fund referred to in (ii) of para 4.7.1 above, the amounts set aside by the Union/State Government from the Consolidated Fund of India/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 service head of expenditure under which provision of Funds has been made and an equivalent amount will be credited to the service head concerned by transfer from the Deposit Head concerned and shown as a deduct entry there under. Provisions contained in para 3.4 of General Directions to the List of Major and Minor Heads may be referred for the accounting procedure relating to Reserve Funds.

4.7.4 The principles and procedure prescribed in this paragraph do not apply to certain transactions for example those pertaining to Famine Relief Funds and Sinking Funds for loans, which are governed by special arrangements. In the case of Regulatory Bodies, different procedure has been adopted, whereby the receipts of the regulatory bodies are being credited directly to the Fund, without routing it through CFI. However for the expenditure the procedure remains unchanged and is required to be budgeted.

4.7.5 Contributions towards share capital in non-departmental commercial and Industrial undertakings will be recorded under the concerned Programme Minor Heads below relevant functional Major Head of Account. Loans paid to these undertakings will be classified similarly under the concerned Programme Minor Heads below the relevant functional Loan Major Head of Account.

4.8 CLASSIFICATION OF AID MATERIALS & EQUIPMENTS RECEIVED FROM ABROAD.

4.8.1 The value of materials, equipments and other commodities received from foreign countries etc.,as aid, without involving any cash inflow or outflow should be taken as a receipt under Major Head "1606-Aid Materials and Equipments" by a corresponding debit to the Major Head '3606-Aid Materials and Equipments". When the material or equipment are allocated for use by Government departments or given as grants-in-aid to private bodies etc. the value thereof should be debited to the relevant Major Head concerned relieving the initial debit under the Major Head '3606' by a deduct entry. The same

procedure should be followed in the case of transfer of such material by Central Government to State and Union Territories as grants or loans and the debits in Central Government accounts should be to the Major Heads for grants-in-aid/loans and advances to State Governments and Union Territory Governments. When, however, the aid material is sold, the sale proceeds should be credited as a receipt under the Major Head relevant to the function for which the material etc. is received. The value of technical services or cost of experts deputed by foreign agencies at their own cost does not have to be incorporated in Government Accounts.

4.8.2 Cash grants, as distinct from commodity or other assistance in kind received from external sources (like foreign governments, international bodies, agencies etc.) are to be accounted for only by the Controller of Aid Accounts and Audit, Department of Economic Affairs, Ministry of Finance in his books under the relevant minor heads below the major head "1605-External Grant Assistance". In case Ministries/Departments receive such cash grants, the same should be passed on to the Controller of Aid Accounts and Audit for final accounting in his books. Copies of letter of agreements exchanged between Ministries/Departments and donor countries in regard to cash grants, technical assistance/aid in the form of aid materials and equipments etc. should also be endorsed to him simultaneously so that he may be able to issue suitable accounting procedure for the same.

4.8.3 Some agreements like those under Colombo Plan require the value of the aid material received (i.e. counter-part funds generated) to be exhibited in a Fund Account, so as to be released in due course for utilization on agreed projects. In such cases, it would be sufficient, if a Proforma Account of the Aid received and expenditure there from on the agreed projects is kept by the Department concerned, avoiding reflection of the transactions under such Funds in Government Accounts.

Note:- Government have even decided to waive the requirement of maintenance of Proforma Accounts for Food Aid which had been received from Canada under the Colombo Plan and from Australia under the Technical Co-operation Assistance Programme.

4.9 GENERAL INSTRUCTIONS ON CLASSIFICATION OF EXPENDITURE

Apart from the general principles set forth above and such other general or special orders as may be issued from time to time, the main duty of the Pay & Accounts Office in check of classifications would be to see that the expenditure is classified and recorded under the grant and the sub head under which the provision for expenditure was made in the Budget Estimates.
[Authority: Para 6.7.5(b) to Second Report of the Team on Reforms and Structure of Budget and accounted by Government.]

4.10 GENERAL CHECKS TO BE EXERCISED IN RESPECT OF BILLS SUBMITTED FOR PRE-CHECK.

4.10.1 The following checks will be exercised on all classes of bills:

(a) that bills are prepared in the prescribed form, signatures are genuine and that the bills are in original; that a brief abstract is given in the official language authorised for the purpose under the signature of the drawing officer on all vouchers prepared in any other language; that signatures, if not in the authorised script, are transliterated and that sub-vouchers contain notes of dates of payment;

(b) that the details work up to the totals and that the totals are in words as well as in figures,

(c) that they bear a 'pass order' signed by the drawing and disbursing officer;

(d) that there are no erasures, and that any alterations in the total are attested by the officer concerned as many times as they are made;

(e) that no payment is made on a bill or order signed by a subordinate instead of head of the office himself or on a voucher or order signed with a stamp, and that copies of sanctions are certified by the sanctioning officer or by an authorised gazetted Government servant;

(f) in all cases in which it is prescribed that tallying should be carried out between the different documents, that the fact of the matching should be noted on both the documents and the note initialed by Accountant who does the tallying;

(g) see that Fund and Income-tax deductions etc have been correctly made;

Note: In respect of the pay bills of his own establishment and pension bills paid by him after pre-check the Pay and Accounts Officer acts as the officer responsible for recovering income-tax on the income chargeable under the head 'salaries' and is, therefore, under a statutory obligation to deduct, at the time of payment, income-tax on the amount payable at the rate applicable to the estimated income of the assessee under the head "Salaries". In respect of other bills, the Pay and Accounts Office is not responsible for checking the correctness of the Income-tax deductions but whenever such bills come under his scrutiny in the course of audit, he should always see that deductions of income-tax are not omitted in cases where such deductions should clearly be made,

(h) that no bills for any pay or allowances not claimed within two years (vide Rule 264 of General Financial Rules) of its becoming due are admitted without the sanction of the competent authority,

(i) see that the stores are purchased through the agency of the purchase organisation of the Department of Supply of the Central Government when this is required by the orders of the Government,

(j) that in the case of contingent bills sub-vouchers as required under the rules are attached as per Central Govt. Account (Receipt and Payments) Rules, 1983;

(k) that the classification noted in the bill is correct with reference to the nature of the transactions and that an item which should be charged on the Consolidated Fund of India is not classified as Voted and vice versa.

4.10.2 The following essential checks will be exercised in respect of the various categories of bills. These checks are only illustrative and not exhaustive.

4.11.1 CHECK OF ESTABLISHMENT PAY BILLS

(i) the bills have been signed by Drawing & Disbursing officer and his signature tallies with the signatures in the register of specimen signatures;

(ii) the bills have been prepared with due regard to Rule 33 of Central Govt. Account (Receipt and Payments) Rules, 1983;

(iii) that the arithmetical calculations of the bills are correct;

(iv) that the absentee statement, where required is duly filled-in or a 'no leave' certificate is furnished;

(v) that the enhanced pay of officiating Government servants is in accordance with the rules;

(vi) that in case of any names appearing for the first time in the pay bills last pay certificate is furnished for a Government servant transferred from another establishment or health certificate is furnished in case of a person newly appointed except where such health certificate is not required to be furnished under the rules of Government;

(vii) that the dates of making over and receiving charge are stated and joining time is correct;

(viii) that the increment drawn is supported by an increment certificate;

(ix) that the number of persons for whom pay or leave salary has been drawn does not exceed sanctioned strength of the establishment. For this purpose, the numerical check of drawls against sanctioned number of posts should be done. Detailed instructions for doing numerical check has been given in paras 4.11.4 to 4.11.8.;

(x) where arrears are drawn, a certificate is recorded by Drawing and Disbursing officer stating that necessary note has been made in original bills from which the claim is omitted;

(xi) that the remarks showing how the claims have been affected by death, retirement, permanent transfers, first appointment etc. are entered in detail;

(xii) that in the case of establishments under which names of Government servants are not required to be indicated the certificate prescribed in Rule 66 of Central Govt. Accounts (Receipt and Payments) Rules, 1983 is furnished, and

(xiii) the admissibility of special pay, personal pay and various allowances claimed in an establishment bill should be scrutinised with reference to the rules or orders in force. A note of special pay admissible should be kept in the "Fly Leaf of Payment Register" (Form CAM 23) wherever maintained, against the name of the incumbent concerned. In case the changes in pay are not properly explained in the remarks columns of the pay bill, the amount may be kept in objection and the details called for separately. The pay bill need not be returned unpassed on this account.

4.11.2 CHECK OF INCREMENT CERTIFICATES

Increment certificates should be examined to see that the increment claimed is according to rules and supported by facts stated and has actually accrued. This should be examined with reference to the entries in the "Fly Leaf of Payment Register where it is required to be maintained. It should also be seen:-

(i) that the increment granted is admissible under F.Rs. 22-27 and 29.
(ii) that the period of suspension is not treated as duty except in the circumstances explained in F.R. 54.
(iii) that a proper note of the increment is recorded in Fly Leaf of Payment Register wherever it is maintained, over the initials of Asstt. Accounts Officer/Jr. Accounts Officer.

4.11.3 CHECK OF LAST PAY CERTIFICATES

(a) The last pay certificates (in form GAR 2) are issued by Drawing and Disbursing officers in the event of transfer of a Government servant to another post or office under the jurisdiction of another drawing officer.

b) In checking these certificates, it should be seen:-

(i) that the certificate is in the prescribed form and has been properly drawn up;

(ii) that the extent of joining time availed of and the joining time pay are in conformity with Central Civil Services (Joining Time) Rules 1979 as amended from time to time.

(iii) that no compensatory allowance is drawn during joining time except as provided in S.R. 7-C; and

(iv) that pay or leave salary, if due for a period prior to joining time is drawn according to rates noted in the last pay certificate.

Note:
(1) The term 'undisbursed pay and allowance' includes nothing except pay and allowances drawn and due to an employee, but for some reasons not paid.

(2) Undisbursed pay and allowances may be retained by the Drawing Officer for a period not exceeding 3 months, provided suitable arrangements exist in his office for the safe custody of the money. The undisbursed pay and allowances should be refunded by short drawals from the bills and may be taken in reduction of expenditure under various detailed heads, if these are refunded in the same accounting year. Such recoveries pertaining to previous year shall be recorded under distinct minor head 'Deduct Recoveries of Overpayments' below the concerned major/sub-major head in the Appropriation Accounts.
The refunds against the undisbursed pay and allowances should be noted against the short drawals in the original bills.

4.11.4 The Pay & Accounts Office shall maintain an Establishment Check Register (Form CAM 24) separately for each DDO under his payment and accounting control. All sanctions for creation of posts will be noted in this register in the relevant columns. In view of the issue of Min. of Personnel, Public Grievances & Pension (Dept. of Personnel & Training) O.M. no. 18011/1/86-Estt. (d) Dated 28-3-88 confirmation is made only once in the service of an official which will be in the entry grade subject to the fulfillment of the conditions prescribed and this issue has been de-linked from the availability of vacancies in the permanent posts in the grade. Therefore, the check to be exercised by the PAO may be limited to watch against the total number of posts sanctioned, the total number of persons in each section of establishment who are (i) drawing duty pay and (ii) are on leave including extra-ordinary leave or under suspension.

4.11.5 They are indicated in the bills under the letters D(Duty) and L (Leave or Suspension) and the totals under 'D' and 'L' in respect of each section of establishment posted in the relevant sub-columns of the monthly column in the register, broken periods of less than a month being indicated by giving the number of days within brackets.

4.11.6 The posting in the register will include the number for whom claims have been shown as paid in the monthly bill. This is necessary to ascertain the total number of persons paid salary against the sanctioned posts during a month. When the posting of all bills pertaining to an establishment in the register has been completed, a total should be struck against each section.

4.11.7 Though it is the primary duty of the D.D.O. to obtain the sanction for extension/continuance of the temporary posts well in time, it is equally the responsibility of the P.A.O. to ensure that salary claims are not entertained and paid as a matter of course even beyond the date of expiry of the sanctioned post.
In cases where the sanction for the continuance of a temporary post otherwise a part of regular establishment and continued from year to year is not forthcoming even after three months from the date when it expired, payments should be made only after obtaining the prior specific approval of the Financial Adviser. In cases of posts sanctioned for a specific period, payment beyond the specific period should be made only with the approval of the Financial Adviser, if sanction for continuation of post is not available. This would apply mutatis- mutandis to Cheque Drawing D.D.Os.

4.11.8 The P.A.O shall also maintain, wherever required, a "Fly Leaf of Payment Register' (Form

CAM 23) wherever necessary, wherein details like the name of the incumbent, his pay, special pay, personal pay etc. shall be noted. The increments drawn or any changes in the pay as indicated in the pay bills should be noted in this register. Similarly, all cases of death, retirement, resignation and permanent transfer out of the establishment as also important events like suspension, withholding of increment etc. shall be noted in this register under the attestation of the Asstt. Accounts Office/Jr. Accounts Officer.

4.12 CHECK OF PAY FIXATION CASES

4.12.1 From 1st April,1976 the distinction between gazetted and non-gazetted staff in regard to maintenance of service records, determination of entitlements (including pay fixation) and drawal of entitlements has been dispensed with and Heads of Offices have been made responsible for these- vide O.M. No. F.10(9)-B(TR)/76 dated 28-2-76 and O.M. No. F-3(1)E.IV-(A)/76 dated 17-3-76. It would not, therefore, be necessary for the authorities responsible for pay fixation to consult the Pay and Accounts Offices in respect of cases of pay fixation with reference to normal rules. However, in specially difficult or complicated cases, there is no objection to the Ministry consulting the Pr.CCAs/CCAs/Controller of Accounts concerned, if considered necessary. Cases requiring fixation of pay in relaxation of the normal rules should be referred to the authority competent to relax the rules through the Internal Finance Section of the Ministry and not to the Head of Accounting Organisation. The scrutiny of pay fixation cases done by the departmental offices with reference to the initial records in the departmental offices concerned should be sanctioned by the Internal Audit Wing of the Ministry/DEpartment.

4.13 CHECK OF OVERTIME ALLOWANCE CLAIMS

4.13.1 The grant of overtime allowance will be regulated in accordance with the orders contained in the Min. of Finance, Deptt. of Expenditure O.M. No.15011/2/EII(B)/76 dated 11/8/76 as amended from time to time. The following checks should be exercised in respect of bills in which overtime allowance is claimed.

(i) that the drawing officer has furnished the requisite certificates as prescribed in this O.M. alongwith the bills duly signed by him.
(ii) that the categories of staff for whom overtime allowance is claimed, are eligible for the same.
(iii) that the claims are made at the prescribed rates.

Note: Objection should not be taken to the grant of overtime allowance for a particular item of work which has been ordered by competent authority in public interest.

4.14 CHECK OF CHILDREN EDUCATION ALLOWANCE, TUITION FEES

4.14.1 The concession for grant of Children's Education Allowance to Central Government employees who are paid out of Civil Estimates, has been introduced by the Government of India on the recommendations of the Pay Commission, with effect from 1st March, 1962. It is now regulated by the orders contained in the Ministry of Finance (Deptt. of Expenditure) O.M. No. 12011/I/EII (B)/76 dated the 25th August, 1976 as amended from time to time. The claim of this allowance in respect of non-gazetted establishment should be admitted by the PAO on the strength of the certificates from the drawing officers as prescribed in this Office Memorandum.

4.14.2 All Central Government Servants, as defined in Rule 2 of the CCS (Educational Assistance) Orders, 1988, shall be eligible to draw Children's Educational Allowance, reimbursement of tuition fee and hostel subsidy paid by them for and on behalf of their children for education in India in recognised Middle, High/Senior Secondary Schools in accordance with Government of India, Department of

Personnel & Training O.M. No.21011/21/88-Estt.(Allowances) dated the 17th October, 1988, as amended from time to time.

4.15 CHECK OF TRAVELLING ALLOWANCE BILLS

4.15.1 In checking the bills of travelling allowance the under mentioned checks may be exercised in order to see:-

(i) that the journey was actually performed;

(ii) that it was necessary, and authorised by general or special orders;

(iii) that no bill has been submitted for it before;

(iv) that the amount drawn is correct with reference to rates and general conditions.
In this connection it may be added that it is the duty of the Controlling Officer before signing or countersigning a travelling allowance bill, to scrutinise carefully the distances entered therein, but the amount claimed for the journey performed by railway and air where authorised specially, should be checked by the PAO with the help of the Railway time table and by the scheduled rates charged by the Indian Air Lines or Air Transport Company;

(v) that the bills are prepared strictly in accordance with the provisions of Rule 90 of Central Govt. Account (Receipt and Payments) Rules 1983;

(vi) that the dates and hours of the commencement as well as end of the journeys (where necessary) and the purpose of journey are clearly stated in the columns provided for the purpose in the travelling allowance bill form;

(vii) that the bills are countersigned in all cases except where specifically authorised otherwise (see S.R. 191-193); and that the prescribed certificates have been furnished by the D.D.O.;

(viii) that the instructions for preparing travelling allowance bills as printed on the form of the T.A. Bill are duly complied with and irrelevant certificates scored out;

(ix) that the claims for the conveyance of motor-cycles, bicycles etc; during tour are supported by special orders of the authority competent to pass such orders, as required under S.R.81(a);

(x) that in case of journeys performed by road between places connected by rail, the charge for travelling allowance is supported by an order of the competent authority under S.R 31;

(xi) that the claims for travelling allowance for jouneys performed to give evidence in a court under S.R. 154 are supported by the necessary certificates (a) of attendance and (b) non-payment of expenses by the court;

(xii) that in the case of bills for journeys on transfer, the claims are supported by:-

a. the certificates showing the members and relationship of claimant's family and the age of his children vide S.R.116(d);
b. the declaration of actual expenses incurred in transportation of personal effects, conveyances etc; vide S.R.116(e);
c. the certificate from the Controlling Officer that the charges on account of the personal effects have been scrutinized by him and that he is satisfied that these are reasonable; and

(xiii) that the charges have been classified according to the principles laid down in Rule 67 of the Government Accounting Rules, 1990.

GENERAL CHECK POINTS

4.15.2 The following are some points which will be useful in scrutinizing travelling allowance bills.

(A) Road Mileage

(i) Is inadmissible in addition to (a) permanent travelling allowance, (b) conveyance allowance and (c) contingent charges claimed towards taxi/scooter hire charges separately for transportation of official records.

(ii) Short journeys within a radius of 8 kilometers of headquarters should not be added to journeys made on the same day beyond 8 kilometers radius for the purpose of arriving at the distance travailed on that day.

(iii) Fraction of a kilometer should be omitted in the total of a bill for any journey.

(B) Daily Allowance

(i) See that the officer reaches a point outside the radius of 8 kilometers from his headquarters.

(ii) See that the hours of departure from and arrival at headquarters are shown when daily allowance is claimed.

(iii) is inadmissible in the following cases.

a. when joining first appointment
b. when on transfer
c. when on leave
d. in addition to permanent travelling allowance vide A(i) above
e. in addition to railway fare or actual expenses
f. within a radius of 8 kilometers vide B (i)above .
g. for halts at headquarters

(C) Conveyance Allowance

(i) See that there is sanction of the competent authority

(ii) See to the specific terms of sanction, if any

(D) Railway Journeys

(i) Check fare with fare tables and see that they are not charged at a higher rate than admissible.

(ii) Time of departure on and arrival from a railway journey should be stated on the bill when it is preceded or followed by a halt for which daily allowance is claimed.

(E) Travelling allowance is inadmissible

a. on proceeding on leave
b. on rejoining from leave
c. during leave of any kind
d. on dismissal from public service; and
e. in case of transfer at the officer's own request or for misconduct.

Note:- The cancellation/reservation charges on unused air/rail tickets may be preferred by the claimants in T.A. bill form and should be classified under the head "Travel Expenses".

[Authority: Min. of Fin. Deptt. of Exp. O.M.No.19028/1/78-E-IV(B) dated 18.2.1981]

4.15.3 LEAVE TRAVEL CONCESSION TO CENTRAL GOVERNMENT SERVANTS

The grant of travelling concession to Central Govt. servants serving at places distant from their homes for journeys to and from their homes as also to a place anywhere in India once in a block of four years during leave shall be regulated in accordance with the C.C.S.(Leave Travel Concession) Rules, 1988, as amended from time to time.

4.16 MEDICAL REIMBURSEMENT CLAIMS

The following checks are to be exercised by PAOs in respect of Medical Reimbursement Bills-

1. The bill for medical reimbursement should be prepared in Form GAR – 23.
2. The amount drawn in the bills must be supported by proper receipts and vouchers in all cases, submitted by the Government servant along with essentiality certificates in Form 'A' or 'B'.
3. PAO is to examine as to whether the fees charged by the Authorised Medical Attendant is in accordance with the prescribed rates.
4. He is to examine that all the sub-vouchers tests etc. are duly countersigned by the Medical Officer and by the competent authority accepting the claim of medical reimbursement.
5. Special care is to be taken in regard to the diet charges because these are normally included in the hospital bills submitted by the Government servants, as these charges are not reimbursable except in case of persons of group 'D' who are to undergo treatment of T.B./mental diseases or leprosy etc.
6. Details in regard to dependents of the Government servants and residential addresses must be obtained from the government servants for keeping the same in the relevant records.

4.17 CLASSES OF CONTINGENCIES

4.17.1 The actual classification of contingent charges is determined by the orders of the Government.It will be found, however, on consideration of the dominant conditions governing the particular expenditure that all contingencies will fall into one or other of the following five classes-

(a) Contingent charges met from a lump sum grant placed at the disposal of a disbursing officer for expenditure at his discretion, on certain specified objects. Such charges are known as Contract Contingencies and generally consist of charges, the annual incidence of which can be averaged with reasonable accuracy.

(b) Contingent charges in respect of which scales have been laid down by competent authority. Such charges may be designated Scale Regulated Contingencies.

(c) Contingent charges whether recurring or non-recurring which cannot be incurred without special sanction in each case of superior authority. These may be termed Special Contingencies.

(d) Contingent charges, which though they may be incurred without special sanction, require the approval and countersignature of superior authority before they can be admitted as legitimate expenditure against the Consolidated Fund of India. Countersignature is ordinarily obtained after the bills are paid, but in rare cases it is necessary before payment. Such charges are known as Countersigned Contingencies.

(e) Contingent charges which require neither special sanction nor countersignature, but may be incurred by the disbursing officer on his own authority, subject to the necessity of accounting for them. Such contingencies may be termed Fully Vouched Contingencies.

4.17.2 In checking contingent bills, it will be seen that

(i) each class of expenditure:

a. is a proper charge against the grant or appropriation concerned and is covered by provision of funds
b. has received such sanction as is necessary
c. has been incurred by a Government servant competent to incur it.

(ii) such vouchers as are required to be enclosed have been submitted keeping in view provisions of Rule 111(3) of Central Govt. Account (Receipt and Payments) Rules, 1983.

(iii) the certificates required under the General Financial Rules have been recorded

(iv) the rates are apparently not extravagant and the expenditure is not prima facie more than the occasion demands

(v) that the bills are in proper form and that the classification is correctly recorded therein

4.18.1 CHECK OF SPECIAL CONTINGENCIES

(a) In respect of special contingencies, the principal duty of the Pay and Accounts Officer is to watch the expenditure against the necessary sanction of superior authority. For this purpose a register should be maintained (Form CAM-25) in which every order sanctioning special expenditure, should be entered as soon as it is received and, as each charge comes up for check a note of the bill in which it is included, and of the fact that it has been checked, should be made in the final columns. Where expenditure against a lump sum sanction is incurred in instalments, the progressive outlay must be watched against the sanctioned total.
When an order of sanction contains no indication of the amount or limit of expenditure sanctioned, enquiry should be made from the authority which issued it, and charges should not be admitted until complete sanction is received.

(b) In preparing the register of Special Charges the following instructions should be followed:-

1. Separate pages should be set apart for different classes of expenditure and for different officers incurring expenditure.
2. When opening a new register orders which are still in force should be carried forward into it from the old register along with progressive expenditure so far incurred there against.

Note 1. - The sanctions entered in the Register of Special Charges will not be confined to sanctions of contingent charges proper. Special sanctions of refunds, advances and the like also will be recorded in this register and the charge admitted according to the method prescribed in this paragraph.

Note 2. - The entries of payments made in the Register of Special Charges should be attested by the P.A.O. as he passes each bill for payment.

4.19 CHECK OF COUNTERSIGNED CONTINGENCIES.

A-Bills countersigned after payment-

4.19.1 In the case of bills countersigned after payment, the money is actually drawn on an abstract bill, and the Pay and Accounts Officer as indicated by its countersignature, subsequently receive the approval of the superior authority on the monthly detailed countersigned bill. Both the abstract bill and the detailed monthly bill require scrutiny in the Pay and Accounts Office.

4.19.2 While checking abstract contingent bills, it should be seen whether the officers drawing abstract bills are, in all cases, authorised to do so. Asstt. Accounts Officer/Jr. Accounts Officer should ensure that the amount drawn on an abstract contingent bill is placed under objection. Objections regarding want of detailed bills, vouchers, subvouchers etc; should be pursued vigorously. Cases in which detailed bills are not furnished within the normal period prescribed in Rule 118 of Central Government Account (Receipt and Payments) Rules, 1983 should be reported to the Controlling Officerby name and thereafter, if necessary, the matter should be reported first to the Head of the Departmentby name and that failing to produce the desired result, the matter should be reported to the Pr. Accounts Office.

4.19.3 Adequate cautions should be exercised in passing detailed bills which are supported by invoices which are found to be old compared to the date of drawal of the abstract bill.

4.19.4 On receipt of detailed adjustment bills, they should be carefully checked on the pointsindicated in paragraph 4.17.2. In addition it should be seen:-

1. that the bill is duly countersigned wherever so required;
2. that the charges included in it cover the amounts drawn in lump sum and are classified as in the abstract bills; differences or disallowances should be noted for recovery and adjustment should be made, if necessary on account of misclassification.

4.19.5 Except on points covered above the Pay and Accounts Officers should not disallow any items included in a countersigned bill which are within the powers of sanction of the countersigning officer. He should however, draw the attention of the latter to any expenditure which seems questionable or in comparison with like charges elsewhere, excessive in respect of rate, price or amount and may, if he deems it advisable, specially address the Department on the subject.

4.19.6 When the Accountant has completed his check and has ticked off each item supported by a voucher in token of his having seen and passed the bill, he should record his enfacement passing the bill or objecting to it, upon the bill itself. He should then make the corresponding or partial adjustment both in the register and the Objection Book (Form CAM-26) taking steps to remove any objection still outstanding.

B-Bills countersigned before payment

4.19.7 Where countersignature is required before payment, there will be no abstract bill but payment will be made on a detailed bill. In that case, the detailed bill may be entered in and submitted along with the 'Special Charges Register'. Accountant will, of course, make no entry in the 'Objection Book' unless some item in the detailed bill itself is objectionable.

4.20 CHECK OF FULLY-VOUCHED CONTINGENCIES

4.20.1 Payment of fully-vouched contingencies will be made on detailed bills. No registers need be maintained for the record of these bills except in cases where the Pay and Accounts Officer is requested by the Government to check the charges of individual disbursing officers against a lump sum appropriation placed for the purpose at the disposal of a single higher authority. The actual check should be conducted as in the case of bills countersigned before payment.

4.21 PERIODICAL CHARGES REGISTER (FORM CAM-27)

4.21.1 Sanctions to recurring contingent charges are noted in the Register of Periodical Charges, each payment as it is checked being posted with the necessary reference in the appropriate monthly columns. Ordinarily the register should be used only in cases in which sanctions other than those of the disbursing or countersigning authorities are involved.

Note 1.- The pay of the contingency paid staff need not be entered in the Register of Periodical Charges.

Note 2.- Periodical charges such as water, conservancy taxes etc, do not require the sanction of a higher authority when they are assessed by competent authority and the assessment is certified by a Public Works Divisional Officer or the departmental officer concerned according as the buildings are or not borne on the books of the Public Works Department. Such charges should not, therefore, be entered in this register.

4.22 CONTINGENT CHARGES FOR WAGES OF MAZDOORS AND PAY AND ALLOWANCES OF STAFF PAID FROM CONTINGENCIES

4.22.1 Contingent charges on account of wages of Mazdoors engaged on manual labour and paid at daily or monthly rates should be admitted in Pay and Accounts Office on the authority of a certificate signed by the disbursing officer to the effect that the mazdoors were actually entertained and paid. Contingent charges on account of pay and allowances of all other staff paid from contingencies should be admitted in the Pay and Accounts Office on the authority of the certificate regarding entertainment, disbursement etc, prescribed in Central Government Account (Receipt and Payments Rules, 1983.

4.23 CALL CHARGES

4.23.1 Offices/Officers having telephones with ISD/STD facilities are responsible for all calls that may be made from their telephones. Even if some of the items in bills received from the Department of Telecommunications, pertain to unavoidable private calls of officials and they have to be paid in full by the concerned official who availed of the facility.
Simultaneously, arrangements should be made for suitable recovery from the official (s) for the private calls (s),and the amounts duly accounted for.

4.23.2 P.A.O. should check that bills for phone calls are supported by the certificate under the procedure prescribed for the purpose, that the calls were made for official purposes, and that in respect of exceptions mentioned therein, indication is given about recovery thereof effected/being effected.

4.23.3 Recoveries made from Government officials on account of private calls may be adjusted in reduction of expenditure and not credited as revenue receipts in Government accounts. (Authority : C.G.A's File No. S. 14011/1/79/TA)

4.24 FEE FOR ENGAGEMENT OF LAWYERS

The following points may be borne in mind while passing such bills:-

4.24.1 Ministry of Law should invariably be consulted by the Department concerned in regard to the fees of lawyers proposed to be engaged except in cases in respect of which standing arrangements have been made (e.g. cases handled by the Central Government Solicitors at Mumbai and Kolkata or by Standing Counsels of the Income Tax Department) and in cases where lawyers are engaged onscales of fees fixed by the High Court concerned.

4.24.2 Serial No.9 of the Annexure to Schedule V of the Delegation of Financial Powers Rules 1978 indicates the extent to which various authorities have been delegated powers to incur expenditure on payment of legal charges either on account of fees to barristers, pleaders etc, or the institutions of law suits or prosecution cases etc, as well as in connection with arbitration cases. It should be seen that the sanctions to the expenditure on legal charges etc, conform to the limits prescribed therein.

4.25 CANCELLATION OF SUB-VOUCHERS

4.25.1 The general instructions regarding the cancellation of sub-vouchers attached to contingent bills in order to prevent their misuse are laid down in Rule 109 of the Central Govt. Account (Receipts and Payments) Rules, 1983. Sub-vouchers required to be sent to the Pay and Accounts Officer are not to be cancelled either by the drawing officer or the Controlling Officer, as the duty of canceling these sub-vouchers and keeping them in proper custody to prevent their fraudulent use devolves on the Pay and Accounts Officer. All sub-vouchers received in the P.A.O. should be cancelled by means of a rubber stamp or in hand under the dated initials of the Accountant concerned. In the case of vouchers selected for post audit and reviewed by the cancellation should be attested by the A.A.O. also.

4.26 Chapter 10 of this Manual deals with the important aspects of loans and advances, grants-in- aid, guarantees given by the Government and investments made by the Government. These should be kept in view before accepting any sanction for payment.

4.27 GRANTS-IN-AID BILLS

4.27.1 In checking the sanctions for grants-in-aid it should be ensured that;-
(a) sanctions have been accorded by a competent authority in terms of the relevant Delegation of Financial Powers Rules, 1978;
(b) sanctions are so worded that there is a specific direction for the payment of the specified amount, instead of merely conveying an approval for the sanction of the grants-in-aid;
(c) they indicate invariably, whether the grants-in-aid are recurring or non-recurring.

4.27.2 A 'Register of Payment of Grants-in-aid' shall be maintained in Form CAM-28. All sanctions should be noted in this register under proper attestation and the bills received against such sanctions should also be submitted after exercising necessary checks, along with the register and the fact of passing of the bill noted therein.

4.27.3 In the case of grants-in-aid bill, it should be seen that the prescribed certificates have been recorded thereon where the power of sanctioning the grants-in-aid is delegated to the subordinate authority subject to the previous fulfillment by the grantees of certain conditions. For example, grants may be made to educational institutions which satisfy specified standards in respect of number of scholars, methods of instruction and the like. In such cases, if the orders sanctioning the grant quotethe relevant rules, such bill should ordinarily be accepted on the expressed or implied certificate of the sanctioning authority that the prescribed conditions have been fulfilled.

4.27.4 It should be watched that grants are not, except in special circumstances, paid in excess of actual requirements of the grantee for the financial year or say, for the period of one year from the date of issue of the letter sanctioning the grant and that any general or special orders for releasing a particular grant in instalments are complied with. The extent of the check of the expenditure from a grants-in-aid by the grantee depends on whether the grant is conditional or unconditional. Where no condition is attached to a grant, no enquiry need be made as to the manner in which the grant isutilised by the grantee. Wherever conditions are attached to the utilisation of a grant (in the shape of specification of the particular objects on or the time within which the money must be spent) the receipt of formal utilisation certificate from the sanctioning authority should be watched through the said register.

4.28 SCHOLARSHIP BILLS

4.28.1 In the case of those stipends and scholarships which are considered to be important in view of their value or governing conditions or other similar considerations, the check should be conducted by numbers only.

4.28.2 Check by numbers will consist in seeing that:-
(i) the sanctioned scale is not exceeded,
(ii) there is no excess over the total amount sanctioned for the scholarship, and
(iii) the scholarships are drawn only for the period for which they are sanctioned.

4.28.3 The bills for educational scholarships, stipends etc., should be checked with a view to see that they have been drawn in accordance with the procedure laid down in the relevant Treasury Rules etc., and that necessary certificates showing that the prescribed conditions have been fulfilled, are furnished along with the bill or separately, as may be necessary.

4.28.4 Scholarship bills should be posted in the register in Form CAM-28 in he same manner as Register of Grants-in-aid except for the column meant for watching receipt of Utilisation Certificates.

4.29 LOANS AND ADVANCES BILLS

4.29.1 In respect of loans and advances to public sector undertakings, autonomous bodies etc., the sanctions should be examined and the reasons for any unusual conditions included therein, if any e.g., remission of interest in an individual case, should be enquired. It has to be seen that the conditions of repayment of loans and advances are complied with by the debtor and the Pay and Accounts Office should exercise a close watch over repayment of principal and realisation of interest. In reviewing the outstanding loans and advances, special attention should be directed to irregularities in payments, acknowledgement of balances and unrealizable and doubtful assets. During the pre-check of a loan or advance bill, it should be seen that:-
(a) the amount claimed is in accordance with the sanction order, and
(b) the conditions to be fulfilled before payment, if any, are actually fulfilled and a certificate to that effect is recorded on the bill.
For watching the recovery of loans, Loan Register(s) are to be maintained in Form CAM - 29

4.29.2 The responsibility for calculation of interest on interest bearing advances, recoverable from the loanee Government servant will be that of the head of office/drawing and disbursing officer both for gazetted and non-gazetted Government servants. The heads of offices would, however, be responsible for obtaining mortgage bonds and agreements and ensuring that necessary insurance, as required under the rules, is effected.

4.29.3 Pay and Accounts Officers will be responsible for (a) checking the correctness of the interest recovered by the drawing and disbursing officer, and (b) confirmation of the correctness of the balances as shown in the recovery schedules and pointing out discrepancy, if any, to the concerned drawing and disbursing officer.
(Authority : Ministry of Finance (DEA) O.M. No. F. 10(9)-B(TR)/76 dt. 1.11.1976)

4.30 LONG TERM ADVANCES TO GOVERNMENT SERVANTS i.e. ADVANCES RECOVERABLE IN NOT LESS THAN 60 MONTHLY INSTALMENTS

4.30.1 Advances drawn must be checked in full. It should be seen:-

(i) that every advance has been sanctioned by competent authority in accordance with the rules governing it;
(ii) that the amount drawn does not exceed the amount sanctioned and permissible under the rules;
(iii) that it is properly recorded;
(iv) that repayments are regularly made as required by rules and are duly accounted for in the books of the Pay & Accounts office;
(v) that the balance outstanding at the close of each financial year is communicated to and accepted by the Government servant. For this purpose, a statement of outstanding balances should be furnished to the D.D.O. concerned with the observation that non-receipt of any comments within two months would be treated as acceptance of balance by the D.D.O./Govt. servant concerned;
(vi) that in case the repayment of the advance is neglected and/or irregular the matter is reported to the sanctioning authority; and
(vii) that the certificates regarding availability of funds have been issued by the competent authority before issue of sanction and incorporated therein.

4.30.2 The recovery of the advances should commence with the first issue of pay, leave salary or subsistence allowance as the case may be after the advance is drawn (Rule 24 of Compendium of Rules on Advances).

4.30.3 It should be ensured that a certificate signed by the sanctioning authority to the effect that agreement in Form II or Form III of Compendium of Rules on Advances, as the case may be has been signed by the Government servant drawing the advance and that it has been examined and found to bein order, is attached to the bill for drawal of Motor Car Advance.

4.30.4 The H.B.A. Rules shall govern the grant of House Building Advance.

4.30.5 For watching the recoveries of these advances a Register and Broadsheet of Advances for HB/MC/and Interest thereon, should be maintained by the P.A.O. in Form CAM-30. Separate pages should be allotted to record advances sanctioned to Government servants in various offices. All the recoveries effected from establishment bills should be noted based on the schedule of recoveries in the respective pages of the broadsheet which should be totalled every month and agreed with the ledger figures in the Compilation Section. Any discrepancy between these two sets of figures should be noted and analyzed on separate pages set apart at the end of the register, to watch that they are eventually resolved and reconciled. This monthly verification indicating progressive differences and their reconciliation shall be submitted to the PAO every month by 20th of the second succeeding month. An example illustrating the manner in which recoveries of HBA/MCA are to be posted in the respective Broadsheet and calculation of interest thereon, is given in Appendix.

4.31 CHECK OF CONTRACTS

4.31.1 It is an important function of the Pay and Accounts Officer to examine contracts or agreements for works or supplies entered into by departmental authorities on behalf of Government.

4.31.2 Concerned executive authorities who enter into contracts for works or supplies will also be entirely responsible to watch their fulfillment.

4.31.3 The following fundamental principles are laid down by Government for the guidance of authorities authorised to enter into contracts or agreements involving expenditure from Consolidated Fund of India. These are financial rules but they also indicate the points which should be kept in mind by the Pay and Accounts Officers in scrutinising contracts :-

(a) The terms of a contract must be precise and definite, and there must be no room for ambiguity or misconstruction therein;
(b) As far as possible, legal and financial advice should be taken in the drafting of contracts before they are finally entered into;
(c) Standard forms of contracts should be adopted wherever possible, the terms being subjected to adequate prior scrutiny;
(d) The terms of a contract once entered into should not be materially varied without the previous consent of the competent financial authority;
(e) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the competent financial authority;
(f) Whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited, and in cases where the lowest tender is not accepted, reasons should be recorded;
(g) In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration, in addition to all other relevant factors;
(h) Even in cases where a formal written contract is not made, no order for supplies, etc., should be placed without at least a written agreement as to price;
(i) Provision must be made in contracts for safeguarding Government property entrusted to a contractor;
(j) When a contract is likely to endure for a period of more than five years, it should, wherever feasible include a provision for an unconditional power of revocation or cancellation by Government at any time after the expiry of six months notice to that effect; and
(k) The Pay and Accounts Officers have power to examine contracts and to bring to the notice of the proper authority any cases where competitive tenders have not been sought, or where high tenders have been accepted, or where other irregularities in procedure have come to light.

4.31.4 Deviation from contracts requires authority not inferior to that required for the original contract. The Pay and Accounts Officer should also see that any payments outside the strict terms of the contract or in excess of contract rates are not made without the consent of the competent financial authority.

4.31.5 Copies of all contracts and agreements for purchases of Rs. 50,000 and above should invariably be obtained and examined, and the payments regulated in accordance with them (but see Note below). For this purpose, a Register in Form CAM-31 should be opened to record particulars of thecontracts or agreements and the payments made there against.

Note- Copies of all contracts irrespective of their monetary value (except those relating to contingent or miscellaneous expenditure) of the Director General, Supplies and Disposal and the Food Department of the Government of India are however, to be invariably furnished to the Pay and Accounts Officers concerned.

4.31.6 When payments included in contingent bills are made at certain contract rates which are not required to be communicated to the Pay and Accounts Officer, a certificate should be obtained from thecompetent authority to the effect that the claim is correct with reference to such contract rates.

4.32 PROCEDURAL INSTRUCTIONS FOR THE CHECK OF CONTRACTS AND AGREEMENTS AND CONTRACTOR'S BILLS

4.32.1 Check of Contracts and Agreements, Tenders etc:- The general checks to be exercised are indicated in the earlier paragraph. Other checks are detailed below:-

4.32.2 In scrutinising an Acceptance of Tender it should be seen:-
(i) that the particulars regarding quantity and rates are furnished and the prices stipulated are firm. Particulars of the contracts providing the price variation clause or provisional rates, should be further examined;
(ii) that there is no omission of any important clause e.g. date and place of delivery, despatch instructions, name of consignee, etc;
(iii) that it is signed by an authority which is competent to enter into the contract. In case the signature on the order is that of an authority who is not competent to enter into the contract a certificate to the effect that the purchase has been approved by the competent authority, is recorded thereon mentioning also the designation of the authority whose approval has been obtained.
Note- In the copies of Acceptances of Tender, Supply Orders etc;, all the sheets containing rates, prices and other important conditions should be signed in ink by the purchasing officer concerned.

(iv) the provision for the payment of sales tax, excise duty, should be checked with reference to the instructions issued by the Government from time to time. Vague provisions, such as, "Sales tax will be paid, if legally leviable" should be objected to and the contracting officers asked to state in definite terms whether sales tax, excise duty, etc. are payable and if so at what rate and on what amount; and
(v) that the contract has been signed for and on behalf of the President of India.

4.32.3 All contracts and agreements required to be checked should be reviewed by the Asstt. Accounts Officer/Jr. Accounts Officer and submitted to the Pay and Accounts Officer for further review. Before checking purchase bills, the Pay and Accounts Officer should satisfy himself that the sanctions and agreements were properly checked and bear suitable endorsement of check and review.

4.32.4 Cases of the type mentioned below may, if necessary, be scrutinised carefully:-

(i) inclusion of any new item of expenditure not originally contemplated in a contract;
(ii) extension in the date of delivery in contract where higher prices have been allowed on account of early delivery of stores;
(iii) Compensation allowed to firms in respect of contracts;
(iv) any extraordinary stipulation in a contract even if it is sanctioned by Government etc;
(v) any special and apparently objectionable procedure of purchase, inspection and payment sanctioned by Government etc;
(vi) all contracts on cost plus profit basis;
(vii) all contracts with private firms to act as Government stockists; and
(viii) all sanctions to ex-gratia payments.

4.33 CHECK OF BILLS FOR SUPPLY OF STORES AGAINST CONTRACTS, PURCHASE ORDERS AND AGREEMENTS ETC.

4.33.1 The following checks are prescribed in respect of bills for purchase of stores:-

(i) that there is provision of funds authorised by the competent authority;
(ii) that there exists sanction either special or general accorded by the competent authority authorising expenditure;
(iii) that the purchases are made economically and in accordance with the rules and orders made by competent authority;
(iv) that the rates mentioned in the bill agree with those shown in the purchase orders;
(v) that certificates of quality and quantity are furnished;
(vi) that the purchases have not been split up so as to avoid the necessity of obtaining the sanction of higher authority; and
(vii) in regard to stores purchased through the agency of DGS&D, debits for which are raised by the Department of Supply, it should be ensured by the Pay and Accounts Officers that the debits accepted are proper charges against the work, office or other expenditure unit under their control and that the

supply has been duly sanctioned. For debits for advance claims not supported by consignee receipt certificates, the PAOs should take adequate and prompt action to get the consignee receipt and settle the discrepancy or deficiency, if any, mentioned in the receipt certificate in consultation with the consignee.

Note:
(a) The scrutiny mentioned at (i), (ii), (iv) & (v) above is to be exercised at the time of pre-check or post-check with reference to sanctions and supply orders required to be communicated to the PAOs.
(b) The checks at (iii) and (vi) above are to be exercised at the time of internal audit of records of the departmental authorities.
(c) The requirements indicated at (vii), in regard to debits for stores purchased through the agency of D.G.S.&D. are to be applied at the time of adjustment of the debits to final heads of accounts by the PAOs.

4.33.2 According to Chapter 7 of G.F.Rs, the responsibility of maintaining numerical and value accounts of stores and undertaking the physical verification of stores is that of the departmental officers. The rules referred to prohibit physical verification of stores by persons not conversant with the classification, nomenclature and technique of the particular classes of stores. Accordingly, the departmental accounting organisation (including internal Audit) is not required to maintain the numerical and value accounts of stores or to conduct physical verification of stores and stock. During internal check it should, however, be ensured that a certificate of physical verification is recorded periodically by the responsible authority, that the system of verification adopted is adequate and proper, that the staff employed for physical verification are independent of those responsible for the physical custody of the stores or for keeping accounts thereof and that excesses and shortages found on physical verification are properly investigated and adjusted or written off under orders of competent authority.

4.33.3 Where a 'period' or 'value' account is maintained it will be the duty of the Accounts Officer to see, during internal check that

(i) the stores are priced with reasonable accuracy and the rates are reviewed from time to time, are correlated with market price and revised, wherever necessary.

(ii) the value accounts tally with the accounts of works and of departments connected with the stores transactions, that the total of the value account tallies with the outstanding amount in the general accounts and that the numerical balance of stock materials is reconcilable with the total of 'value' balances in the accounts at the rates applicable to various classes of stores and (iii) steps are taken for the adjustment of profits or losses due to revaluation, stock taking or other causes.

4.34 REFUNDS OF REVENUE

4.34.1 The procedure for payments of refund of revenue will continue to be governed by the provision of Rule 139 - 144 of Central Govt. Account (Receipts and Payments) Rules, 1983 but the bills forrefund of revenue will be presented to the concerned P.A.Os to whom the departmental officers are linked. The P.A.O. will, before making payments, verify the original credit from his records and also keep a note of the refund against the original credit.

4.35 GENERAL PROVIDENT FUND BILLS

4.35.1 All bills relating to advances and withdrawals from General Provident Fund should be checked with reference to rules relating to the Fund and the amount at the credit of the subscriber in his account.

4.36 FINAL POST CHECK OF BILLS PAID AFTER PRE-CHECK

4.36.1 The Pay & Accounts Officer will ensure that in respect of all payments made after pre-check, a final receipt for the full amount passed has been received and attached to the bill in the prescribed form. This check may be conducted at the end of each month. For this purpose, the PAO should nominate a AAO/JAO or a Senior Accountant who should check that the acknowledgement is attached to each bill and record a certificate to this effect in a Register in Form CAM-32 to be opened for this purpose. This register should also be made available to Audit.

4.37 POST CHECK OF BILLS PAID BY CHEQUE DRAWING D.D.Os.

4.37.1 In the case of bills paid without pre-check by the Drawing and Disbursing officers having cheque drawing powers, in addition to the general checks mentioned in para 4.10 above and check against provision of funds referred to in para 4.2 above, the following checks will also be exercised at the time of conduct of post-check:-

i. that the vouchers are duly supported by acknowledgement of the payees;
ii. that they are stamped as "Paid"
iii. that unless otherwise provided in the rules revenue stamps are affixed to all vouchers whose net amounts exceed Rs. 5000 and the stamps are duly cancelled; and
iv. that the vouchers bear voucher Nos. as given in the List of Payments.

4.37.2 The detailed instructions explained above for the checks of various categories of bills shall also be kept in mind at the time of conducting post-check of vouchers to be received from the cheque drawing DDOs.

4.38 COMPUTERISATION OF ACCOUNTS

With a view to deliver the processed accounting inputs to the end users and improving the timeliness, accuracy, completeness and other qualitative aspects of financial reporting, the Controller General of Accounts has launched major initiatives towards computerisation. A comprehensive payment and accounting software, COMPACT has been developed for use in Pay and Accounts Offices. The 'COMPACT' is capable of processing the bills through different stages of pre-check to the final compilation of monthly accounts, with the provision for a number of reports that can be generated through the package. Details regarding the operation of 'COMPACT' software are available in the 'Manual for Users of COMPACT' issued by CGA-NIC.

4.39 MERGED DDO SCHEME

The Merged DDO Scheme came into being in terms of the instructions contained in Ministry of Finance, Department of Expenditure O.M. No.F.1 (4)-E (Coord)/86 dated 12th February, 1986. Under this scheme, the functional and day-to-day administrative control of the Cash Branch/DDO at the secretariat level in each Ministry/Department except the Ministry of External Affairs, would vest in the respective Pr.CCA/CCA/CA. They will ensure proper discharge of all items of work entrusted to the Cash Branch or the Merged DDO and exercise all financial powers vested in them as Head of the Department/Head of the Office in relation to the Merged DDOs, in the same way that they are exercised in relation to the Pay and Accounting Organisation. With these revised arrangements, the records maintained by the merged DDOs will become full-fledged accounts records, eliminating the need for maintenance of duplicate accounts records in Pay & Accounts Office. The procedure prescribed in para 4.2.4 above would not be applied in respect of heads of accounts operated by the merged DDOs, because the responsibility for expenditure control would be exclusively that of merged DDOs under the scheme.

The Pay & Accounts Offices shall follow the accounting procedure detailed below in respect of claims of merged DDOs –

i) Pay Bills will be prepared by merged DDOs as at present with the salary drawn for each month noted in the PBR, leaving at least one line between entries for two months. Schedules for provident fund, long-term advances etc prepared for facilitating maintenance of broadsheets by the Pay & Accounts Offices need not be prepared. The PBR itself will take the place of detailed ledger for the accounts of Fund, Advances etc. Such schedules will however be prepared for those cases where the credits have to be passed on for adjustment in other accounting circles. Unless orders to the contrary are issued, schedules for Licence fees and PLI will continue to be prepared. Copies of sanctions for creation/extension of posts, fresh appointment /transfer orders and last pay certificates will be maintained in the Cash Section andneed not be attached with the pay bills. Similarly, certificate relating to health certificate for fresh appointees is not required on the body of the bill. Increment certificates will also not be prepared to be attached with the bills, but the approval for release of increment may be obtained from administrative wing and kept on record.

ii) Bills will continue to be submitted to the PAO as at present, and it will be the responsibility of the merged DDO alone to ensure that no claims are presented to the PAO in excess of the sanctioned strength of staff. This will be put to test-check by Internal Audit at regular intervals. The details of sanctioned posts and reference to sanctions etc is not required to be indicated in the salary bills.

iii) The merger of DDO functions with the departmentalised accounts set up will also cause a certain measure of integration and rationalization of work between the conventional DDO and PAO functions. Towards this end, the pre-check of bills before payment will be exercised in the Cash Branch itself, through a Checker or Examiner functioning on behalf of the Pay & Accounts Officer. Either he can be a Senior Accountant from the PAO or any other senior official considered suitable for the work. All bills after preparation will be subject to check by him to ensure that they are in order and arithmetically correct.

Any other necessary information shall be verified with reference to records available on the spot in Cash Section and any omission observed will be got completed then and there. The Examiner will thereafter write the pay order on the bill. The Pay & Accounts Officer will supply a chequebook to the Examiner having separate serial number so that along with the pay order, the cheque can also be written up. The usual intimation to the bank regarding chequebook details will also be sent. The checked bill bearing the pay order along with the cheque book will then be sent to the PAO, in a box under lock and key for signing the pay order and the cheque by Pay & Accounts Officer. The passed bill will be retained by the PAO and the cheque will be returned in the box to the Examiner for delivery to the DDO. The use of brass tokens will also not be required in this system. While sending passed bills to the PAO, the Examiner will also prepare a covering schedule in duplicate, in the Form CAM-11 ‘Register of Cheques Delivered’ as amended and shown in Appendix 'D' to this Chapter. The PAO will retain one copy of the schedule along with the paid bills and return the other copy to the Examiner for taking the initials of the DDO on delivering the cheques to him. The retained copy of the schedule will serve as list of payments in the PAO.

iv) The DDO will be exclusively responsible for expenditure control on the heads of account operated by the Merged DDO and the PAO will not be required to maintain any record for this purpose. The inward accounts received from other accounting circles by the PAO, for adjustment against the heads under the control of the DDO will be adjusted by the PAO if the claim is prima facie in order. In case of doubts, the PAO will refer the case to the DDO for clarification/acceptance. Inward accounts adjusted by the PAO should be intimated to DDO for incorporation in the Expenditure Control Register. The PAO will have the overall responsibility of securing reconciliation of expenditure with the DDO.

v) For long-term advances, the opening balances in the PBR as on 1.4.86 will have to be reconciled balances. If the balances have not been reconciled, the recoveries should continue to be made with

reference to the outstanding balances as per the DDO's books and attempt shall be made to complete the reconciliation as quickly as possible. The calculations on account of recovery of interest is not required to be sent to the PAO for checking. The various certificates prescribed for rendition to the Pay & Accounts Office for various long-term advances will also not be required to be submitted to the PAO any more.

vi) In the event of transfer of a Government servant either to or from the control of a merged DDO, the transfer of balances relating to long term advances will be effected in the same manner as applicable to GPF balances (see chapter 6). Monthly and annual reconciliation/proving of payments and recoveries will also be done by the DDO in the manner prescribed for GPF.

vii) For the short-term advances, the existing procedure will continue.

viii) For the Government servants on deputation/foreign service, their recoveries against GPF subscriptions, long term advances, leave salary and pension contributions etc that are received in the form of cheques/drafts by the PAO, will continue to be accounted for in terms of the existing procedure. The PAO will, however, intimate the full details of the recoveries received and brought to account by him to the DDO, as the responsibility of watching these recoveries/contributions is that of the DDO. Recoveries that are in arrears as on 1.4.86 will continue to be watched by the PAO till their final settlement. The DDO will continue to maintain the individual folio in the PBR, for the Government servants on deputation.

When the intimation of recoveries is received from the PAO, the details will be noted in PBR in the section "Deductions/Recoveries", against relevant months changing the column headings suitably, if necessary. Claims submitted to PAO by the DDO towards payment/reimbursement of leave salary of the Government servant on deputation, will be noted in the PBR in the Section "Amount due". It will be the DDO's responsibility to report the amount of leave salary and pension contribution payable by the borrowing organization at the time of drawing up of the terms and conditions of foreign service. The certificate regarding recovery of contributions will also be recorded in the Service Books by the DDO.

ix) The procedure for transfer and accounting of GPF balances of the staff at Secretariat level to the merged DDOs has been prescribed in Chapter 6**.**

x) The following registers presently maintained by the PAO may be discontinued in relation to the merged DDO :

Sr.No.	**Name of the Record**
1.	Token Register
2.	Certificate of Tokens
3.	Token Census Register
4.	Enquiry Regarding Token Numbers/Outstanding Pre-check Bill
5.	DDO wise Passing cum Expenditure Control Register
6.	Bill Return Memos
7.	Fly-Leaf of Payment Register
8.	Establishment Check Register
9.	Register of Special Charges
10	Objection Book
11.	Register of Periodical Charges
12.	Register and Broadsheet for Long Term Advances
13.	Register of Final Post-Check of Pre-checked Bill
14.	General Index Register
15.	Stock Register of Insurance Policies (Provided there is no policy to be re-assigned to the
16.	Register of Details of Matured Policies
17.	Provident Fund Ledger Folio
18.	Broadsheet of Provident Fund

18.	Broadsheet of Provident Fund
19.	Register of GPF Missing Credits/Debits
20.	Register of Final Payment Cases
21.	Memorandum Calling for Particulars of Government servants placed on Foreign Service.

APPENDIX "A"
(Referred to in para 4.3.2)

No. F. 1(23)-B (AC)/2005
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the 25th May, 2006

OFFICE MEMORANDUM

Sub: Revised Guidelines on Financial Limits to be observed in determining cases relating to 'New Service'/'New Instrument of Service'.

In accordance with the commitment made in the Fiscal Policy Strategy Statement (Budget 2005-06) under the mandate of the Fiscal Responsibility and Budget Management (FRBM) Legislation and in pursuance of the approval of Public Accounts Committee (2005-2006) in the twenty third report (Fourteenth Lok Sabha) on the proposal for review of Financial Limits to be observed in determining the cases relating to 'NEWSERVICE'/'NEW INSTRUMENT OF SERVICE' for re-appropriation of funds (Annex), which has the concurrence of the C&AG, the following revised guidelines for re-appropriation of funds are hereby conveyed, in modification of this Ministry's Office Memorandum No.F.7(15)-B(RA)/82 dated 13th April, 1982.

2. Definition of the terms 'New Service/New Instrument of Service' and its application:

(i) 'New Service' As appearing in article 115(1)(a) of the Constitution of India, this has been held as referring to expenditure arising out of a new policy decision, not brought to the notice of Parliament earlier, including a new activity or a new form of investment.

(ii) 'New Instrument of Service'. Refers to relatively large expenditure arising out of important expansion of an existing activity.

(iii) While using these terms and applying the financial limits as indicated in the Annex.II, it needs to be noted that no expenditure can be incurred from the Consolidated Fund of India on a 'New Service'/'New instrument of Service' without prior approval of Parliament through supplementary demands for grants. Further, the determination of these financial limits will be with reference to Primary Unit of Appropriation.

(iv) Where in an emergent case of 'New Service'/'New Instrument of Service' it is not possible to wait for prior approval of Parliament, the Contingency Fund of India can be drawn upon for meeting the expenditure pending its authorization by Parliament Recourse to this arrangement should normally be taken only when Parliament is not in session. Such advance are required to be recouped to the Fund by obtaining a Supplementary Grant in the immediate next session of Parliament However, one Parliament is in session, a Supplementary Grant should preferably be obtained before incurring any expenditure on a 'New Service'/'New Instrument of Service'. That is to say, recourse to Contingency Fund of India should be taken only in cases of extreme urgency; in such cases the following procedure recommended by the Sixth Lok Sabha Committee on paper laid on the Table in their 4th Report should be observed.

"As far as possible, before such withdrawal is made, the concerned Minister may make a statement on the floor of the Lok Sabha for information giving details of the amount and the scheme for which the money is needed. In emergent cases, however, where it is not possible to inform the Members in advance, the withdrawal may be made from the Contingency Fund and

soon thereafter a statement may be laid on the Table of the Lok Sabha for the information of the Members".

It has been suggested by the Rajya Sabha Secretariat that the above procedure may also be observed in Rajya Sabha.

3. Checks to be observed by the Ministries/Departments to ensure compliance of the provision of this Office Memorandum are as under:

(i) By Integrated Finance Division/Budget Unit: A specific certificate should be recorded in each case involving augmentation of sanctioned provision on receipt of related proposals to the effect that the proposed augmentation attracts/does not attract financial limits of 'New Service'/'New instrument of Service'.

(ii) By PAOs: Each expenditure sanction to be examined by PAOs from the 'New Service'/'New Instrument of Service' angle keeping in view the financial limits indicated in the Annex.

(iii) Where any doubt arises about the application of financial limits of 'New Service'/'New Instrumentof Service' the PAO would seek decision from CCA/FA of appropriate jurisdiction.

4.Circumstances for obtaining Supplementary grants for expenditure qualifying as 'NewService'/'New Instrument of Service' and the reporting procedure thereof are as follows:

(i) If sufficient savings are available within the same section of the relevant grants for meeting additional expenditure to the extent mentioned in column 2 of the annex, re-appropriation can be made, subject to report to Parliament.

(ii) The report to Parliament should ordinarily be made through the ensuing batch of Supplementary Demands for Grants, failing which by adding an Annex in the Detailed Demands of the Ministry/Department for the ensuing year.

(iii) A suitable write up of such cases where possible, may also be made in the Notes on Demands for Grants of the Ministry/Department.

(iv) Mere depiction of augmented provision in the Revised Estimates included in the Demands for Grants will not be adequate to meet the requirement to incur expenditure. In cases where the financial limits of 'New Service/'New Instrument of Service' are attracted, approval of Parliament may be obtained for incurring such expenditure through supplementary demands for grants.

(v) The provisions in the 'Vote on Account' are not intended to be used for expenditure on any 'New Service'. In cases of urgency, expenditure on a 'New Service' during Vote on Account period can, therefore, be incurred only by obtaining an advance from the Contingency Fund in the manner recommended by the Sixth Lok Sabha Committee on the Papers Laid on the Table already referred to in Para 2(iv) of this OM. Such advances will be resumed to the Contingency Fund on enactment of Appropriation Act in respect of expenditure for the whole year.

5. Exceptions:

(i) Having regard to the volume and nature of Government transactions, it is not possible to list out all such cases which are not attracted by 'New Service'/'New Instrument of Service' limits. Broadly, however, expenditure on normal activities of Government (such as normal administrative expenditure – including that resulting from re-organization of Ministries/Departments, holding of conferences, seminars exhibitions surveyors feasibility study etc. assistance to foreign contribution to international bodies and fulfillment of Government guarantee on its invocation) are not attracted by the limits of 'NewService'/'New Instrument of Service'.

(ii) Transfers to State and Union Territory Governments are also exempt from these provided the scheme is not new.

(iii) Further, these limits are applicable only to expenditure, which is subject to Vote of Parliament.

6.Doubtful cases:

In cases of disagreement between the Integrated Finance Wing and Pay and Accounts Office, the Ministry/Department may send a self contained communication to the Budget Division, Ministry of Finance bringing out the specific point of doubt incorporating their Financial Advisor's views thereon. The decision taken by the Budget Division in the matter will be final.

7.Conclusion:

While agreeing to the revision of norms for re-appropriation of funds as annexed the Public Accounts Committee in its twenty third report (Fourteenth Lok Sabha) has concluded by stating as under:

"The committee also expects the Financial Advisors of the Ministries/Departments to ensure that there is no violation in implementation of the said revised norms for re-appropriation of funds and any slackness in complying with the said norms is strictly dealt with".

Annex to Ministry of Finance P.M. No. F.1(23)-B(ACV2005 dated 25.05.2006
Financial limits to be observed in determining the cases relating to 'NEW SERVICE/'NEW INSTRUMENT OF SERVICE'

Nature of transaction	Limits upto which expenditure can be met by reappropriation of savings in a Grant subject to report to Parliament	Limits beyond which prior approval of Parliament is required for expenditure from the Consolidated Fund
1	2	3
I. **CAPITAL EXPENDITURE**		
A. Departmental Undertakings		
(i) Setting up a new undertaking, or taking up a new activity by an existing undertaking. (ii) Additional investment in an existing undertaking	... Above Rs.2.50 crore but not exceeding Rs. 5 crore.	All cases Above Rs. 5 crore
B. Public Sector Companies/Corporations		
(i) Setting up of a new Company, or splitting up of an existing Company, or amalgamation of two or more Companies, or taking up a new activity by an existing Company (ii) Additional investment in/loans		All cases

to an existing company (a) Where there is no Budget Provision (b) Where Budget Provision exists for investment and/or loans	Above Rs.50 lakhs but not exceeding Rs.1 crore	Above Rs. 1 crore
Paid up capital of the Company (i) Upto Rs. 50 crore	20% of appropriation already voted or Rs.10 crore, whichever is less	Above 20% of appropriation already voted or Rs.10 crore, which ever is less.
(ii) Above Rs.50 crore	20% of appropriation already voted or Rs.20 crore, whichever is less	Above 20% of appropriation already voted or Rs.20 crore, which ever is less.
C. All bodies or authorities within the administrative control/management of Central Government or substantially financed by the Central Government.		
Loans	Upto 10% of the appropriation already voted or Rs.10 crore, whichever is less	More than 10% over the appropriation already voted by Parliament or Rs.10 crore, whichever is less
Note: *Where a lumpsum provision is made for providing 'Loans' under a particular scheme, the details of substantial apportionment (10% of lumpsum or Rs. 1 crore, whichever is higher) should be reported to Parliament, in the case of lumpsum provision of loans to States, the State-wise distribution should be reported to Parliament.*		
Nature of transaction	Limits upto which expenditure can be met by reappropriation of savings in a Grant subject to report to Parliament	Limits beyond which prior approval of Parliament is required for expenditure from the Consolidated Fund
1	2	3
D. Expenditure on new Works (Land, Buildings and/or Machinery)	Above Rs.50 lakhs but not exceeding Rs. 2.5 crore or not exceeding 10% of the appropriation already voted, whichever is less.	Above Rs.2.5 crore or above 10% of the appropriat ion already voted.
II REVENUE EXPENDITURE		
E. Grants-in-aid to any body or authority	...	All cases
Note: Where a lumpsum provision is made for providing grants-in-aid under a particular scheme, the details of substantial apportionment (10% of lumpsum or Rs. 1 crore, whichever is higher) should be reported to Parliament. In the case of lumpsum provision of grants to States, the State-wise distribution should be reported to Parliament.		

F. Subsidies		
(i) New Cases (ii) Enhancement of provision in the existing appropriation	... Upto 10% of the appropriation already approved by the Parliament or Rs.10 crore, whichever is less	All cases More than 10% of the appropriation already voted by Parliament or Rs.10 crore, whichever is less
Payments against cess collections	Limits as applicable to grants-in-aid to statutory or public institutions will apply	All cases
New Commissions or Committees of Enquiry	...	Above Rs.20 lakhs (total expenditure)
G. Write off of Government loans	Above Rs.50,000 but not exceeding Rs.1 lakh (individual cases)	Above Rs.1 lakh (individual cases)
H. Other cases of Government expenditure	Each case to be considered on merits.	
I. Posts **Railways** **Defence**	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments subject to considerations of security in the case of Defence	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments subject to considerations of security in the case of Defence Services Estimates.
Note 1: For investment in Ordnance Factories, the limit of Rs.5 crore mentioned in item A (ii) will be applicable with reference to investment in all the factories as a whole. *Note 2: Civil Works, which do not form part of any project of the departmental undertakings (Ordnance Factories) should be treated as ordinary Defence works. As such, prior approval of Parliament will be necessary if the cost of individual works exceeds Rs.2.5 crore and in cases where the individual works cost Rs.50 lakhs or more but not exceeding Rs.2.5 crore, a report to Parliament will be required. A list of such works should, however, be supplied to Director of Audit, Defence Services*		

APPENDIX `B'
(Referred to in Note below para 4.2.3)

Types of transactions treated as Charged expenditure :

1. A question was raised whether, in a case in which an appeal has been filed against the decree of a lower court, a deposit of the decretal amount made in the court, should be treated as a Deposit in the Public Account or as a payment charged on the Consolidated Fund of India under article 112(3)(f) of the Constitution of India.

It has been decided that, in the absence of a stay of execution of the decree, the Deposit should be deemed to be in satisfaction of the decree. If, however, deposit of the decretal amount has been made by way of security for staying the execution of the decree, or as a condition precedent to the grant of a stay order under orders of the Appellate Court, the payment made in pursuance of the said order is only a deposit and cannot be said to have been made in satisfaction of the decree passed by the lower court. The fact that the Court may allow the decree-holder to withdraw the amount so deposited by the Government does not alter this position. Consequently, the provisions of article 112(3)(f) of the Constitution would not be attracted in such cases. The amount, being in the nature of a deposit in the court, would not constitute 'expenditure' of the Government and should be classified under the head "8674-Security Deposit made by Government" in Section "L-Suspense and Miscellaneous" in the Public Account of India - the debit under this head being cleared after the amount is recovered if and when the appeal is decided in favour of Government. Where, however, the appeal is dismissed and the decree becomes final, the amount deposited in the Court would thereupon constitute payment made to satisfy the decree and, consequently, the debit under this head should then be cleared by transfer to the final head, as Charged' expenditure, and covered by appropriate provision of funds or, in anticipation thereof, by an Advance from the Contingency Fund of India, as may be necessary.
[Ministry of Finance No. F1(44)-B/56 dated 16.5.56, F.1(66)-B/57 dated 21.11.57 and F.1(52)-B/68 dated 31.1.69]

2. In cases of arbitral awards/decrees against State Governments in disputes arising out of the acquisition of land, buildings and property for Union purposes, since the award/decree is against the State Government and the liability for the initial payment in satisfaction of the award/decree devolves on the State Government, the expenditure should be charged on the Consolidated Fund of the State under article 202(3) (e) of Constitution. The subsequent reimbursement by the Central Government would be merely an inter-governmental adjustment which does not attract the provisions of article 112(3)(f) of the Constitution, since such an award/decree is not enforceable against the Central Government.
[Ministry of Finance No. F.2(43)-B/59 dated 12.9.59]

3. There are cases in which security deposits of contractors are appropriated by Government towards liquidated damages. In such cases, if recovery made from the contractor on this account has to be refunded as a result of the levy of compensation in terms of the agreement having been held by the arbitrator as not justified, the refund should be treated as expenditure charged on the Consolidated Fund under article 112(3)(f) of the Constitution.
[C & AG letter No. 1267-AC/178-63 dated 24.9.63]

4. Where a Court award is for a composite amount which is not capable of being split up as "Refunds of Revenue" and "Other Expenditure", the entire amount of award should be treated as "Charged" expenditure.

Where an award is exclusively for the refund of security deposit or other revenue, the refund should not be treated as "charged" expenditure but accounted for an refund of deposit or revenue, as the case may be, under "Deduct-Refunds".

Where an award is specific about the components of the award (e.g. refund of security deposit plus cost) or is for a composite amount which is capable of being split up as "Refunds' and "Other

expenditure", the components are to be accounted for individually as "Refund" of deposit or revenue and as "Charged" expenditure respectively.

[C & A G's letter no. 437-AC/131-65 dated 18.5.66]

5. The Ministry of Law have advised that, for the purposes of article 112(3)(f) of the Constitution, a tribunal must be constituted by the State (and not merely by an agreement of parties) and must be invested with the States' inherent judicial (as distinguished from purely administrative or executive) powers and the trappings of a court. Accordingly, an arbitrator appointed under Section 10A of the Industrial Disputes Act, 1947 or a private arbitrator to whom a dispute is referred under an arbitration agreement under the Arbitration Act, 1940 is not a tribunal within the meaning of article 136 of the constitution. Consequently, payment in satisfaction of the award of such an arbitrator cannot be treated as expenditure "Charged" on the Consolidated Fund. However, in cases where such an award by a private arbitrator is filed in a court and a decree is obtained in terms of the award, the expenditure required to satisfy the court decree will be expenditure charged on the Consolidated Fund.

[Ministry of Finance No. F. 1(124)-B/64 dated 13th November, 1964].

6. The award of a collector under the Land Acquisition Act is not an award of court nor can it be considered as an award of arbitral tribunal. While making an award under Section 11 of the Act, the collector merely acts as an office of the Government making enquiries in order to determine the compensation payable. Payment of such awards should, therefore, be treated as voted item of expenditure.

[Ministry of Finance No. F.1(4)-B/66 dated 19th April,1966]

7. A case arose in which an award was decreed against the Government for payment of rent in respect of certain requisitioned property. It has been held that where an award imposes an obligation to make a recurring payment, every recurring payment including those beyond the date of the award would be expenditure "Charged" on the Consolidated Fund under article 112(3)(f) of the constitution.

[Ministry of Fnance No. F.1(124)-B/64 dated 20th April, 1965]

8. Pension payments in the under-mentioned cases are required to be treated as "Charged" expenditure in terms of the various provisions of the Constitution shown against each;

Article of the constitution	
(a) Judges of the Supreme Court/ Federal Court/High Courts	112(3)(d)
(b) Comptroller & Auditor General of India	112(3)(e)
(c) Officers and servants of the Supreme Court	146(3)
(d) Persons serving in the Comptroller and Auditor General's Office	148(6)
(e) Officers and servants of High Courts	229(3)
(f) Members and staff of U.P.S.C. and State Public Service Commissions	322

The pensions payable to or in respect of the Judges of Supreme Court, Federal Court and High Court, the Comptroller and Auditor General of India and members of the Public Service Commissions (both Union and States) do not present any problem and they are required to be "Charged" on the Consolidated Fund of India or the States, as the case may be. In the case of officers and staff of the Courts, Public Service Commissions and comptroller and Auditor General of India, however, it is not possible to follow a uniform procedure in all cases in view of the difference in the wording of the relevant

articles of the Constitution. Having regard to the Constitutional provisions, the entire pension of the officers and staff of the High Court, Supreme Court, UPSC and State Public Service Commissions should be treated as "Charged" expenditure only in cases in which the employees hold a lien on a post in these organisations, or in the case of temporary employees, if they do not hold a lien on a post in any other organisation.

In the case of the office of the C.&A.G., however, in view of the working of article 148(6) of the Constitution, pension of all officers and staff serving in that office immediately before retirement or proceeding on leave preparatory to retirement from that office should be treated as "Charged" expenditure irrespective of the office or service to which they belong.

A Pension will either be wholly charged or wholly voted and the fact the same is allocable between different Governments or Departments, service under one or more of which does not by itself qualify for a "Charged" pension, should not make any difference.

[Ministry of Finance No. F. 1(79)-B/64 dated 1-10-1965]

9. Under article 112(3)(a) of the Constitution of India, the emoluments and allowances of the President of India and "other expenditure relating to his Office" shall be expenditure charged on the Consolidated Fund of India. It has been held by the Ministry of Law that it would not be proper to exclude pension, gratuity etc. payable to retired employees or their families from being a charged expenditure on the Consolidated Fund of India, only because those particular items were not specifically referred to in the above clause of the Constitution. It has, therefore, been held that the expression "other expenditure relating to his office" referred to in this clause includes also pension, gratuity etc. It has been further held that pensions, gratuity etc. in respect of persons who have served the President's Secretariat before retirement, or who retire while serving the President's Secretariat, should be treated as 'Charged' expenditure, only if the employees hold a lien on a post in the President's Secretariat or, in the case of temporary, employees, if they do not hold a lien on a post in any other organisation.

[Ministry of Finance U.O. No.F.7(14)-B(D)/77-KW dated 10.5.78 and F.3(102)-B(AC)/78 dated 27.8.79; the Ministry of Law, Justice & Company Affairs U.O. No. 23037/78 dated 19.5.78; and the CAG's U.O. Note No.1514-AC/142-78 dated 13.8.79]

APPENDIX 'C'
(Referred to in para 4.30.5)

ILLUSTRATIVE EXAMPLE

Register and broadsheet of advances for H.B./Motor Car etc. and interest thereon for the year ……

Year	Sl. No.	Name of the Government servant	No. & Date & Substance of the order & the amount sanctioned	Rate of Interest	Amount drawn	Amount received in Rupees												Total recoveries during the year	Balance of Principle at the end of the year carried forward
						April	May	June	July	August	Sept. '02	Oct. '02	Nov. '02	Dec. '02	Jan. '03	Feb.' 03	March '03	March (Final) '03	Progressive total of reduced balances upto end of the year	Cumulative total of reduced balances
1.	**2.**	**3.**	**4.**	**5.**	**6.**	**7.**	**8.**	**9.**	**10.**	**11.**	**12.**	**13.**	**14.**	**15.**	**16.**	**17.**	**18.**	**19.**	**20.**	**21.**
2002-03			20 Instalments of Rs. 1,000/- each	Interest 5%	Rs. 20,000 during 9/02						1,000*/ 20,000	1,000/ 19,000	1,000/ 18,000	1,000/ 17,000	1,000/ 16,000	1,000/ 15,000	14,000		6,000/ 1,19,000	14,000/ 1,19,000
2003-04						April '03	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.' 04	Feb.' 04	March'04	March (Final)	12,000/ 90,000	2,000/ 2,09,000

						1000 1000/ 13000 March Recovery on 1st April	1,000/ 12,000	1,000/ 11,000	1,000/ 10,000	1,000/ 9,000	1,000/ 8,000	1,000/ 7,000	1,000/ 6,000	1,000/ 5,000	1,000/ 4,000	1,000/ 3,000	2,000			
2004-05						April,04	May													
						1000 1000 1000	# #													

* Instalment in repayment of advance recovered through the pay bill will be taken as having been recovered on the first of the following month in terms of Govt.
of India's decision No. 1 and 2 below Rule 20 below Compendium of Rules on Advances.

NIL/NIL from principal but interest instalment payable.

\+ Total of progressive reduced balances for the 3 years = 1,19,000+90,000+1,000 = Rs. 2,10,000

Interest Due : Formula (1) based on total of reduced progressive balance : 2,10,000 x 5/1,200 = Rs. 875 OR
Formula (2) i.e. of arithmetical progression when recoveries are regular : 20,000 x [(20+1)/2] x [5/(100x12)] = Rs/ 875

Appendix "D"
(Referred to in sub-para(iii) of Para 4.39)

REGISTER OF CHEQUES

Date ..... (separate sheet for each day)

Sl No.	Cheque No.	To whom issued	Amount Rs.	Bill No.	Initials of PAO	Voucher No.	Signature of DDO for receipt of cheques
1	2	3	4	5	6	7	8

Note : Preparation of list of outstanding cheques at the end of the month, remaining unpaid, will be done by the P.A.O.

CHAPTER 5
COMPILATION, CONSOLIDATION OF ACCOUNTS, PREPARATION OF 'LEDGER' AND SUMMARY OF BALANCES.

5.1 COMPILATION OF VOUCHERS IN THE ACCOUNTING SECTION

5.1.1 The Cheque Section sends the daily memorandum of pre-checked payments in the form of carbon copies of the relevant page of the Register of Cheques Delivered in Form CAM-11 to the Accounts Section, along with the vouchers.

(i) On receiving them, the Accounts Section should verify that (a) all the vouchers mentioned in the Daily Memorandum have been received and (b) that the amount and totals have been correctly entered. For any cheque issued in place of a time-barred cheque, it should be checked that the time barred cheque has been duly cancelled and treated as voucher, and classified as minus credit to the head 8670-Cheques and Bills.

(ii) After these verifications, one copy of the Daily Memorandum shall be returned to the Cheque Section as acknowledgement for the vouchers received. Similar action will be taken on the copy of list of payments along with paid vouchers received from the Cheque Section, as per the procedure mentioned in para 3.4.

(iii) If any voucher is found missing, the fact should be entered in the relevant memo/list of payments and efforts should be made to trace or obtain it. If it is not traced or obtained before completing of month's posting, the amount of the voucher should be posted against the minor heads 502-Expenditure Awaiting Transfer to Other Heads under the relevant functional major head of the Department.

5.1.2 The grand total of the amount of cheques delivered during the entire month as derived from the Memos or Lists of payments, should be posted on the credit (receipt) side in the Classified Abstract. The posting will be against the inner column 'Original' under the minor heads 'PAO Cheques' and 'Departmental Cheques' respectively, under the major head '8670-Cheques and Bills'.

5.1.3 (i) The vouchers should be compiled by posting in the Compilation Book or Compilation Sheet in Form CAM 33, on the same day on which they are received from the Cheque Section, with separate sheets used for the vouchers passed by the P.A.O. and Cheque Drawing D.D.Os respectively. The gross amount of the vouchers against various units of appropriation including Public Account should be posted against the concerned heads.

(ii) The deductions and recoveries shown in payment vouchers like income-tax, surcharge, education cess, CGHS contributions, service tax, contribution towards defined contribution pension scheme, PLI premium, CGEGIS contributions licence fee, recovery of house building advance, motor car advance, G.P. Fund contribution etc, will be compiled under each of the relevant head concerned. If a credit is adjustable in the books of another accounts authority finally, the 'PAO Suspense' head will be initially operated for accounting.

(iii) The recoveries of overpayments effected in the same accounting year whether in cash or by deduction from a bill shall be taken as reduction of expenditure under the concerned detailed head of

account. If such recoveries pertain to previous year(s), they shall be recorded under a distinct minor head, "911- Deduct Recoveries of Overpayments" below the concerned major/sub-major head.

(iv) The P.A.O. should ensure on each day that the total amount of cheques delivered during the day and that appearing under the head 'PAO Cheques' in the compilation sheet tally. Similarly, PAO should ensure that the total amount of cheques issued by Cheque Drawing DDOs in each week tallies with the amount appearing under the head 'Departmental Cheques' for that week. Correctness of posting of each voucher in the compilation sheet should be checked by tallying the total of the debits under various detailed heads with the total of the credits which represents the deductions/recoveries plus the net amount of the voucher.

5.1.4 At the end of each month, the grand total of the debits for all the vouchers in the compilation sheet(s) separately shown for the PAO and each Cheque Drawing DDO's should be tallied with the grand total of the credits therein.

Note: (Deleted and converted into para 5.1.5 below).

5.1.5 (i) Where payment of salary for the month of March is made by bank drafts (outstation salary bills), the bank accounts for the payment in its daily scroll on the day of issue of the bank drafts in the month of March itself. In these cases, P.A.O. will debit the net amount of such bank drafts issued to the suspense head 'Outstation Pay Bills for March' under the minor head 'Suspense Accounts (civil) below the major head '8658 Suspense Accounts' and afford credit against it to the minor head 'PAO Cheques' below the major head '8670 Cheques and Bills'.

(ii) In March itself on receiving the payment scroll from the bank, the minor head 'PAO - Cheques' would be cleared by minus credit and against it credit afforded to the minor head P.S.B. Suspense'/ Private Bank Suspense below the major head '8658- Suspense Accounts' or to the head '8675 - Deposits with Reserve Bank Central (Civil)', as the case may be. The debit under the suspense head would be cleared by the PAO in April by debiting the salary head for the gross amount and minus debiting the head 'Outstation pay bills for March' and crediting the relevant receipt/recovery heads of accounts by proposing transfer entries in the first week of April, to ensure prompt clearance of the suspense head.

5.2 COMPILATION OF RECEIPTS

5.2.1 When scrolls are received from the bank(s) along with the challans, the entries in the scroll should be tallied with the individual challans and the totals checked. If any challan is missing, the same should be specifically noted in the register in Form CAM-17 (i) for obtaining from the bank and (ii) for exhibiting against the sub head 'Receipts Awaiting Transfer' (RAT) in the accounts, if they are still awaited at the end of the month. On receipt of the challan, the entry under the head Receipt Awaiting Transfer would be cleared by accounting the same under the relevant receipt head of account.

5.2.2 The receipts under the relevant major, minor and sub/detailed heads of accounts should be compiled in Compilation Sheet(s) by using separate sheet or portion for booking credit against each bank account. At the end of each month, it should be checked that the grand total of the credits in the compilation sheet tallies with the grand total of the amount of all the receipt scrolls posted in the register in Form CAM 17.

5.2.3 If any separate procedure for compilation has been prescribed by CBDT/CBEC for compilation of accounts for revenues collected under the provisions of their schemes, they would be followed notwithstanding the above instructions.

5.3 TRANSFER ENTRIES

5.3.1 Transfer Entries are the entries relating to the transfer of an item from one head of account to another, wherever necessary and are prepared in Form CAM-34. While making transfer entry, there shall be only one major head on one side while debit or credit against it may be given to various heads, and vice-versa. All the particulars explaining the nature of the adjustment and the grounds for the correction must be clearly stated in a transfer entry. The Transfer Entries may be required for the following illustrative case -

(a) Correct an error of classification in the original accounts;
(b) To adjust any item outstanding under a Debt, Deposit or Remittance head by debit/ credit to the proper head;
(c) To effect periodical adjustments such as -

(i) Annual adjustment of interest payable on the accumulations/accretions of G.P.Fund/C.P.Fund, which is done by debiting the major head '2049 - Interest payments' and crediting the heads '8009-State Provident Fund-G.P.Fund/C.P.Fund etc.

(ii) Adjustment by Pr.A.O. to transfer/clear the amount from the minor head Public/Private Sector Bank Suspense below the major head '8658- Suspense Accounts' to major/minor heads '8675-Deposits with Reserve Bank-Central (civil)' etc.

(d) For arranging payments of grants in aid or loans to State Governments and Union Territory Governments.

5.3.2 In order to ensure that the Transfer Entries of periodic nature are made regularly, a list of such adjustments should be maintained by the PAO.

5.3.3. The error relating to an item of revenue or expenditure head wrongly classified under another revenue or expenditure head in the accounts, may be corrected by proposing a transfer entry at any time before the accounts of the year are closed. However, if the accounts have been closed, such corrections are not admissible and it will be sufficient to make a suitable note of error against the original entry. However, if the error affects the receipt and disbursement of another Government or the transaction of any commercial department, it should be corrected by transfer entry in every case as soon as it is discovered. Corrections or transfers in Capital major heads that do not affect the accounts of other governments should be effected by simply altering the progressive figures on 'proforma' basis for purposes of Statement No.12 of Finance Accounts. That is, debit and credit entries will not be passed in the accounts of the year's financial transactions, to avoid unnecessary inflation of the actual expenditure in the accounts of the year in which the misclassification etc. was detected.

5.3.4 The errors affecting a debt, deposit, suspense or remittance head however old or small, must be corrected by transfer entry. If the accounts of the year in which the error takes place are not closed,the correction should be made by removal of the item from the head it was wrongly taken through minus entry, and taking it to the proper head of account.

For example, a debit of rupees one lakh representing house-building advance may have been wrongly been booked under 'Motor Car Advance' below the major head '7610-Loans to government servants'. If the accounts of the year are still open, the correction may be made by debiting the head 'House Building Advance' and withdrawing the same by minus debit to the head 'Motor Car Advance' below the major head '7610-Loans to government servants', in the accounts of the same year in which the error has occurred.
If the accounts of the year in which the error takes place are closed, the following procedure may be adopted-

(i) If an item is wrongly taken to a debt, deposit, suspense or remittance head instead of another, the correction should be made by transfer from one to the other head of account;

(ii) If an item is wrongly credited/debited to a debt, deposit, suspense or remittance head instead of revenue/expenditure head respectively, the correction should be made by transfer to the head under which it should originally have appeared;

(iii) If an item is wrongly credited to a revenue head instead of to a debt, deposit, suspense or remittance head, the correction should be carried by debiting refunds and crediting the proper head of account. For example, if transactions relating to 'Central Government Employees Group Insurance Scheme' below the major head '8011-Insurance and Pension Funds' have wrongly been credited to the minor head 'Government Employees Insurance Schemes below the major head '0235-Social Security and Welfare', the corrections after the close of the year would be as under -

(-) Cr
Major Head 0235 - Social Security and Welfare
Sub-major Head 60 - Other Social Security and Welfare Programmes
Minor Head 105- Government Employees Insurance Schemes

Deduct - refunds
To
Major Head 8011 - Insurance and Pension Funds
Minor Head 103 - Central Government Employees Group Insurance Scheme
Cr.

If an item is wrongly debited to expenditure head instead of debt, deposit, suspense or remittance head, correction should be made by debiting the appropriate head and crediting the relevant receipt head. If the concerned department does not have a corresponding receipt head, it will be accounted under minor head 911- Deduct Recoveries for Overpayment.

However, for corrections in the heads having budgetary provisions, the correction/transfer will be done by affording plus or minus credit under the head concerned, without affecting the actual expenditure (debit side of the head) for the year.

(The provisions of para 8.1.2-8.1.5 of CPWA Code govern rectification of 'Errors' in the accounts of works in the Central Public Works Department).

5.3.5 All transfer entries prepared during a month should be entered in the Transfer Entry Number Book in Form CAM 35. After preparing a 'Summary of Transfer Entries' in Form CAM 36 as described in the next para, its effect should be reflected in the monthly accounts of that month.

5.3.6 As and when approved, the transfer entries should be posted individually into columns 1 and 2 of Form CAM-35, against the respective heads of account. After all the transfer entries for the month have been entered, the total effect against each head of account separately for debit and credit columns should be worked out, and posted in columns 5 and 6 of the form respectively. After this, the grand total under columns 5 and 6 should be worked out and reconciled with the grand total under columns 1 and 2 to serve as a cross check. The figures appearing in columns 5 and 6 against each head of account should be posted against appropriate column under the corresponding head of account in the Departmental Classified Abstract. If bound book is not used for entering each year's monthly summary of transfer entries, the monthly sheets of the document should be arranged at the end of the year in the order of the months, and bound into a convenient volume.

Note: The accounting package in COMPACT itself takes care to prevent any error in classification, and largely avoids the necessity of transfer entries caused by misclassification. However, for periodical adjustments and clearance of PSB Suspense while accounting the bank scrolls and put through statements, the transfer entries are still required to be prepared to be accounted for in the computer generated accounts.

5.4 PREPARATION OF DEPARTMENTAL CLASSIFIED ABSTRACT

5.4.1 (i) The Departmental Classified Abstract in Forms CAM 37 and CAM 38 will be maintained separately for each month in two parts. Part I is for receipt (credit) entries while Part II is for booking expenditure (debit) entries pertaining to revenue, capital accounts, debt, deposit, suspense and remittance transactions.

(ii) In the classified abstract, various major heads along with their minor and sub/detailed heads will be typed or printed one below the other, distinctly indicating in it the parts pertaining to the Consolidated Fund, Contingency Fund and Public Account.

(iii) Separate columns will be opened in the abstract, one for recording the transactions of the P.A.O. and one for each Cheque Drawing DDO including Public Works Divisional Offices and Forest Offices, for reflecting the effect of transfer entries. If need be, a separate classified abstract may be maintained for incorporating accounts of Divisional Officers wherever they are large in number.

(iv) Entries against each head of account will be made by posting the total figure of the month, as compiled in the separate compilation sheet(s).

5.4.2 The supporting schedules etc. should be checked before incorporating the Divisional accounts.In the Divisional Accounts, the item of 'Cash Balance diminished/increased' appearing on the receipt/payment side of the account respectively, will be posted on the corresponding side against the head "8671-Departmental Balances (Civil) Public Works Cash Balance", in the classified abstract.

5.4.3 The posting against the minor head "Public/Other Nominated (Private Sector) Bank Suspense" under the major head 8658-Suspense Accounts and major Head 8675-Deposits with Reserve Bank-Central (Civil) Reserve Bank Headquarters should be made for the gross amount on the appropriate side. This means the credit and debit respectively will be posted as per the totals of receipt and payment scrolls worked out in the Register in Form CAM 17, as mentioned in paras 1.9.4 and 1.9.8 of this manual. Any effect of transfer entry should be posted under the relevant column in this abstract.

5.4.4 The procedure laid down in para 5.1.2 should be followed for entering the figures against the inner column of "Original" under the minor heads 'PAO Cheques' and 'Departmental Cheques' under major head 8670-Cheques and Bills, in Part I of the Abstract. Clearance under these minor heads should be indicated through responding minus entry by taking the monthly total of the amount in the payment scrolls extracted from the register in Form CAM-17. This will be done in the manner referred to in paras 1.9.4 and 1.9.8 of Chapter 1.

5.4.5 If the postings are made correctly, the grand total in Part I of the Abstract should tally with the grand total in Part II.

5.4.6 After completing the postings in the compilation sheets and the classified abstract, they should be submitted to the Assistant/Junior Accounts Officer for a careful test check of the postings. The Assistant/ Junior Accounts Officer and Accounts Officer shall personally check the correctness of postings and trace the entry in the classified abstract for items over Rs. 25,000 and Rs. 1,00,000 respectively, under any detailed head of account. However, in respect of posting of challans relating to the Central Board of Excise and Customs, the extent of checking of correctness of postings by

concerned AAO/JAOs will be for all items over Rs. 20,000 and 50% of the items between Rs.10, 000 and Rs.20, 000, while the Sr.AO/AO will check all items above Rs.50, 000.

5.5 CHECKS TO BE EXERCISED BY THE PAOs

5.5.1 Each PAO shall satisfy himself that no voucher/challan has been omitted from posting during compilation.–

(i) This will be done by the scrutiny of Compilation Sheets to see that –

(a) the checks prescribed in para 5.1.4 ante are exercised, and

(b) the total number of vouchers/challans posted each month in compilation sheets is equal to the number of vouchers/challans accompanying the daily memos/lists of payments and receipt scrolls for that month.

(ii) For the figures posted in the classified abstract under the following heads, which are drawn from a source other than the compilation sheets, it has to be seen that -

(a) posting of figures under the major head 8670-Cheques and Bills for both original and responding entries are correct, by counter-checking them with the monthly totals of columns 2 and 3 of the PAO's check register. This has to be maintained by the PAO personally in FORM CAM-15.

(b) posting of figures against the minor head Public/ Other Nominated (Private Sector) Bank Suspense and/or Deposits with Reserve Bank (Central Civil) Headquarters against the major head 8675 Deposits with Reserve Bank are correct, and drawn from the total in the register in Form CAM-17.

(c) posting against the minor head Expenditure Awaiting Transfer and Receipt Awaiting Transfer under the functional major head of the Department/Ministry is correct and supported by necessary details as required to be maintained vide paras 5.1.1. and 5.2.1. (However, no balance under these minor heads should remain outstanding at the end of the year).

(d) For each month, the grand total of Part I of the abstract tallies with the grand total of Part II.

5.5.2: Checks to be exercised for compilation of March (Preliminary) and Supplementary-I Account:

(a) Receipt Heads :- It is to be ensured that

i. Transactions made under 'Minor Head '500'- Receipts Awaiting Transfer (RAT) are cleared at the close of the financial year.

ii. No booking is made under Major Head 0006-State Goods & Services Tax (SGST)' in Central Government Accounts as this head is being operated by State Governments.

iii. All receipts reported by banks through receipt scrolls upto 31st March as well as March (Residual) are incorporated in the accounts of the same financial year itself.

iv. Minor Head 506-Health and Education Cess is used to classify the Health and Education Cess on Income Tax (15 digit code 0021-00-506-00-00-00-00). As per Finance Bill, Health and Education Cess is levied @ 4% of Income Tax (including surcharge) in lieu of Primary Education Cess and Secondary & Higher Education Cess from 2018-19 onwards.

v. Interest on Loans to Government Servant is classified under Minor Head 0049.03.118 instead of 0049.03.800 in accordance with Correction Slip No. 865 of List of Major & Minor Head of Account.

vi. NPS contributions are classified as Credit under Head 0071-01-500-01. This credit should be cleared (on monthly basis) by minus Credit while remitting amount to NSDL. No amount should be left in the accounts under receipt head 0071-01-500-01 at the close of every month.

(b) Expenditure Heads :- It is to be ensured that

i. The amendments carried out through correction slip No. 824-834 dated 6.1.2017 issued to LMMHA pertaining to the Major Heads 2049, 3601, 3602, 7601 & 7602 necessitated by merger of Plan and Non-Plan classification in Budget & Accounts are strictly followed. Old Sub-Major Heads and Minor Heads under these Major Heads should not be operated for fresh transactions w.e.f. 1.4.2017.

ii. Transactions made under Minor Head '502'-Expenditure Awaiting Transfer are cleared.

iii. No expenditure is made under Major Heads 2552, 4552 and 6552 (Except under Ministry of Development of North Eastern Region).

iv. All transactions are booked as Revenue Expenditure(Charged) only under Major Heads 2048-Appropriation for reduction or avoidance of debt' and 2049-Interest payments.

v. No progressive positive booking are made under Minor Heads from 901 to 913.

vi. Government Contribution for NPS are classified as Debit to 2071-01-117-01-00-04 and matching transfer to Credit under Head 0071-01-500-01. Booking at the level of Minor Head should not be done.

(c) Public Account Heads: It is to be ensured that

i. No credit entries are made under the accounting head 8011-00-101- Postal Insurance and Life Annuity Fund. No fresh credit entries should be made under the account head 8014-01-101-Net PLI corpus as on 31st October 2009.

ii. No fresh credit bookings are carried out under the accounting head 8342-00-117-Defined Contribution Pension Scheme for Government Employees.

iii. Annual adjustment of interest payable on the accumulations/accretions of GPF/CPF are completed by March (Suppl.I) Accounts. No Ministry/Department (except D/o Posts) should make 'Credit Entry under the account head 8014.02.104 (RPLI head) and Debit entries under the Major Head 8014. No Ministry/Department except D/o Post should make transactions under Major Heads 8015 and 8016.

iv. Under Major Head 8670-Cheques and Bills, if the clearance during the year is more than the outstanding balance at the end of previous year or the clearance is being booked against the already existing adverse balance, the same should be reviewed and misclassification should be rectified.

v. No booking is made under Head 8121-00-122-State Disaster Response Fund.

vi. Grant Numbers is correctly used in cases of expenditure incurred on behalf of other Ministries/Departments and is correct as per the Grant No appearing in the DDG of the Department/Ministry for the financial year for which account is being submitted.

vii. No balance/adverse balance exist in the fund as per Union Government Finance Accounts in cases where funds have been closed and balances have been transferred to CFI.

viii. Classification below the Minor Head under Major Head 8009-GPF is correct. The classification of GPF for Group 'D' staff may be reviewed as all Group 'D' officials have now been switched over to Group 'C'.

ix. Contributions under CGEGIS are classified as receipts under Major Head 8011-CGEGIS at Minor Head level instead of sub-head level. However, at the time of making payment under CGEGIS, the expenditure under 8011-CGEGIS should be classified at the appropriate sub-head level 01-Saving Fund or 02-Insurane Fund as the case may be, instead of Minor Head level.

x. Receipt on account of GST deduction at source is classified under Head 8658-00-139-GST Tax Deducted at Source in accordance with the correction slip no.932 dt. 4.6.19 of LMMH. No booking should be made under Head of account 8658.00.101.08.

xi. Booking under MH-8658-Suspense Account is done correctly. MH 8659-Suspense Account (Defence) is operated by M/o Defence exclusively.

xii. Ministries operating 'Treasury Single Account' System carry out the year-end clearance of the 'Major Head -8454 Funds for Autonomous Bodies under Treasury Single Account' System as per the Accounting Procedure issued by O/o CGA.

(d) General checks: It is to be ensured that

i. All residual transactions reported by RBI are incorporated by March (Supplementary-I) Accounts.

ii. Any misclassifications noticed during reconciliation process are rectified before submission of Supplementary-I Accounts.

iii. No accounting heads, which are deleted through Correction Slips to LMMHA find place in the accounts, since the Account Code Directory may have these heads still active for various reasons.

iv. No transaction is made under dummy heads, i.e. minor head '000' or sub head '00'. When there is standard sub-major heads, like 01, 02 etc. are operational under a Major Head, digit '00' should not be operated unless it is specifically authorised to do so. If there is no standard Sub-Major Head is operational, only the digits '00' will be operated under a Major Head.

v. Any transactions accounted for in a wrong Grant No. are rectified through normal Transfer Entries only. Journal Entries(JEs) are not allowed for this purpose in the software system.

vi. Minus(-) transactions in the accounts are authorized ones only and are not due to misclassification.

vii. No Debit balances remain under Major Head 8000-Contigency Fund at the end of the financial year.

(para CS NO.18)

5.6 CONSOLIDATED ABSTRACT

5.6.1 The Consolidated Abstract should also be maintained in two parts in Form CAM-39. Part I shall be used for recording the receipt (credit) transactions while Part II will be used for recording expenditure (debit) transactions for each year. Separate columns for each month's transactions and progressive total up to the end of each month should be opened therein by placing inner sheet(s). Major/Sub-major/minor/ sub/detailed heads should be entered as per the sequence in the classified abstract. The monthly total from the classified abstract will be posted against each head of account, under the appropriate monthly column to arrive at the progressive total up to the end of the month.

Note: When the number of Cheque Drawing DDOs functioning under him is small and the PAO finds it convenient, a combined register representing the classified abstract as well as consolidated abstract may be maintained by him through the opening of necessary inner sheets.

5.7 RENDITION OF MONTHLY ACCOUNTS BY PAY AND ACCOUNTS OFFICES

5.7.1 Each Pay and Accounts Office shall send a monthly account to its Principal Accounts Office, in the format prescribed by the Controller General of Accounts, by the 7th of the following month. The account shall show the monthly as well as progressive figures of receipts and payments up to the final level of classification. The expenditure has to be exhibited grant-wise and separately against each primary unit of appropriation showing Plan and Non Plan, Voted and Charged expenditures. At the end of the account, a proof sheet shall be attached showing Grant-wise/Major head-wise totals, separately for Plan and Non-Plan, Voted and Charged Expenditures along with the grand totals, to ensure that the total of receipts match with the total of payments and the account is balanced.

5.7.2 On receiving the monthly accounts of Pay & Accounts Office, the Principal Accounts Office will check it, mainly to detect prima-facie errors in classification. After this, the Principal Accounts Office will consolidate the accounts of Pay and Accounts Offices through the computerized software package provided, e.g. 'Contact' package that is currently in use. For the purposes of appropriation control, they will then print an abstract of group minor head-wise totals. Certain other checks as listed in Annexure 'A'-Part I, will be exercised to ensure that all the transactions in each P.A.O. are compiled on the Computer and the amount of each transaction has been properly classified and taken on the computerized package.

After the proof sheet has been reconciled as detailed in Annexure 'A'-Part I, a floppy/CD containing the Consolidated accounts for the Controller is to be generated (by using the "clear files" option in 'Contact' presently) and sent to the office of Controller General of Accounts by the 15th of the following month. The format of the forwarding letter should be as given in the Annexure 'A'-Part III.

5.7.3 The Chief Accounting Authority of the Ministry/ Department may also require the Principal Accounts Office/Pay and Accounts Offices functioning under him, to periodically render the accounts showing expenditure against grants/units of appropriations, in such form as may be required.

5.8 SUBMISSION OF MONTHLY ACCOUNTS BY THE PRINCIPAL ACCOUNTS OFFICE OF THE MINISTRIES/ DEPARTMENTS TO THE CONTROLLER GENERAL OF ACCOUNTS.

(i) For Civil Ministries

The Consolidated Monthly accounts from each Principal Accounts Office to the office of Controller General of Accounts should be furnished by the ~~15th~~ 8th of the following month**.(CS 24, 28)**

(ii) For Non-Civil Ministries and U.T. Administrations :

The Consolidated Accounts of the concerned Non-Civil Ministry should reach the office of Controller General of Accounts by the ~~17th~~ 8th of the following month. **(CS 24,28)**

5.9 STATEMENT OF CENTRAL TRANSACTIONS AND JOURNAL ENTRIES

5.9.1 Each Principal Accounts Office will prepare a 'Statement of Central Transactions' at the end of every financial year, representing the progressive effect of all the transactions during the year including that of March supplementary transactions. The statement of central transactions will be prepared only for minor head-wise details under different major heads concerned, showing charged, voted, plan and non-plan expenditures distinctly. Alterations are not permitted in the classified or consolidated abstract of any month after they have been closed.

However, cases of errors may be discovered after the Statement of Central Transactions is prepared and submitted. If an error is discovered in the same year and involves a correction by transfer of amount from one minor head to another under the same major head, or from one major head to another, necessary corrections in the form of Journal Entries (in short Journal Entries) should be proposed. For carrying out Journal Entries, the same form will be used that is used for transfer entry, and will be supported by a "Statement of Effect of the Corrections". This statement will indicate the amount involved in correction, and the figure of amount arrived at after carrying out the correction against the concerned heads. The corrections between detailed heads under the same minor head will not require Journal Entries, and will be carried out by the P.A.O by simply making plus and minus entries against the affected heads and keeping a note of such error in the relevant ledger.

5.9.2 All Journal Entries shall be signed by the head of the Accounting Organization viz. Pr.CCA/CCA/CA as the case may be, and serially numbered for easy identification. Approval of the Controller General of Accounts has to be obtained for incorporating it in the accounts. When the Journal Entries are accepted by the C.G.A. for incorporation in the accounts, the Principal Accounts Office should also appraise the details of it to the concerned P.A.O. in so far as they affect the figures held in the books of that P.A.O. This is required to enable the PAO to prepare his ledger etc. on the basis of updated accounts.

5.10 LEDGER OF BALANCES UNDER DEBT, DEPOSIT, SUSPENSE & REMITTANCE HEADS.

5.10.1 (a) The monthly figures posted in the various broadsheets pertaining to debt, deposit, suspense and remittance heads shall be compared with the figures of that month's transactions under relevant heads in the monthly account, to verify that the two sets of figures tally. Discrepancy if any between the two sets of figures should be analyzed forthwith to set right errors, like un-posted item or misclassification.

(b) The two heads of account viz. '7810-Inter-State Settlement' (Sector G) and '7999-Appropriation to Contingency Fund' (Sector H) are not in the nature of debt, deposit, suspense or remittance heads and will be closed to ‘Government Account’ annually, as indicated vide para 5.11. On the other hand, the balances under debt, deposit, suspense and remittance heads are to be individually closed to ‘Balance’. However, the balances under the head '8680-Miscellaneous Govt. Account' will be closed annually to Govt. Account. Similarly, balances under '8675-Deposits with Reserve Bank' held in the books of Principal Accounts Offices will be closed annually to Government account, but those held in the books of the Controller General of Accounts will be transferred to the head '8999-Cash Balance', every month.

5.10.2 The Ledger for Debt Deposit Suspense and Remittance heads closing to balance viz. those under Sectors E, F, I, J, K, and L, may be prepared half-yearly for the first six months of April to September after the accounts of September are closed. Thereafter, it will be prepared quarterly for October to December and for January to March including March Supplementary, by using the Form CAM-40. (This will however exclude major heads `8675 -Deposits with Reserve Bank and "8680-Miscellaneous Government Account and "M" of the List of Major and Minor Heads of Account). The ledger will be prepared by the P.A.O. up to sub/detailed heads, as may be necessary, based on the figures of first six months and subsequently for the two quarters as mentioned above, and sent to the Principal Accounts Office by the 5th November, 5th February and 5th July of each year respectively. The amounts of balances adopted or transferred, on "Proforma" basis in terms of provisions of para 16.4 of Chapter 16 will be clearly indicated in the relevant columns of Forms CAM-40 and 41. The amounts adopted by transfer consequent to the Departmentalization of Accounts from Accountants General will similarly be exhibited in the Ledger of the year in which the 'Proforma' transfer was carried out.

The Principal Accounts Office will put together and prepare a Ledger incorporating the transactions of all P.A.Os under his jurisdiction. This will be done with minor head-wise details based entirely on the figures furnished periodically by the PAOs. The Ledger will then be submitted to the respective Pr.CCA/CCA/CA for review by the 10th November, 10th February and 10th July of each year. For the purposes of regular monitoring, a copy of the Periodical Statement along with the comments of the respective Pr.CCA/CCA/CA should be sent to the Finance Accounts Section of the Controller General of Accounts by 15th November, 15th February and 15th July respectively every year. The Pr.CCAs/CCAs/CAs comments will specifically be regarding the action initiated for liquidating the outstanding balances and settling adverse balances under various Debt, Deposit Suspense and Remittance Heads. It may be checked to ensure that the progressive figures for the year tally with those appearing in the Statement of Central Transactions, including the effect of all Journal Entries incorporated therein. Balances under Public Sector Bank Suspense head maintained by P.A.Os is not required to be included in the 'Ledger', since clearance against this head for adjustment against Reserve Bank Deposits head of account is carried out at the level of Principal Accounts Office itself. After this, the Principal Accounts Office will prepare a sector wise abstract of balances as per the 'Ledger', in form CAM-40.

5.11 COMPUTATION OF GOVERNMENT ACCOUNT

5.11.1 At the end of each year, the progressive figures of the heads of account falling in the following categories will be closed to Government account and not carried over to the following year. This includes the heads of account under sectors A, B, C, D, G & H in the Consolidated Fund, those under the major heads 8675-R.B.D. and 8680-Miscellaneous Government Account and heads of account falling under Sector 'L' in the Public Account. The total of the progressive figures under them at the end of each year will be worked out to arrive at the balance under "Government Account", in the manner shown in Annexure "C". The closing balance under "Government Account" will be carried over to the "Summary of Balances" statement, as described and shown through illustrative example in the subsequent paras.

5.12 SUMMARY OF BALANCES

5.12.1 The statement of "Summary of Balances" is to be prepared comprising of sector-wisebalances, in the format indicated in Annexure "B". The statement will be used to enter the closing balance under "Government Account" and the closing balances under various debt, deposit, suspenseand remittance heads which close to balance. The totals under the Debit and Credit sides of the statement should be equal.

5.12.2 The statement for the consolidated transaction of Government of India as a whole, prepared by the office of Controller General of Accounts will form Statement Number- 5 of the Finance Accounts.

5.13 ILLUSTRATIVE EXAMPLE

5.13.1 An illustration for preparing Sector-wise 'Ledger', "Government Account" and "Summary of Balances" is appended at Annexure B.

5.14 SUBMISSION OF MATERIAL FOR STATEMENT No.5 OF FINANCE ACCOUNTS TO C.G.A.

5.14.1 The PAOs should submit a copy of the 'Ledger' with only minor head-wise figures to the Principal Accounts Office by the prescribed date every year. The Principal Accounts Office will tally the figures in the 'Ledger', (after excluding those under P.S.B. Suspense) with that prepared by it from the statement of central transactions. After this verification it will consolidate/total the figures for all its PAOs, and prepare a statement of " Summary of Balances". Each Principal Accounts Office will finally send one copy each of the Sector-wise 'Ledger', 'Government Account' and 'Summary of Balances' to the CGA office every year, by the prescribed date.

5.15 PROFORMA CORRECTIONS

5.15.1 "Proforma" corrections to balances of earlier years in cases where provisions of Rule 38 of Government Accounting Rules, 1990 are not attracted, are to be effected by affording relevant contra effect to "Government Account" referred to above. Approval of the C.G.A. is required to be obtained in each case for the incorporation of any such 'Proforma' correction of any other type, indicating full background and justification. This includes cases wherein either-

(a) a head closing to balance vis-a-vis a head closing to Government Account are involved; or

(b) correction of a balance under a head closing to balance purely as an accounting device is involved.

5.15.2. Expenditure incurred under the Consolidated Fund of India and booked under concerned heads is accounted for in the Appropriation and Finance Accounts. However, the balances under the heads of loan, debt etc will also be included in the Finance Accounts.

Certain types of decisions taken by Government occasionally affect such balances representing progressive effect of bookings during earlier years, and necessitate alteration in the figures of balances exhibited in the "Ledger of Balances", Finance Accounts, etc. For this purpose, the device of "Proforma Correction" will be adopted to avoid passing the old transactions of expenditure etc through the monthly accounts/S.C.T. of the year in which the relevant Government decision is taken.

The following are some of the main types of situations in which "Proforma corrections" are required to be made:

(i) **Change of Classification:** Decision may be taken by Government in consultation with the Budget Division and Controller General of Accounts on the advice of the C. & A.G. for change in classification of any specific type of transaction of a head closing to "Government Account" or for transfer of balance from one to another head under Loan or Debt etc. which closes to balance. The decision would imply that the aggregate effect of transactions booked during earlier years under the relevant affected head will have to be transferred to the new head selected for the purpose. An example of this type is the consolidation of loans given to State Governments as a result of the recommendations of the Finance Commission that involves transfer of aggregate balances from Minor Heads under relevant sub-Major heads to various Minor Heads under the new Sub-Major Head. Specific example for this is the "Loans consolidated on the recommendations of the Twelfth Finance Commission" below the Major Head "7601-Loans and Advances to State Governments."

(ii) **Increase or Decrease in the Opening Balances:** Based on decisions of Government, the Controller of Aid Accounts and Audit as well as Railway Board effect certain increases or decreases in the opening balances of heads of accounts exclusively operated by them. This is done without routing the adjustments through the monthly accounts or the Statement of Central Transactions of the year for which the Finance Accounts are under preparation.

(iii) **Aided Institutions and Departmental Commercial Undertakings:** When under any special orders of the Government, a Government aided institution is taken over without any cash outgo for being run as a Departmental Undertaking. In such cases, the balances pertaining to its liabilities like loans and advances and assets and investments owned by it, are taken under the relevant head of account with a contra entry against "Government Account" including the loan head under which loans were granted earlier. Similarly, where a Departmental Undertaking is converted into a Company or Corporation, the balance pertaining to progressive capital expenditure under various heads for the Undertaking, is required to be re-classified under appropriate heads, on account of the change in the status of the Undertaking.

(iv) **Conversion of Grants in aid to Loans and vice-versa:** It includes cases where any decision is taken by Central Government for conversion of a Grant-in-aid given during any earlier financial year to a State Govt. or U.T. Govt. into a loan or conversion of a loan given earlier into Grant-in-aid with retrospective effect. This is done after issue of necessary sanction for it including necessary explanation in the notes on Demands for Grant concerned. In the cases whereby the earlier grants are converted to loan, the progressive figure under the Major Head "7601" (see Para 10.8.7 also) -Loans and Advances to State Governments" will be increased through "Proforma correction" after affording contra credit for a corresponding amount under "Government Account". This will also be reflected in the ledger of balances in "Form CAM-41","Government Account" in Form CAM-42,and indicated in the material for Finance Accounts submitted to Controller General of Accounts. A note will also be kept in the loan register, indicating briefly the terms and conditions of the repayment of loan. In the case of retrospective conversion of a loan given earlier into Grant-in-aid, the relevant sanction order should indicate the treatment to be given to the portion of loan and interest paid to the Govt. by the recipient of the loan. "Proforma Correction" would similarly be required to decrease the progressive figure under the relevant Minor Head under the Major Head "7601-Loans and Advances to State Governments" by affording contra debit to "Government Account" in the documents referred to above.

(v) **Raising or Lowering of Balances:** Paras 10.8.5 and 10.8.6 envisage the raising or lowering down of balances under the two Minor Heads "Advances for purchase of other conveyances" and "Other advances", by the Principal Accounts Offices, wherever necessary, with the approval of the Controller General of Accounts. To give effect to this, they will have to effect ‘Proforma Correction’ in the closing balances against the affected head in their ledger of balances in form CAM-41, and reflect contra effect in their "Government Account" in form CAM-42 along with the material for Finance Accounts submitted to Controller General of Accounts.

5.15.3 Prior Period Adjustments: Adjustments relating to "Proforma Correction" in respect of the type of transactions referred to in para 5.15.2 will not be passed through the regular monthly accounts, will not be shown in the Statement of Central Transactions, and even the opening balances in such cases will not be corrected with a foot note. However, a full account of such adjustments in an account named "Prior Period Adjustment Account" will be submitted with the material for the Union Government Finance Accounts.

Note: Annexure C to this Chapter provides illustration of such types of transactions. Part I contains three different examples falling under this category while Part II indicates the manner in which it is to be reflected in the material for the affected statements of Finance Accounts. The part III indicates the entries generated in the computation of closing balance of "Government Account" and entering of material for the Summary of Balances, in Statement No. 5 of the Finance Accounts.

The effects of these adjustments shall be incorporated in the material for relevant statements of Finance Accounts. It will be shown distinctly in a separate line, under the opening balance of the concerned minor head below the relevant major head, with the nomenclature "Prior Period Adjustment Account". The net effect of these adjustments on "Government Account" will also be worked out for arriving at the balance as on 31st March of the year under it, for the purpose of inserting against the concerned head in the material for Statement No. 5 of Finance Accounts.

Appendix – 'A'
(Refer Para 5.7.2)

Procedure for consolidation of Controllers' Accounts on Computer.

PART-I : Checks to be exercised to ensure reconciliation between the figures of the Pr. AO and PAOs.

1. The proof sheet (summary of Grant-wise, Category-wise, Major-Headwise totals) appearing at the end of the PAO accounts is to be compared with the proof sheet (Control Totals) as printed through the computer.

This check is exercised to ensure that the grant-wise, category-wise, major head-wise figures are exactly the same as indicated by the PAO in the proof sheet- besides the totals tallying there should not be an interchange between Plan and Non-Plan, voted and charged between figures appearing in the PAOs proof sheet and the computer generated control totals.

Two copies of this verified control totals should be prepared. One copy is to be retained in the Pr. AO for record and the other duly signed by the Pr.A.O. should be sent to the CGA's office alongwith the floppy containing the consolidated accounts.

(2) To ensure accurate classification below major head level - every quarter a progressive PAO-wise account should be generated through the computer and despatched to the PAOs for confirmation. Corrections, if any, will be incorporated as per procedure indicated in Annexure-A-Part II.

At the close of the March accounts, only the last quarter's reconciliation remain. Corrections, if any, for this quarter can be incorporated in one of the supplementary accounts and communicated to the office of the CGA on floppies as in the case of normal monthly accounts.

A certificate signed by the Pr. AO indicating that the figures for the quarter have been tallied with the PAOs, is to be sent to the CGA's office along with the accounts for the month following the end of the quarter. (The certificate for the quarter ending June will be sent in August along with the July accounts).

PART-II : Procedure for carrying out corrections in the Controller's Monthly accounts.

Corrections to the transactions of the previous months will be incorporated in the current monthly accounts by the PAOs concerned. These corrections will be entered through 'CONTACT' like normal transactions at the end of PAO's accounts. A list of these PAO-wise/ month-wise corrections carried out will be forwarded along with the accounts. No manually prepared correction cards will be sent to the office of the CGA.

PAOs accounts that have been excluded from the preceding month's accounts will be entered in the following month. Details of such accounts should be forwarded along with the floppy.

PART-III : Contents of the forwarding letter of the Monthly accounts.

The forwarding letter accompanying the floppy containing the monthly accounts should invariably contain: -

1. A certificate to the effect that the grant-wise, category-wise and major head-wise figures of each PAO have been compared with the proof sheet attached by the PAOs at the end of the booklet;

2. A list of PAOs which have been excluded from the monthly accounts; otherwise a 'NIL' statement;

3. PAO-wise, month-wise details of accounts pertaining to previous months included in the present month or a 'NIL' statement.

4. PAO-wise, month-wise details of corrections to the accounts of preceding months which have been carried out in the present month.

ANNEXURE `B'
(Para 5.12.1)

ILLUSTRATIVE EXAMPLE LEADING TO PREPARATION OF "SUMMARY OF BALANCES"

1. DATA FOR THE ILLUSTRATION

Supposing transactions arising during 2004-05 are as at (a) to (f) below, receipt of balances on 'proforma' basis as per Para 17.3 of Chapter 17 of this Manual as at (g), and opening balances as on 1.4.2004 as at (h) below:

(a) Receipts (Revenue) received during the year :	
April, 2004	3460
May, 2004	3461
February, 2005	3459
March, 2005 (including supplementary)	3463
Progressive Total (including JEs)	**13843**

Total of Sectors A+B in the S.C.T. to be carried to Government Account[Form CAM-42]

(b) Expenditure (Revenue) incurred during the year	
April, 2004	3353
May, 2004	3352
February,2005	3354
March, 2005 (including Supplementary & JEs)	3355
(Progressive Total (including JEs)	**13414**

Total of sectors A+B+C+D in the S.C.T. carried to a Government Account [Form CAM-42]

(c) Expenditure (Capital) incurred during the year	
April, 2004	560
May, 2004	561
February, 2005	559
March, 2005 (including Supplementary)	563
Progressive Total (including JEs)	**2243**

Total of Sectors A+B+C+D in the S.C.T. carried to Government Account [Form CAM-42]

(d) DDR Transactions (Receipts) during the year :					
Sector	**April,04**	**May,04**	**February, 05**	**March,05 (including JEs etc.)**	**Progressive total (including JEs) as per SCT under respective sector carried to Sector-wise Ledger Form CAM -41**
E	4602	4601	4603	4602	18408
F	572	573	571	572	2288
I	I 816	817	816	818	3267
J	151	151	153	151	606
K	583	584	585	583	2335
L	105	106	105	107	423
M	16	16	16	16	64
TOTAL	**6845**	**6848**	**6849**	**6849**	**27391**

(e) DDR Transactions (Payments) during the year :					
Sector	**April,04**	**May,04**	**February, 05**	**March, 05 (including JEs etc.)**	**Progressive total (including JEs) as per SCT under respective sector carried to Sector-wise Ledger Form CAM -41**
E	3374	3373	3375	3374	13496
F	1038	1040	1038	1039	4155
I	459	458	459	461	1837
J	126	127	126	126	505
K	555	556	555	556	2222
L	173	172	175	174	694
M	40	40	41	41	162
TOTAL	5765	5766	5769	5771	23071

(f) DDR heads closed to Government (RBD in this case) appearing on debt side :				
April,04	**May,04**	**February,05**	**March,05**	**Progressive total (including JEs) figure appearing in SCT against the head 8675-RBD carried to Government Account [Form CAM-42]**
627	630	626	623	2503

(g) During the year balances were received by the Pr.A.O. on `proforma' basis from another such office as follows :-

Debit balance of Rs.80 crores under Sector F(Loans & Advances), and of Rs.5 crores under Sector L (Suspense & Misc., other than Major Heads 8675 and 8680) and Credit balance of Rs.21 crores under Sector I(Small Savings, P.F. etc). and of Rs.7 crores under Sector K (Deposits & Advances).

(h) Closing balances under various DDR heads of the preceding year (i.e. as on 31.3.2004) which would be opening balances as on 1.4.2005 are as follows :-

In Pr.A.O. books			**In CGA's books**		
	Dr.	**Cr.**		**Dr.**	**Cr.**
Govt. Account	15184	--			
E. Public Debt	--	23068	E. Public Debt	--	23068
F. Loans & Advances	17920	--	F. Loans & Advances	17920	--
			Contingency Fund	--	50
I. Small Savings & P.F. etc.	--	7699	I. Small Savings & P.F. etc.	--	7699
J. Reserve Funds	--	1027	J. Reserve Funds	--	1027
K. Deposits & Advances	--	1743	K. Deposits & Advances	--	1743
L. Suspense & Misc. (except 8675 & 8680)	405	--	L. Suspense & Misc. (except 8675 & 8680)	405	--
M. Remittances	28	--	M. Remittances	28	--
			N. Cash Balance	15234	--
	33537	**33537**		**33587**	**33587**

Notes : (1) For purposes of simplicity of the illustration, break up of figures has not been indicated under the sectors F,J,K & L into categories as follows as normally required in the summary of balances (Statement No.5 of Finance Accounts).

Sector	**Categories**

F. Loans & Advances	(i) Loans & Advances to State & U.T. Governments
	(ii) Other Loans
J. Reserve Funds	(a) Reserve Funds bearing interest Gross balance Investment
	(b) Reserve Funds not bearing Interest
K. Deposits & Advances	(a) Deposits bearing interest Gross balance Investment
	(b) Deposits not bearing interest
	(c) Advances
L. Suspense & Miscellaneous	(a) Coinage Accounts
	(b) Suspense Gross balance Investment
	(c) Other Accounts Gross balance Investment Accounts with Govts. of Foreign countries

Note : (2) In the illustration, for the sake of simplicity, all figures are shown in crores of rupees only, though these documents are to be prepared up to unit of rupee and transactions under (a) to (f) of the data are shown as though they occurred during 4 months only.

Note : (3) For the sake of simplicity in the illustration, the transactions/balances in only one Pr.A.O. and its effect reflected in the CGA's office are indicated though the portion of the data showing receipt of balances on `proforma' basis during the year from a different Pr. Accounts Office presupposes the existence of another Pr. Accounts Office whose balances should have also formed part of the balances held in the books of the CGA but not specifically indicated in the illustration.

Note : (4) For the sake of simplicity, it has been assumed that the entire balance under `PSB Suspense' has been cleared and transferred to the head `8675-Deposits with Reserve Bank' by the Pr.A.O., before close of the accounts.

II. SECTORWISE ABSTRACT (LEDGER) OF DDR HEADS CLOSING TO BALANCE COMPUTATION OF "GOVERNMENT ACCOUNT" AND STATEMENT OF "SUMMARY OF BALANCES".

The above documents as in the books of Pr.A.O. and the last one as in the books of CGA adopting the assumed data are as shown in CAM-41, 42 & 43 and Summary of Balances. The figures adopted by the Pr.A.O. on `proforma' basis are shown distinctly in italics in these forms for early tracing.

ANNEXURE`C'
(Referred to in para 5.15.3)

Illustrative Example

PART I. Prior Period Adjustment Account

Sl. No.			
1.	Dr. 0.10 crore	7601-Loans and Advances to State Government -Loans for Central Plan Schemes -Fisheries-Inland Fisheries To Government Account Reasons for the `P.P.A.A.':- Decision of Govt. vide sanction No..... dated to treat a grant-in-aid of Rs.0.10 Crore (booked to head `3601' which is closed to Govt. Account) given to State `A' during 1981-82, as a loan with retrospective effect. (This will affect material for Statements No.13, 15 &5).	Cr. 0.10 Crore
2.	Dr. 33 Crores	7053-Loans for Civil Aviation -Aerodromes and Air Route Services To Government Account Reason for the `P.P.A.A.' :- Decision of Government to book expenditure on debentures to a loan head instead of to the investment head (viz. Major Head 5053 which is closed to Govt. Account) as was the earlier practice. (This will affect material for Statements No.10, 13 & 5).	Cr. 33 Crores
3.	Dr. 12 Crores	4858-Capital outlay on Engineering Industries and Ship building Industries. 04-Ship building Industries To 4858-Capital outlay on Engineering Industries 05-Aircraft Industries Reasons for `P.P.A.A.'. :- Decision of Govt. to book outlay on investment in Garden Reach Ship builders and Engineers Ltd. to the former head instead of to the latter head as was the earlier practice. Both the heads affected close to Govt. Account. (This will affect material for Statement No.10 only but will not affect `Government Account').	Cr. 12 Crores (minus debit)

Part II - Entries relating to Serial No.1 of Part I

	Amount On 1-4-04	Receipts	Disbursements	Account as on 31-3-05
(a) Entries under material for Statement No.15 of Finance Accounts, 2004-05				
7601-Loans and Advances to State Governments Prior Period Adjustment Account	Dr. O_1 Dr. P_1 0.10 crore	R_1	D_1	$O_1+P_1+D_1-R_1$ =0.10 crore
(b) Entries under material for Statement No.17 of the Finance Accounts				
7601-Loans and Advances to State Governments -State of 'A'				
(C) Loans for Central Plan Schemes				
-Fisheries-Inland Fisheries	O_2 P_2	R_2	D_2	$O_2+P_2+D_2+R_2$+Rs .0.10 crores
Prior Period Adjustment Account	0.10 crore			

Part III - Entries for Computation of closing balance of GOVERNMENT ACCOUNT as on 31.3.05 on account of Serial No.1 of Part I.

FORM CAM 42

Sector		Dr.	Cr.
	Opening balance as on 1.4.04 (excluding the Prior Period Adjustment Account)	0	
	Net effect of Prior Period Adjustment Account		33.10
	Adjusted Opening balance as on 1.4.04	0-33.10	
A + B	Receipts(Revenue)		

A+B+C+D	Expenditure(Revenue)		
A+B+C	Expenditure(Capital)		
G(M.H.7999) L(M.H.8675 & 8680)	D.D.R. Heads(closed to Govt. Account).		
	Net effect of balances adopted/ transferred proforma reversing its side		
	Total	$O+T_1$	T_2+33.10
	Closing balance transferred to Summary of balances	$O+P+T_1+T_2$ -33.10	

O = Opening Balance
P = Prior Period Adjustment Account
T1 = Total under Col. Dr. excluding (a) Opening balance and (b) Prior Period Adjustment Account.
T2 = Total under Col. Cr. excluding figures relating to net effect of balances adopted/transferred proforma and also excluding Prior Period Adjustment Account.
[Authority : 1(14)/83/TA and 1(14)/86/TA]

CHAPTER 6
MAINTENANCE OF PROVIDENT FUND ACCOUNTS

6.1 General

6.1.1 With the departmentalization of accounts in the Ministries/Departments of the Government of India, the responsibility for maintenance of Provident Fund Accounts of the following categories of employees (except for the Group 'D' staff and employees covered by the Merged DDO scheme) will devolve on the departmentalized Pay and Accounts Offices of the Ministry/Department concerned.

(a) All regular employees of Ministries/Departments;
(b) Those on deputation from other Central (Civil) Ministries/ Departments;
(c) All regular employees on foreign service with Public Sector Undertakings, Corporations, etc; and
(d) All regular employees on deputation with Railways, Defence, Posts, Telecommunication Department and other State and Union Territory Governments.

The Accounts Officer of their respective Government Departments shall maintain the G.P.F. accounts of All India Service Officers borne on State cadres and Officers of State Governments, Railways, Defence, Posts and Telecommunication Departments. The Pay and Accounts Office, Delhi Administration, No.VI, Tis Hazari, shall maintain the G.P.F. accounts of All India Service Officers borne on Union Territory cadre centrally, and the credit and debit shall be passed on to him by cheque, duly supported with schedules and vouchers.

6.1.2 G.P. Fund Accounts of Group 'D' employees and the employees covered by the Merged DDO scheme will continue to be maintained by the Head of Offices. The drawing officers are required to furnish along with bills for Group 'D' staff, certificates showing the total amount of Provident Fund subscription deducted from each bill. The Pay and Accounts Offices will maintain a DDO wise broadsheet on the basis of these certificates and effect reconciliation between broadsheet and account figures.

Note: GPF subscriptions have to be recovered from those Government servants who had joined service under Central Government on or prior to 31.12.2003.

6.1.3 The term Balance in this Section of GPF is meant for total of both taxable and non-taxable GPF account of the provident fund account of a subscriber. **(CS NO.26)**

6.2 NOMINATIONS

6.2.1 As soon as a Government servant starts subscribing to the Fund, the Pay and Accounts Office should ensure that the subscriber furnishes a nomination in the prescribed form as required under the rules of the Fund.

6.2.2 (i) On receipt of the nomination, it should be scrutinized to see that it is complete and has been furnished up in accordance with the provision of the rules regulating the Fund. On acceptance of the nomination a suitable note in that regard shall be made at the top of the account of the subscriber in the ledger folio that shall be carried forward to new ledger folio and also in the General Index Register. Acknowledgement shall also be sent to the subscriber through his office.

(ii) The nomination shall be filed in a General File of Nominations and kept in the personal custody of the officer-in-charge of the Fund Section. At least once in 3 years, a physical verification of the nominations shall be conducted and a record of conduct of the verification will be kept in the General

Index Register. The officer-in-change shall attest the entry in the General Index Register regarding receipt of nominations over his dated initials. Whenever a revised nomination is received from a subscriber, the superceded nomination would be cancelled and returned to the subscriber.

6.2.3 Immediately after the final payment in each case, a record to that effect should be made on the nomination with the initials of the Accounts Officer. All such nominations shall be removed from the General File of Nominations and placed in a separate guard file, in chronological order of payment. A nomination filed with the Accounts Office is one of the most important documents and serves the same purpose as a will of the subscriber, and should therefore be most carefully preserved by the Accounts Officer. Whenever the subscriber's account is transferred from one circle to another, the nomination in original will be transferred to the other Accounts Officer.

6.3 SUBSCRIPTIONS

6.3.1 If a subscription is made for the first time or whenever a revised rate of subscription is adopted, it should be seen that the amount of subscription is within the minimum and maximum limits prescribed under the relevant rules of the Fund. The emoluments as on 31st March of the preceding year shall be taken for the calculation of subscription under the rules of the Fund.

6.4 ADVANCE FROM THE FUND [RULE 12 OF GPF (CS) RULES] AND CORRESPONDING PROVISION IN CPF (INDIA) RULES

6.4.1 Before admitting claims for advance from the Fund the following checks are required to be conducted-

i. That the advance has been sanctioned by the competent authority;
ii. That the amount sanctioned is covered by the balance at the credit of the subscriber;
iii. That the conditions under which the advance can be granted under the relevant rules of the Fund are fulfilled; and
iv. That recovery on account of principal is being made regularly.

6.4.2 The cheque Drawing and Disbursing Officers of Ministries/ Departments are also authorised to make payment of advances out of Provident Fund after sanction of the competent authority. A copy of the sanction is required to be endorsed to the Pay & Accounts Office vide Para 3.1.3 to Chapter 3. On receipt of sanction in such cases, the full particulars of the sanction shall be noted by the PAO **in the relevant column** of ledger folio **in a manner that advance would first be debited against balance available under taxable accumulation and remaining from non-taxable accumulation on the date of payment of advance. (CS NO.26)**.. The Cheque Drawing D.D.O is required to forward the receipt of the statement of the amounts paid along with the particulars of the sanction, names of the subscribers, the account numbers etc. to the P.A.O. every month. The PAO shall keep a watch on this to enable him, and ensure that the debit vouchers are received and posted in the accounts of the subscribers, and the debits that are to be adjusted by Accounts Officers of other Departments/Governments are passed on to them immediately.

Note:
(A) For the All India Service officers on deputation to the Central Government, the concerned Pay and Accounts Officer will make payment of the GPF advance / part final withdrawal based upon sanction issued by the competent authority in the Central Government. He will classify the payment under the Major Head 8658-P.A.O. Suspense and promptly raise debit against the A.G. concerned for getting the reimbursement.

(B) However, the PAO will not be involved in case of All India Service Officers on deputation to autonomous bodies or public sector undertakings under the Central Government. The autonomous bodies/Public Sector Undertakings will make payment of the GPF advance/withdrawals sanctioned

by the respective Ministries controlling the autonomous body/P.S.U. to the subscribers and claim reimbursement directly from the State Accountant General concerned.

(C) For the other officials of State Governments or autonomous bodies who are on deputation to the Central Government, only the concerned State Government or autonomous body can grant advances or withdrawals. In cases where the concerned State Government or autonomous body has delegated powers to the Central Government departments for grant of advances/withdrawals from provident fund to such officials, the concerned PAO will make the payment and claim reimbursement. However, even if such powers have been delegated by a State Government or autonomous body to Central Government departments, the provident fund rules of the concerned State Government/ autonomous body should be followed for granting advances/withdrawals from their provident fund accounts. The concerned Central Government department should ascertain in writing from the State Government/autonomous body concerned whether such delegation has been made.

6.4.3 The recovery of instalment towards an advance shall be started from the pay of the month following the month in which the advance was drawn.

6.4.4 The Accounts Officers are not empowered to disallow an advance sanctioned by the competent authority. In cases where the sanction does not conform to the rules, objections should be pursued initially with the sanctioning authority till the defects are removed and a revised sanction is issued. In case the subscriber has drawn an advance granted to him, and it is subsequently disallowed before the repayment is completed, the subscriber shall immediately repay the whole or balance of the amount withdrawn to the Fund. In case the subscriber defaults, the Accounts Officer shall order recovery through deduction from the emoluments of the subscriber as per the provisions in Rule 13(5) of the GPF (CS) Rules.

6.5 WITHDRAWAL FROM THE FUND [RULE 15 OF GPF(CS) RULES] & CORRESPONDING PROVISION IN CPF (INDIA) RULES

6.5.1 For withdrawal from the Fund for the purposes specified in Rule 15 of GPF Rules and corresponding provisions in the CPF Rules, the following checks shall be exercised by the PAO-

i. Withdrawal has been sanctioned by the competent authority;
ii. The amount is covered by the balance at the credit of the subscriber; and
iii. The sanction is in conformity with the rules of the Fund.

6.5.2 After scrutiny of the sanction as above, they shall be entered in the **relevant** column of the ledger folio **in such a manner that withdrawal amount would first be adjusted against taxable accumulation and remaining from non-taxable accumulation**. Payments against such sanctions will be made only after pre-check of the bill by the P.A.O. (**CS NO.26)**

6.5.3 Final withdrawal of the entire balance in the account at the time of quitting the service shall be authorized and paid only after pre-check by the P.A.O. This shall be done in accordance with the procedure laid down in G.I. M/Per. & Trg. O.M. No. 13(3)/84-Per dated 12.6.1985, incorporated as G.I. Decision No. 2 below Rule 34 of G.P.F. (CS) Rules, 1960. The progress of settlement of final payment cases will be watched through a Register of Final Payment Cases in Form CAM-51. The P.A.O. will watch the receipt of the certificate of actual disbursement to the correct payee, that will be submitted by the D.D.O, through the Register of Settlement of Final Payment Cases.

6.5.4 In the case of final withdrawal of part of the balance for specific purposes also, the scrutinyof sanctions will be done by the P.A.O who will also enter the details in the 'Remarks' column of the Ledger card/Folio. Such payments shall be made only after pre-check by the P.A.O. In case of advances sanctioned by the competent authority in terms of Rule 34(3) of the G.P.F. (CS) Rules, after forwarding the application for final payment to the Accounts Officer, and the payment shall be made only after pre-check of the bills by the P.A.O.

6.6 TRANSFER OF G.P. FUND ACCOUNT

6.6.1 In respect of transfer of a subscriber from one Pay and Accounts Office to another within same or to a different Ministry, the transfers will be settled by issue of cheque of the category "Government Account-Not payable in cash". The cheque will be drawn in favour of the Accounts Officer to whose circle the Government servant has been transferred by (-) crediting major head "8009- State Provident Funds".

6.6.2 The transfer of GPF balances of a subscriber's account from one PAO to another due to transfer of the subscriber, would not be accompanied by the original ledger folio/ card maintained by the PAO. **All the copies of ledger folios/cards shall be appended, duly attested by the Pay and Accounts Officer which will, inter alia, include following details- (CS NO.26)**

(i) Closing balance as on 31st March of the preceding financial year including interest on that date and any other amounts creditable to G.P.F. but not payable in cash;
(ii) Month wise subscriptions and repayment of temporary advance etc. credited to the GPF account, during the relevant months of the year;
(iii) Temporary advance/ part final withdrawal, if any, with the amount and month of drawing;
(iv) Balance at the end of the relevant month, that should be equal to the cheque or the proforma statement enclosed;
(v) Details of temporary advance and withdrawal payments during the preceding ~~three~~ years, or a certificate for 'nil' drawing, as the case may be ; and
(vi) Closing balance of the account in the ~~three~~ preceding financial years, as on 31st of March..

If there are any missing debits/credits for the post-departmentalized period, such details should also be furnished. The PAO transferring the balances will however be responsible for taking necessary action to trace out missing credits / debits, and to pass on the same to the new PAO.

6.7 MAINTENANCE OF G.P. FUND ACCOUNT

6.7.1 The accounts of subscribers shall be maintained in a Ledger Folio in Form CAM-47, with one complete folio allotted to each subscriber. The receipt and acceptance of nominations will be noted at the top of this folio with the entries duly attested under the dated initials of the Sr./Accounts Officer. The entries relating to Name, Account Number, and the fact of discontinuance of subscription shall be attested by the Assistant/Jr. Accounts Officer. Again, whenever a new ledger folio is opened, the Assistant / Jr. Accounts Officer should attest all the opening entries namely, subscription, opening balance, advances outstanding, and acceptance of nominations. At the time of closing of the subscriber's account, the date and the reason for the closure shall be noted in the ledger folio as well as in the General Index Register under the dated initials of the A.A.O./J.A.O.

The reasons for the closure of account like retirement, resignation, quitting, transfer out of the accounting circle etc. shall be noted prominently in the ledger card by using a rubber stamp. In each case, the amount of final payment made to the subscriber or the balance transferred to the Pay and Accounts Officer will also be indicated.

6.7.2 The ledgers should be treated as confidential documents and being important originalrecords, they will be kept in an almirah and locked. The ledgers may be taken out whenever necessary, but before leaving office the dealing hands should ensure that all the ledger are placed back in the almirah.

6.7.3 The ledger accounts should be posted from the following sources-

a. Provident Fund schedules attached to pay bills paid by P.A.Os and D.D.Os with cheque drawing powers;
b. Challans for cash deposits made at the banks by the subscriber;
c. Schedules supported by vouchers of withdrawals from Provident Fund; and
d. Other details of debits and credits to Fund appearing in accounts, for example, transfer adjustments, inward accounts, etc.

The Compilation Section will pass on the schedules and debit vouchers to the Fund Section along with a covering statement after (i) verifying that the subscriptions/refunds shown in the schedules agree with those shown in the bills, (ii) effecting an agreement of the total credits and debits as per the covering statement, with the figures in the classified abstract.

6.7.4 GPF accounts in respect of the All India Service Officers borne on State/ UT cadre and officers of State Governments, Railways, Defence, Posts and Telecommunications shall be maintained by the Accountant General/ Accounts Officer of the respective Government/Department. For this purpose, the credits relating to the contribution and recovery of advances shall be remitted by the concerned departmentalized Pay & Accounts Officer on monthly basis to the respective AG of the State/ Accounting authority. This shall be done by issue of cheque in his favour and sent by Registered Post along with the original GPF schedules. The acknowledgement is required to be watched by the PAO. The Pay & Accounts Officer shall also prepare and send annual statement as indicating the details of credits along with the particulars of cheque through which credits were passed on and the details of debits of advances and withdrawals.

6.7.5 GENERAL INDEX REGISTER (FORM CAM-44)

An entry regarding allotment of Account Number should be made in the General Index Register in Form CAM-44 and the alphabetical Index Register that is maintained. The entries in the General Index Register will be made serially in the order of receipt and acceptance of application for enrolment to the Fund. The designation of the subscriber shall invariably be noted in the relevant column in this register. If the names are identical in any case, the name of subscriber's father or in case of a married female subscriber, the name of husband shall be ascertained and noted in the register. The Asst./Jr. Accounts Officer, who will be responsible to keep the register up-to-date, shall attest the entries in this register.

6.7.6 The disbursing officers are required to attach a schedule in Form No. GAR-41 to the Establishment Pay Bill. This schedule indicates the account number, name and pay of the subscriber, the rate of subscription and the amount realised towards refund of withdrawal, if any.

6.7.7 When schedules and vouchers are received in the Fund Section, the Sr.Acctt/ Accountant concerned shall proceed to post the figures in the ledger folio of the subscriber. He should take out the schedules and post the amounts shown as subscription/refund of advance, in the ledger folio of the concerned subscriber against the relevant monthly column of the account. **Subscription will be posted first under non-taxable column of ledger folio and be continued to the subsequent months till it reaches the limit of Rs. Five lakhs in a financial year and subsequently subscription will be posted under taxable column of the ledger folio. Refund of advance will be posted under the relevant column of non-taxable /taxable column of the ledger folio from which advance have been taken. In case advance constitutes both taxable and no-taxable amount of the provident account then refund will be posted first under taxable column of ledger folio till the advance on the taxable column is fully refunded and subsequently non-taxable column will be posted till the last installment of advance is fully recovered. (CS NO.26)** After posting the credits in the ledger, the letter 'P' shall be marked against the amount in the schedule indicating that the item has been posted in the ledger folio. This process shall be continued until the entire posting work is completed.

6.7.8 The month to which the credit pertains shall also be noted in the ledger folio if the recoveryof the subscription or refund relates to any previous month(s). Similarly, for recoveries relating to arrears of dearness allowance etc, their details will be noted in the relevant monthly column of the account.

Note:1 The name, designation and account number shown in the schedule should be tallied with those shown in the ledger folio, and in case of any discrepancy/omission, it shall be pointed out to the concerned D.D.O.

Note:2 Every year, the deduction for April should be checked with reference to the rate of pay drawn by each subscriber on the preceding 31st March, and similar check should be made on deductions made for the first time during the course of the year.

Note:3 If the subscription is paid in subsequent months, it should be verified that the amount of subscription is same as the rate adopted in the first month of the year, unless the rate of subscription has been altered during the course of the year under the Fund rules.

Note:4 The date of receipt must invariably be noted in the ledger folio for every case of deposit of subscription or refund of advance in cash.

6.7.9 If any credit or debit cannot be posted in the ledger folio for want of correct account number, name, etc. it should be encircled and the word 'M' recorded against it. This will indicate that it has not been posted. Such items should then be posted in the 'Explanation Sheet of Differences of the Broadsheet' with sufficient details of particulars, in the broadsheet itself, so as to enable action for their subsequent clearance without reference to the original records.

6.7.10 The items that are cleared from the Explanation Sheet of Differences of previous months should also be posted, and the month to which the credit pertains should invariably be noted in red ink against the month in which the credit is adjusted. In the cases where the account number and the name do not tally with each other, the Alphabetical Index Register shall be referred to ascertain the correct account number for posting the items in the ledger folio. The payment vouchers relating to the drawing of temporary advance from G.P. Fund by the cheque drawing D.D.Os, shall also be posted in the proper column of ledger folio.

6.7.11 After the postings in the ledger are completed, the figures entered in the ledger account of the subscriber shall be carried over to the relevant broadsheet.

6.8 BROADSHEETS (FORM CAM-48)

6.8.1 A GPF broadsheet in Form CAM-48 shall be maintained through convenient volumes of ledger accounts. For the purpose of verification of the postings made in the ledger with the monthly account, the figures entered in each ledger folio shall be posted against the respective account number in the broadsheet. After this, page wise totals of credits and debits should be calculated in the broadsheet, and carried over to the consolidated sheet to arrive at the final totals. This will represent the total of the amount posted in the ledger folio which should also match with the total of the schedules, excluding the amount kept as un-posted in the Explanation Sheet of Differences. If they do not match, the broadsheet entries should be checked with the entries in the original schedules by ticking the amount shown in each schedule against individual account numbers, with the corresponding figures posted in the broadsheet.

6.8.2 The transactions in the broadsheet relating to a month, should be closed on or before 2nd day of the second succeeding month following the month of transaction, and submitted to the officer in charge for review. For example, the broadsheet for the month of April is required to be closed and submitted to the Accounts Officer by the 2nd June of that year.

6.9 ANNUAL CLOSING OF ACCOUNT

6.9.1 Pay and Accounts Officers should calculate and allow interest on GPF balances in respect of each subscriber in terms of Rule 11 of GPF (CS) Rules and the corresponding provisions of CPF (India) Rules. He will also make necessary accounting adjustments to transfer the total interest amount to Fund Account in the March (Supplementary) accounts. After the accounts for March (Supplementary) are closed, the balance at the credit of each subscriber as on 31st of March, including interest for the year should be worked out in the ledger and the broadsheet. The total of closed balances shown in the broadsheets should then be reconciled with total figures under concerned head of account in the annual account. The individual closing balances in the broadsheets should also be verified with those in the ledger folio before they are carried over to the next year's ledger folio and broadsheets as opening balances. The Assistant/Junior Accounts Officer in charge should attest the balances so carried forward.

6.9.2 The subscriber's Annual Statement of Accounts should be prepared in Form CAM 49 and dispatched to the subscribers latest by the 31st of July every year. The accounts statements should be sent to the respective heads of offices who will be called upon to send a certificate to the effect that all the account statements sent to them have been received and delivered to the subscribers. The subscribers will also keep a watch on the receipt of acknowledgement of balances.

6.9.3 In the case of any representation received from the subscribers along with certificates of deductions, pointing at mistake in the annual statement of account, immediate action should be taken to rectify them including locating of the missing credit/debit for adjusting the subscriber's account.

6.9.4 After the dispatch of annual accounts, an Annual Review of Provident Fund accounts should also be conducted. This is mainly to check that opening of ledger accounts are not omitted in any case or to see that duplicate account is not maintained for the same subscriber. This is also done to generally examine that the credits are appearing in all months and reasons for non-recovery or irregular recovery of advances and subscriptions are properly recorded in the ledger folio, and the balances are correctly carried forward from year to year. A detailed re-check of the postings specially those relating to debits should be conducted. It should be done in such a manner that at least one month's credit postings and all the 12 months debit postings are checked fully. This review should be done by the PAO through the staff who are not related to the maintenance of broadsheets and may even be entrusted to the Internal Audit Wing.

6.10 REGISTER OF MISSING CREDIT/DEBIT (FORM CAM-50)

6.10.1 In order to readily locate the missing credits /debits in the Provident Fund Account of subscribers, all the ledger folios shall be reviewed twice a year in the months of September and March, by the Asst./Jr. Accounts Officer. He should enter cases of credits and debits that have not appeared in the respective ledger folios, in the Register of Missing Credits/Debits, and immediately institute an enquiry to trace them. The un-posted items lying in the relevant broadsheets should also be scrutinised for this purpose. To locate the missing credits/debits of the subscribers whose credits are normally received from other Accounts Offices, reference should be made to that office to obtain the particulars of the outward account in which the credits/debits were passed on. In other cases, the Drawing and Disbursing Officers should be requested to provide the particulars of the bills through which the subscriptions were recovered, or the amount was drawn towards temporary withdrawals from Provident Fund Account.

6.10.2 The Register of Missing Credits/Debits has to be closed every month, and submitted to the Accounts Officer indicating the details of action taken in respect of each item, on the last working day of the month.

6.11 TRANSFER OF GPF BALANCES IN RESPECT OF STAFF UNDER THE JURISDICTION OF MERGED DDOs AND RECONCILIATION OF GPF BALANCES MAINTAINED BY MERGED DDOs.

Under the scheme of Merged DDOs mentioned in Para 4.39, the responsibility for the maintenance of GPF accounts of the staff at the Secretariat stands transferred to merged DDOs, who will however function under the control of CCAs/CAs. For the merged DDOs therefore, the following procedure shall be followed from 1st April, 1986 for the transfer of GPF balances to merged DDOs and reconciliation between GPF balances with merged DDOs and the monthly Accounts maintained by PAOs.

(i) After closing of the accounts and issue of annual accounts statements, the PAO will report the balance at the credit of each subscriber under their control to the merged DDO. He should also provide an extract of the accounts of three years along with the 'Nominations' of the subscribers. While transferring the balances to the DDO, missing credits prior to 1.4.86 should be indicated against each name by the PAO, along with the details of the month to which it pertains. The new account number allotted by the merged DDO for the subscribers should be noted by the PAO in the PF ledger of each subscriber, for future reference.

(ii) (a) Final settlement or removal of missing credits for any period prior to 1.4.86 either for the pre-departmentalization period or for the post-departmentalization period will be the responsibility of the PAO. For this purpose, a control register shall be opened in respect of all the accounts transferred to the merged DDOs showing the original GPF Account Number, the Account Number allotted by the merged DDO and the months for which credits were missing up to 31.3.86. Missing credits will be cleared by the PAO with reference to this Control Register.

(b) The missing credits will be cleared either by operating the head of account "Provident Fund Suspense" after accepting the collateral evidence/affidavit whereever applicable, or rectification of misclassification or actual recovery of amount. Since missing credits are adjusted in the accounts, full details of the adjustment including transfer entry number, month, name of the subscriber, account number, month to which the credit relates etc. should be reported to the merged DDO, to enable him to note it in his PBR and allow interest correctly, including for the arrears. Similarly, if any un-posted items are found outstanding in the PAO's books pertaining to any account transferred to the DDO, they will continue to remain in his books until clearance. As soon as the identity of the amount is established along with the name of subscriber, account number etc, the particulars should be reported by the PAO to the DDO along with the details of month of recovery to which the un-posted item relates. The merged DDO will note that amount in the PBR, quoting the advice of PAO as authority.

(iv) For transfer of GPF balances from the PAO to the merged DDO, an accounting adjustment shall be made. This serves the PAOs to separately have the balances of subscribers relating to the merged DDO and the subscribers pertaining to non-merged DDOs, under him. If there are five DDOs under a PAO and out of them two are affected by the merged DDO scheme, the balances relating to the two merged DDOs should be available separately from the balances relating to the non-merged DDOs. For this purpose, the DDOs may be identified as merged DDO-X, merged DDO-Y and non-merged DDOs. Say, the present total of GPF balance under a PAO is Rs.1 lakh as per ledger in CAM- 40. After implementing the merged DDO scheme, the GPF balance pertaining to the subscribers may be, say, Rs.10,000/- for merged DDO-X, Rs.20,000/- for merged DDO-Y and Rs.70,000/- for non-merged DDOs. The adjustment in accounts will be done as indicated below.

(-) Credit		**Credit**
Rs.100,000	8009 State Provident Fund - General Provident Fund (Others)	
	To	
	8009- State Provident Fund - General Provident Fund (Others)	
	Merged DDO-X	Rs. 10,000
	Merged DDO-Y	Rs. 20,000
	Non Merged DDOs	Rs. 70,000

(iv) Maintenance of detailed accounts in the form of Provident Fund Ledgers and/or broad sheets shall be discontinued in Pay & Accounts Offices for the Secretariat staff whose GPF balances stand transferred to merged DDOs. Monthly and annual reconciliation sheets as per Annexure I & II to this chapter will be used for reconciliation between the balances in the books of the PAO and the Merged DDO.

(v) In the case of officials coming on transfer under the merged DDO during the course of a year, which may be of two kinds-

i. DDOs involved in the transfer being under different PAOs either in the same Ministry or different Ministries, and
ii. DDOs involved in the transfer being under the same PAO in the Ministry/Department.

In respect of category (i) above, where the DDOs involved in the transfer are under different PAOs, the transfer of GPF balance will be done through monetary settlement. In such cases, when the transfer advice is received by the PAO along with cheque, he should forward the transfer advice to the merged DDO under whom the Govt. servant has come on transfer, intimating the month in which the cheque has been adjusted in the accounts. The DDO will note the GPF balance at the close of the last financial year as well as the outstanding advances, in the appropriate columns in PBR. Monthly subscriptions recovered during the course of the year up to the month of transfer will also be noted in the Section "Deductions/Recoveries" in the body of the PBR, under the appropriate column indicating the month to which each recovery relates. The entry will be made as though the transactions have occurred under the merged DDO.

In respect of category (ii) above, where the DDOs involved in the transfer are under the same PAO, the transfer of balances will be carried out through a transfer entry. The transfer entry will be prepared by treating each DDO under the PAO, whether or not covered by the merger scheme, as a separate detailed Head under the same Major Head "8009-State Provident Fund-General Provident Fund-Others" as already mentioned previously. Action for transfer of balance in this case will be initiated by the merged DDO who will allot a fresh GPF account number to the incumbent Government servant and immediately furnish details of such Government servant to the PAO, so that he can transfer the balance to the merged DDO.

(vi) Sanctions for temporary advances and part-final withdrawals from the GPF will continue to be obtained and sent to the Cash Branch as before. Until the PAO reports the outstanding balances as on 31st March of the last financial year to the DDO for being taken in the PBR, copies of the sanctions will continue to be attached with the bills submitted to the PAO for payment. This is to enable the PAO to ensure that the balance at credit covers the amounts drawn on the bill. Once the balances are transferred, the copies of sanctions will not be required to be attached with the claims.

(vii) Interest credited in each GP Fund Account should be posted in the format given in Annexure II, which is meant for annual reconciliation of balances. The PAO will obtain the totals under the two columns in Annexure II from merged DDOs for accounting adjustment. Annual agreement/reconciliation of balances will be done by completing the other columns in Annexure II.

(viii) When the Fund account is required to be closed due to retirement, resignation, death etc. of an employee, the merged DDO will work out the amount admissible to the subscriber, and get the calculations checked by the Examiner. He will present a bill to the PAO for payment with proper classification for GPF and the deposit-linked insurance, wherever applicable. The amount of interest allowed at the time of closing will be noted in Annexure II, as stated earlier.

(ix) When a Government servant is transferred from the merged DDO to another DDO either under the same PAO or outside, the Last Pay Certificate for the outgoing Government servant will be issued in the normal manner. For the transfer of GPF account, the extracts of previous three years accounts and details of recoveries made during the current year will be reported to the PAO together with the nomination. The PAO will make suitable accounting adjustment, if the Government servant has been transferred under the payment control of a DDO under the same PAO. Otherwise, if the DDO under whom the Government servant has been transferred is in another accounting circle, the PAO will carry out monetary settlement.

6.12 BROADSHEET OF GROUP 'D' GOVERNMENT SERVANTS AND EMPLOYEES UNDER MERGED DDO SCHEME

6.12.1 The G.P. Fund Accounts of Group 'D' employees and the employees covered by the "Merged DDO Scheme" in the Central Government are to be maintained by the Heads of Offices. The P.A.Os should maintain broadsheets for each Head of Office in his payment control. This will berequired for tallying monthly figures of credits posted from the consolidated certificate of deduction attached to individual pay bills and the vouchers for temporary and final withdrawals shown in the accounts. It will be also used for tallying the figures with the annual statements of credits and debits furnished by Heads of Departments. Interest credit for each year should be incorporated in the accounts on the basis of statements furnished by Heads of Offices. Internal Audit Wing should periodically check the maintenance of G.P. Fund accounts of Group 'D' staff and the employees covered under Merged DDO Scheme.

ANNEXURE I

Monthly reconciliation sheet (Referred to in para 6.11(iv)

I. Amount posted in PBR as per salary bills	
Bill No.	**Amount (Rs.)**
XXXXXXXXXXX	XXXX
XXXXXXXXXXX	XXXX
Total	**(A)**
Amount booked in accounts by PAO against the above vouchers.	**(B)**
Difference* (A-B)	
*To be set right by PAOs.	
II. Amount posted in PBR as per PAOs advice.	
Date of advice	**Amount (Rs.)**
XXXXXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXXXXX	XXXXXXXXXX
Total	**(C)**
Amount adjusted in accounts by PAO- through transfer entries	
Credit scrolls	
Total	**(D)**
Difference***** (C-D)	

(a) *** To be set right by DDO if any advice has been left out to be posted in PBR.
(b) Action to be taken by PAO in respect of his advices where the amount actually adjusted in accounts differs from the amount advised to the DDO.
(c) Unposted items as on 31.3.86 intimated by PAO to merged DDO for posting in PBR. This will remain as difference and is to be paired with outstanding items in PAOs books.
For debits: Similar analysis to be done

ANNEXURE II
{Referred to in para 6.11 (iv) }

ANNUAL RECONCILIATION OF BALANCE

For the financial year_____

Acc.No.	Opening Balance (Rs.)	Subscriptions (Rs.)	Interest (Rs.)	Total (Rs.)	Withdrawals (Rs.)	Closing Balance (Rs.)
1.	2.	3.	4.	5.	6.	7.
Total						

1. Total under Col.2 should agree with the closing balance of previous year.
2. Total under Col.3 should agree with the total of (A) and (C) in the monthly reconciliation sheets for the twelve months
3. Total under Col.4 should agree with the amounts booked in the accounts for the year under 'Interest on GPF/CPF' and "Bonus".
4. Total under Col.6 should agree with the totals of debits shown in the monthly reconciliation sheets.
5. Total under Col.7 should agree with the balance against the DDO shown by PAO in ledger CAM-40.

CHAPTER-7
PROCEDURE FOR FINALISATION, AUTHORISATION AND ACCOUNTAL OF PENSION PAYMENTS AND PAYMENTS FROM THE COMPASSIONATE FUND.

7.1 SETTING UP OF CENTRAL PENSION ACCOUNTING OFFICE

7.1.1 This chapter deals with all aspects of pension authorization, disbursement and their accounting relating to pension payments to the Central Civil Pensioners. The chapter also deals withthe system of budgeting the expenditure for pension grant and accounting system for pension disbursements. The procedural details relating to pension authorization, transfer of pension and banking arrangements for pension payment has also been prescribed.

7.1.2 The Central Pension Accounting Office was established with effect from 1st January, 1990 for payment and accounting of Central (Civil) Pensions and Pension to Freedom Fighters, etc. With the establishment of the Central Pension Accounting Office, the Comptroller and Auditor General of India was relieved of the responsibility of compiling and accounting of Central (Civil) Pensions and Pensions to Freedom Fighters from the financial year 1990-91, as indicated in Annexure 'A'. The Central Pension Accounting Office is an attached office under the organization of Controller General of Accounts. It has been entrusted with the responsibility of administering the 'Scheme for Payment of Pensions to Central Government Civil Pensioners Through Authorized Banks'. Its core functions are mainly preparation of budget under the pension grant, issue of special seal authorities to the authorized banks for payment of pension, accounting of pensions, reconciliation with banks and Reserve Bank of India and audit of banks.

7.2 APPLICABILITY OF PENSION RULES

7.2.1 The pension rules applicable to the various categories of pensioners will be as under :

	Category of pension	Pension Rules Applicable
1	Central (Civil) Pensioners (other than Railways, Post, Telecommunications and Defence)	Central Civil Services (Pension) Rules, 1972.
2	All India Service Pensioners of Union Territory Administration and those borne on State cadres but retiring from Central Government.	All India Service (Death-Cum-Retirement Benefits) Rules, 1958.
3	Former Presidents and Vice Presidents of India	President's (Emoluments and Pension) Act, 1951 as amended from time to time
4	Supreme Court Judges	The Supreme Court Judges (Conditions of

5	High Court Judges.	The High Court Judges (Conditions of Service) Act, 1954..
6	Chairman/Vice- Chairman/Members of Central Administrative Tribunal	Central Administrative Tribunal (Salaries and Allowances and Conditions of Service of Chairman/Vice- Chairman/Members) Rules, 1985
7	Members of Parliament.	Salary, Allowances and Pension of Members of Parliament, Act, 1954.
8	. Central Freedom Fighters.	(i) Central Govt. Freedom Fighters Scheme, 1972. (j) Swatantrata Sainik Samman Pension Scheme, 1980.

7.3 Determination and Authorization of the Amounts Of Pension and Gratuity.

7.3.1 Role of the Head of Office:

In order to ensure expeditious pension payment, the Head of Office of the Ministry/ Department has been given several responsibilities as indicated below-

(i) The Head of Office undertakes the work of preparation of pension papers. With reference to the provisions of the rules applicable regarding timelines, he has to undertake the preparation of pension papers ~~two~~ **one** (**CS 7**) year before the date of superannuation and is required to complete the pension papers eight months prior to the date of retirement of Govt. Servant;

(ii) The head of office will go through the service book of the employee and ensure that the service is verified and complete in all aspects;

(iii) The head of office will furnish a certificate to the Government servant regarding the length of qualifying service, emoluments and average emoluments proposed to be reckoned for pension and retirement gratuity payments, ~~ten~~ **eight (CS 7)** months before the date of retirement. The employee should make representations if any, within ~~a fortnight~~ **two months (CS 7**) of receiving the certificate;

(iv) ~~He is required to forward pension papers in Form-5 and Form-7 along with the service book and other documents complete in all aspects for verification to the Pay and Accounts Office and further processing. The Head of Office has to forward the pension papers to the Pay and Accounts Officer not later than six months before the date of retirement of the Govt. servant. He should also retain a copy of all these papers for their record~~; He is to forward pension papers in Form 5 and Form 7 along with the service book and other document complete in all aspects for veification to the PAO and further processing. The Head of Office has to forward the pension papers to the PAO not later than four months before the date of retirement of the Govt. servant and in cases other than retirement on superannuation not later than three months after the date of submission of Form 5 by a Government Servant. He should also retain a copy of all these papers for their record. (Substituted vide **CS 7**)

(v) He will give a copy of the pension calculation sheet to the pensioner, which will include the details of period of service rendered, date and rate of last increment and scale of pay etc;

(vi) Even after forwarding of the pension documents, if the Head of Office comes across any event that may have a bearing on the admissible pension, he should immediately intimate the same to the PAO;

(vii) ~~The Head of Office after ascertaining and assessing the dues against the Government servant, shall furnish their details to the PAO, at least two months before the date of retirement of the Government servant. This is to enable the recovery of the outstanding dues from the gratuity amount before its payment is authorized~~ The Head of Office shall, after ascertaining and assessing the Government dues referred to in Rule 71, furnish the particulars thereof to the AO in Form 8 [Rule 61 of CCS (Pension) Rules].

Any amount of licence fee or damages, remaining unpaid after adjustment from the withheld amount of gratuity, may be ordered to be recovered by the HoO through the AO concerned from the Dearness Relief (DR) without the consent of the family pensioner and in such cases no DR shall be disbursed until full recovery of such does has been made; **(Substituted vide CS 7)** and

(viii) The Head of Office can sanction Provisional Pension, if he is convinced that it will not be possible to finalize the pension papers to be sent to the Accounts Officer within the prescribed period. The sanction letter in such cases will be addressed to the employee with a copy endorsed to the Accounts Officer.

Note: In accordance with Department of Pensions & Pensioner's Welfare OM dated 29.11.2016, all Heads of Offices will have to mandatorily process all pension cases and related benefits of Central Civil Pensioners through BHAVISHYA portal only w.e.f. 01.01.2017. All the stakeholders i.e. Head of Office (HOO), Pay & Accounts Officer (PAO), Central Pension Accounts Office (CPAO) and Pension Disbursing Authorities (PDA) will perform their respective work of processing of pension cases and related benefits of Central Civil Pensioners online through BHAVISHYA portal. The main objective is to put in place a seamless transmission of pension papers electronically from Head of Office to Pension Disbursing Authorities for disbursement of pensions.

PAOs who are competent to issue PPOs to various categories of pensioners of Ministries/Departments shall issue PPO in electronic form using their digitally signature through the designated electronic payment platform used by PAO of the Ministries/Departments. Such PPOs is termed as e-PPO. The procedure for processing of pension cases online and issue of e-PPO are given in Annexure-J.

Till such time as the seamless integration settles down, the PAOs will continue to issue both the E-PPO and the manual PPO. The banks will consume the e-PPO and reconfirm from the manual PPO before crediting pension.

Authority: - CGA's U.O. No. TA-3-6/4/2020-TA-III/CS-4750/33 dated 28-01-2021.
(inserted vide CS NO.12)

7.3.2 Role of Pay and Accounts Officer:

The Pay & Accounts Officer on receiving the pension papers, will verify the service records and apply prescribed checks with reference to the applicable Pension rules, and assess the amount of pensionary benefits. The PAO concerned, keeping in mind that the intention is not a total overhaul or audit of the entire Service Book or records, but only a scrutiny limited to the immediate purpose on hand, that is the preparation of the pension papers. Any deficiency or imperfection or omission which still remains in the service records will be ignored at this stage and the determination of the qualifying service will be proceeded with on the basis of entries in the service records, whatever the degree of perfection to bring them by that time. However, for any such check of the correctness of past emoluments, the check should be the minimum that is absolutely necessary, and it should in any case not go back to a period earlier than a maximum of 24 months preceding the date of retirement. The pensionary benefits admissible in respect of the incumbent will be determined with reference to the relevant rules and necessary entries in the Terminal Benefits Register with regard to the entitlements. Necessary entries with regard to the authorized entitlements shall also be recorded in the Service Book under the signature of PAO to avoid double payment. The PAO concerned after applying the necessary checks prepares the Pension Payment Order (PPO) in the Proforma given in CAM-52 and forward the same to the Central Pension Accounting Office under the Special Seal Authority **not later than one month in advance of the date of the retirement of a Government servant on attaining the age of superannuation.**
In the cases of retirement otherwise than on attaining the age of superannuation, the AO shall apply the requisite checks, complete Part II of Form 7, assess the amount of pension, family pension and gratuity, assess dues and issue the Pension Payment Order within three months of the date of receipt of pension papers from the HoO.

The AO shall indicate in the PPO the name of spouse of the Government servant, if alive as family member.

The AO shall also indicate in the PPO, the names of permanently disabled child or children and dependent parents and disabled siblings as family pensioners if there is no other member of family to whom family pension may become payable before such disabled child or children or dependent parents or disabled siblings. On receipt of a written communication from the HoO on an application from an existing pensioner or family pensioner, the AO shall also indicate in the PPO, the names of the permantently disabled child or children and depending parents and disabled siblings as family pensioners if there is no othe member of family to whom family pension may become payable before such disabled child or children or depedent parents or disabled siblings. Authority: D/o PPW Notification GSR (E) dated 29.8.2014 (F.NO.1/19/2013-P&PW (E). CGA Office F.No.1(7) (4)/2011/S.O.P.P/TA-III] (inserted vide CS 7)

The pensioner's portion as well as disburser's portion should be got printed in a book form with a thick cloth bound cover. The amount of gratuity determined by the Accounts Officer should also be intimated to the head of office along with the details of other retirement benefits, for the preparation of bills to be submitted to the PAO for payment. The final responsibility of the correctness of calculations and authorization of admissible pension is that of the PAO. The Pay & Accounts Officer should issue the pension payment order/authorization at least one month in advance of the date of retirement of the Government servant.

7.3.3 Role of Central Pension Accounting Office:

(i). Central Pension Accounting Office will furnish to each PAO annually, in the first fortnight of November a list of running serial numbers to be allotted to Pension Payment Orders to be issued by them during the next calender year. These numbers are to be used only up to 31st December each year with the serial numbers remaining unused with PPO Issuing Authorities as on 31st December being frozen. The details of unused frozen numbers should be intimated to the CPAO by the end of January every year. However, the new numbers supplied by Central Pension Accounting Office will be allocated in respect of Pension Payment Orders issued on and after 1st January each year

irrespective of actual date of retirement. The criteria for issuing new serial numbers will be the date of issue of Pension Payment Orders and has no relevance to the date of retirement or date of commencement of pension. The following system is followed for the allotment of numbers. Each PPO comprises of 12 digits, with the first five digits indicating the code number of PPO Issuing Authority, next two digits indicate the year of issue, and after this the four digits indicate the sequential number of the PPO while the last digit is a check digit for the purpose of computer. For example, a PPO bearing number 709650601302 implies that PPO has been issued by AG Madhya Pradesh, in the year 2006 and is the 130th PPO issued by that PPO issuing authority, and is allotted computer code-2.

7.3.4 In order that pension is disbursed to the pensioner on due date, the various authorities involved will observe the following time schedule.

Name of the Authority		Time Schedule
1	PPO Issuing Authority	Dispatch/Delivery of PPO by the Accounts Officer to the Central Pension Accounting Office in case of payment through Authorised Bank or to the pensioner opting to draw pension from Departmentalized Pay and
2	Central Pension Accounting Office	Dispatch of PPO by Central Pension Accounting Office to Link Branch of the Bank by 20th of the month of retirement.
3	Link Branch	Dispatch of PPO by Link Branch to paying Branch by 23rd of the month of retirement.
4	Paying Branch	Paying Branch will complete all formalities and ensure that the pension has been credited to the pensioner's account on due date.

7.3.5 The PPO Issuing Authority, Central Pension Accounting Office and Link Branches will keep the pensioner informed of the issue of PPO and about its subsequent movement at all stages.

7.4 Authorities Competent to issue Pension payment Orders.

7.4.1 The authorities who are competent to issue PPOs to various categories of pensioners are indicated below :

	Category of pensioners	Authority by whom the PPO is to be issued
1	Former Presidents of India Former Vice-Presidents of India	PAO, President Secretariat PAO, Rajy Sabha
2	Central Govt (civil) Pensioners retiring/death cases from Ministries/Departments and their family members AIS officers borne on State Cadres an retiring from Central Government	Respective PAO of the Ministry/Department.

3. (a)	Pensioners (including All India Service Officers borne on U.T. cadre) belonging to U.T. Administration.	
(i)	Whose accounts have been separated from Audit.	Respective Pay and Accounts Officer of the Union Territory.
(ii)	Whose accounts have not been separated from Audit.	Respective Accountant General of the Union Territory.
3. (b)	Pensioners belonging to All India Service (U.T. cadre) and retiring from U.T. Governments with legislatures.	
(i)	Whose accounts have been separated from Audit.	Respective Pay and Accounts Officer of the Union Territory.
(ii)	Whose accounts have not been separated from Audit.	Respective Accountant General of the Union Territory.
4.	Supreme Court Judges and Chairman/Vice Chairman/Members of C.A.T.	Respective Pay and Accounts Officer of the Supreme Court /Tribunal.
5.	High Court Judges	Respective State Accountants General.
6.	Central Freedom Fighters	Pay and Accounts Officer (Pensions and Misc.) Ministry of Home Affairs.
7.	Ex- Members of Parliament	Respective Pay and Accounts Officer of Lok Sabha /Rajya Sabha Secretariat, as the case may be.

Note: Even in those cases where the Accountants General before the departmentalization issued the original PPOs, the amendments to these PPOs to revise the original pension will be issued by the concerned departmentalized PAO.

7.5 Mode of Disbursal of pension and Transmission of Pension Payment Orders.

The disbursement of pension relating to Central Civil Pension/All India Service Officers including those borne on U.T. cadres/Supreme Court and High Court Judges/Central Freedom Fighters/Chairman/Vice Chairman/Members of CAT/Ex-Members of Parliament/the Ex-President of India will be authorised through the following channels viz:

i. Public Sector Banks and Other Nominated Banks (Private Sector Banks);
ii. Pay and Accounts Offices;
iii. Money Orders; and
iv. Treasuries (For High Court Judges only).

7.5.1 Payment of Pension through Public Sector Banks and Other Nominated Banks(Private Sector Banks)

Pensioners are given option for getting their pension credited to their saving or current bank accounts (either single account in their names or joint account with their spouses operated either by 'Former or Survivor' or 'Either or Survivor' basis). All Pr. Chief Controller of Accounts/Chief Controller/Controller of Accounts in charge of the Accounting Organisation, Accountants General and Director of Accounts, as the case may be, will forward the 'Facsimile of Special Seal' and specimen signatures of the Accounts Officer entrusted with the issuing of PPOs to the Central Pension Accounting Office. In case of a change in the incumbency of the nominated Accounts Officer, the specimen signature of the new officer will be sent to the Central Pension Accounting Office duly attested by the relieved officer.

7.5.2 All PPOs and subsequent amendments to PPOs issued by PPO issuing authorities will be sent to the Central Pension Accounting Office under Special Seal Authority for arranging payment through authorized Banks irrespective of whether the payment is to be made at the same station or another station. PPOs will be sent to Central Pension Accounting Office under the forwarding letterin Annexure H & H-1 to this Chapter.

7.5.3 The Central Pension Accounting Office will enter the following particulars in the Central Data Bank.

(i) PPO number and date
(ii) Class of pension
(iii) Name of pensioner
(iv) Department/Ministry in which the pensioner was last serving
(v) Accounts Officer issuing the PPO with Code Number
(vi) Ddate of retirement of pensioner
(vii) Date of commencement of pension
(viii) Gross amount of monthly pension
(ix) Commutation of pension
(x) Reduced amount of monthly pension on account of commutation
(xi) Family pension etc.

After verifying the signature of the Pay & Accounts Officer who has issued the PPO and the Special Seal of his office the authorised officers in CPAO will transmit the PPO **under the Special Seal Authority in Annexure-H2 to this Chapter (inserted vide CS NO.10)** to the link Branch of the Bank for arranging payment through the paying Branch desired by the pensioner.

7.5.4 The detailed instructions to be followed by the authorised Banks in crediting pension into the pensioner's account have been incorporated in the book, titled 'Scheme for Payment of Pensions to Central Govt. Civil Pensioners by Authorized Banks'. It includes instructions on keeping record of PPOs received, keeping the pensioners informed of the movement of pension documents, duties and functions of Paying Branch before starting payment, functions of Link Branch for obtaining reimbursement of payment made, procedure for reimbursement to Banks, certificates to be furnished by the pensioners, procedure for transfer of pension payments from one branch / Bank to another, and payment of relief and family pension, etc.

7.5.5 It must be ensured that arrears of pension due to the pensioners on account of delayed finalization or for any other reason have been correctly worked out. They must be paid to the pensioners in accordance with the provisions of various rules and orders applicable, by the Pay and Accounts Offices as indicated in Annexure D. Only the future monthly pensions payable will be authorized to the Banks by transmitting the PPOs to Central Pension Accounting Office, in accordance with the procedure outlined in para 7.5.2.

7.5.6 There may be an occasion when the pensioner opting to draw pension through a bank dies before the PPO is sent to Central Pension Accounting Office. In such cases Pay and Accounts Office will make the payment of arrears of pension to the heirs of deceased pensioner, and PPO will

be sent to CPAO for authorizing family pension only.

7.5.7 PAYMENT OF PENSION AT PAY & ACCOUNTS OFFICES AND PAYMENT THROUGH MONEY ORDERS

The Pay and Accounts Officer of the Department/ Ministry will arrange to issue the necessary Pension Payment Order to the pensioner opting to draw pension directly from the concerned Pay and Accounts Office. The disbursement of pension in such cases will normally be made by crossed cheque or demand draft by the Pay and Accounts Office, and the expenditure will be booked to the final head of account. In case of disbursement of pension by money order, the procedure prescribed in Annexure 'B' to this Chapter shall be followed.

7.5.8 All PPO issuing authorities will furnish an abstract of PPO in the format as indicated in Annexure 'C' to this chapter for the pensioners who desire to draw pension through Pay and Accounts Offices or Money Order. This is required to be sent to Central Pension Accounting Office at the time of issuing the PPO for incorporation in the Data Bank maintained by them. However, at the time of making monthly payment of pension or payment of arrears of pension as indicated in para 7.5.5 above, the pension disbursing authority will prepare a schedule of payments in the format as shown in Annexure 'D' to this chapter and send the same to the Central Pension Accounting Office by 10th of each month. If the schedule in any particular month has undergone a change in comparison to the preceding month, a mention of the same will be made in the remarks column of the schedule indicating the authority and detailed reasons for it. This may happen due to change of class of pension or entitlement, non-release of pension for want of submission of any certificate required under the rules, death of pensioner or any other reason. The Pension Disbursing Authority will watch the timely submission of schedule of payment through the Calendar of Returns.

7.6 DISBURSEMENT OF PENSION TO PENSIONERS THROUGH TREASURIES

7.6.1 Where the PPOs were issued before 1st January, 1990, the existing arrangement fordrawing of pension from the treasury counters by the Central Civil pensioners ~~and Central Freedom Fighters~~ **(CS 4)** will continue to be followed. The settlement of payments made on this account will be in the manner indicated in para 7.11.2.

Note: "The treasury channel for disbursement of Freedom Fighters Pension has been closed permanently with effect from 01.10.2014 vide MHA, FFR Division, FF(P) Section letter No.F.55/21/2013-FF(P) dated 27.6.2014." Authority 1(7)/(1)/2012/TA-III. (inserted vide CS 4)

7.6.2 All amendments to PPOs received from PPO issuing authorities prior to 1st January, 1990 in respect of existing pensioners drawing pension through treasury counters, will be transmitted to the Treasury Officers. The Central Pension Accounting Office will do it under special seal authority. For this purpose, an impression of the special seal together with specimen signatures of Pay and Accounts Officers authorised to forward the papers to Treasury Officer by the Central Pension Accounting Office, will be sent. The first time it will be sent to the Comptroller and Auditor General of India for onward transmission to the Accountant General for counter signature and forwarding the same to the Treasury Officers. Subsequently, in the event of a change in the incumbency of the Pay and Accounts Officer of Central Pension Accounting Office, the specimen signature of the new officer will be sent to the Treasury Officer directly, duly attested by the relieved officer. The Treasury Officer will keep the specimen signatures of Pay and Accounts Officers and the impression of the Special Seal so received on their records.

7.6.3 The system of payment of pension through the Treasuries in respect of the PPOs issued on and after 1st January 1990 has been totally closed, pursuant to the instructions of the Comptroller and Auditor General of India.

7.7 PROCEDURE REGARDING SWITCHOVER OF PAYMENT CHANNEL

7.7.1 A switch over of payment channel is permissible in the following cases:

i. Treasury Office to authorized Bank;
ii. Pay and Accounts Office to authorized Bank; and
iii. One Pay and Accounts Office to another PAO of the same Ministry/Department at a different station.

7.7.2 The applications for switch over of pension disbursing source will be made in duplicate as given in Annexure 'E', to the existing Pension Disbursing Authority in all the cases, as mentioned in para 7.7.1. He will forward the same to Central Pension Accounting Office through the nominated Pay and Accounts Officer/Treasury Officer. In the case of PAOs it will be sent after embossing the same with the Special Seal. Before sending the PPOs and other supporting documents to Central Pension Accounting Office, it will be seen that-

(i) PPOs are correct and up to date, with all amendments to the PPOs attached with the disburser's portion of the PPO;
(ii) Basic pension before commutation, reduced pension after commutation and the commuted value of pension paid along with date of payment of commuted value have been distinctly shown;
(iii) Revised family pension has been shown in the PPO;
(iv) Name of the department from which the pensioner retired has been distinctly indicated in the disburser's portion of the PPO;
(v) Details of the payments made are enclosed with the PPO;
(vi) A certificate to the effect that payment of pension has been made up to the month …… and that PPO consists of …… continuation sheets have been recorded; and
(vii) In the event of replacement of the original Disburser's portion of PPO, a certificate is recorded to indicate the manner in which the original disburser's portion of the PPO has been disposed of. This is with a view to eliminate the chances of misuse of the original disburser's portion.

7.7.3 A switch over of payment of pension from Bank to Treasury/PAO or from Pay and Accounts Office to Treasury or from one treasury to another is prohibited in view of the provisions contained in para 7.6.3. However, any of these restrictions may be done away with, under the orders of Department of Pensions & Pensioners Welfare.

7.8 COMMUTATION OF PENSION

7.8.1 Commutation of pension is governed by the Central Civil Services (Commutation of Pension) Rules, 1981.These Rules are applicable to all Government Servants who are entitled to Pension under Central Civil Services (Pension) Rules 1972. Commutation of pension is allowed either on medical examination or without medical examination as specified in the Rules. However, a Government servant against whom departmental or judicial proceedings have been instituted cannot avail of commutation benefit during pendency of such proceedings. The Government servant may commute up to forty percent of pension. If pension to be commuted results in fraction of a rupee, such fraction of rupee shall be ignored for the purpose of commutation. The commuted value to be paid in lump sum will be rounded off to next higher rupee. The commuted value of the pension will be worked out with reference to the 'Commutation Table' at rates applicable to the pensioner on the date on which the commutation becomes absolute.

7.8.2 Government servants retiring on superannuation may desire authorisation for payment of the commuted value of the pension at the time of the issue of the pension payment order. He will in such cases apply for commutation along with the pension papers at least three months before the date of retirement. The Accounts Officer in such cases will calculate and authorise the Head of the office to draw the amount of the commuted value of pension by submission of a bill to him. When the bill is received, the Accounts Officer will issue a cheque or draft superscribed "Not payable before the (date)", indicating the date following the date of retirement of the pensioner. The Accounts Officer shall also indicate in the PPO that the commuted value of pension has been authorised separately for payment through the Drawing and Disbursing Officer and that the monthly pension has correspondingly been reduced from pension. However, the gross pension and the amount commuted shall also continue to be exhibited in the PPO.

7.8.3 Where the pensioner has been drawing pension through the Bank and has not been paid commuted value of the pension by the Head of the Office on the authorisation issued by the Accounts Officer, the payment in such case will be made by the bank. This will be done on receipt of authorization from the Pay and Accounts Officer of the Ministry/Department or the Accounts Officer of the Union Territory Government/Administration, through a separate authority letter, as shown in Annexure 'I'. The payment Authority will be communicated to the concerned paying branch through Central Pension Accounting Office, in accordance with the procedure indicated in the Scheme for Payment of Pensions to Central Government Civil Pensioners by authorized Banks.

7.9 ALLOCATION OF THE LIABILITY ON ACCOUNT OF PENSIONARY CHARGESOF GOVERNMENT SERVANTS

7.9.1 The liability for pension including gratuity will be borne in full by the Department to which the Government Servant permanently belongs at the time of retirement. The system of allocation of liability for pension charges of Government Servant who has rendered service under more than one department in the Government of India, including Railways, Posts, Telecommunications and Defence Department as well as Union Territory Governments with or without legislature has been dispensed with.

7.9.2 With effect from 1st April 1987, 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. Accordingly, the recovery of proportionate pension will not be made any more from the Central/State Govt. under whom he had served earlier.

7.9.3 Allocation of pension will, however, continue to be made in those cases, where pension had been sanctioned prior to 1.4.87. Further, in respect of State Governments, the pension cases where the provisions of the State Act, 1953 and the States Re-organisation Act, 1956, govern allocation of pension, the allocation of pension between the State Governments concerned will continue.

7.10 PAYMENT OF PENSIONS TO STATE GOVERNMENT EMPLOYEES AND ALL INDIA SERVICE OFFICERS SETTLED IN THE NATIONAL CAPITAL TERRITORY OF DELHI

7.10.1 The pensioners belonging to the State Governments and All India Service Officers residing in the Union Territory of Delhi have been permitted by the Government of Delhi to avail of the facility of drawing pension through authorized Banks in the Union Territory of Delhi. In such cases, the Controller of Accounts, Government of National Capital Territory of Delhi will issue necessary authorisation/instructions to the concerned Banks for payment of pension to individual pensioners. Government of Delhi will make the reimbursement to the bank, and the payments thus made will be

distinctly shown by the bank in the payment scroll of Delhi Government. Thereafter, the Controller of Accounts, Government of Delhi will raise necessary debits against the concerned State Government/Union Territories for obtaining reimbursement of the amounts so paid from the concerned Accounting Authority of State Government/Union Territory.

7.10.2 PAYMENT OF PENSION TO AIS OFFICERS

The pensionary benefits in respect of the All India Service Officers borne on State cadre and retiring from the Government of India while on deputation, shall be finalised and paid at their option by the Ministry / Department from which they retire. This has been provided vide Ministry of Personnel, Public Grievances and Pensions, Department of Personnel & Training vide their O.M. No. 25014/2/2202-AIS (II) dated 3-6-2004. However, the liability on account of pensionary benefits will be borne by the State government on whose cadre they are borne.

(a) Procedure to be followed by Pay & Accounts Offices

The Pay & Accounts Officer of the Ministry/ Department concerned will process the pension papers in respect of AIS officer as per the provisions of the All India Service Officers (DCRB) Rules, 1958 and take necessary action with regard to the issue of Pension Payment Order and other authorities. The debits on account of payment of Commuted Value of Pension and Gratuity, in cases where payments are made at the counters of PAO, will be made by cheque and classified under the suspense head "8658 – Suspense Accounts – PAO Suspense – Transaction adjustable by……" (name of the State Government) and reimbursement claimed from the respective Accountant General as in the case of any other outward claim raised by the Pay & Accounts Offices.

(b) Procedure to be followed at Central Pension Accounting Office

1. PPO number for All India Service Pensioners would incorporate, besides the 12- digit numeric component used for Central Civil Pensioner, a pre-fix indicating the service and the state cadre to which the officer belongs. A sample PPO number for an IAS Officer of Punjab cadre would be – IAS/Pb/438840700191.

2. All India Service Pensioners will have the option to draw pension only through the authorized banks i.e. public sector banks and authorized private sector banks, as in the case of Central Govt. (Civil) pensioners.

3. The Special Seal Authority (SSA) issued by the CPAO would be blue in colour to distinguish it from those issued for Central Civil Pensioners. In addition the authority will indicate the state Government to which the payment is debitable.

4. One copy of the Special Seal Authority will be sent to the concerned Accountant General for information and record.

5. The concerned paying branches after following the necessary procedure for identifying the pensioner would release the payment and add the name of the All India Service Pensioner to the scrolls prepared for State Government Pensioners to be routed for reimbursement to the reimbursing branches of the RBI or SBI. These scrolls should not be sent to CPAO.
6. The reimbursing branches would follow the procedure for the State Government Pensioners and send advice to RBI, CAS Nagpur and the corresponding scrolls to the concerned Accountant General.

The Reserve Bank of India, CAS, Nagpur would debit the concerned State Government as per the normal procedure.

(c) Payment of Other Retirement Benefits

The payment of encashment of leavy salary will be made by the Pay & Accounts Offices of the Ministry/Department from where the officer retires. The payment on account of the benefits under the Group Insurance Scheme may continue to be made in terms of Note below Para 6 of the accounting procedure notified vide O.M. No. S-11013/2/81/ta/3845 dated 26/12/1981.

7.11 ACCOUNTING OF PENSION PAYMENTS TO CENTRAL CIVIL PENSIONERS/ CENTRAL FREEDOM FIGHTERS

7.11.1 Payments authorised through Banks:

(i) When pension payment is authorized through Banks as per the Scheme for Payment of Pensions through authorized Banks, the concerned bank will arrange to make payment of pension by credit to the Savings /Current bank account of the pensioner, including joint account with spouse.

(ii) On receipt of debit advice and scrolls supported with necessary documents from the banks transacting Government business, the Central Pension Accounting Office will check the scrolls with the reference to Central Data Bank created for the purpose. The check will be for the authenticity of the amounts paid. After the necessary check of scrolls and supporting documents, the amount paid by banks to Central (Civil) Pensioners/Central Freedom Fighters will be debited to the major head '2071 - Pension and other Retirement Benefits; 01 Civil" and major head '2235 – Social Security and Welfare - 60 - other Social Security and Welfare Programmes - 107- Swatantrata Sainik Samman Pension Scheme respectively. Contra credit will be afforded to the major head 8658 Public/Private sector bank suspense head. When the Put Through is received from RBI, the suspense head will be cleared by minus credit to 8658 Suspense Account and credit afforded to "8675 - Deposits with Reserve Bank: 101 - Central Civil".

7.11.2 PAYMENTS AT TREASURY COUNTERS

The amount of pension paid at Treasury counters will initially be debited in the 'State Section' of Treasury Accounts under the head '8658 Suspense Accounts; 101 - Pay and Accounts Office Suspense -Transactions adjustable by Pay and Accounts Officer - Central Pension Accounting Office. On receipt of Treasury accounts in respect of such transactions the State Accountants General will book the expenditure in State Section of his accounts under the above suspense head. He will raise a debit claim on monthly basis, for the pension paid through treasuries against the Central Pension Accounting Office, duly supported by schedules of payment in Annexure 'D-1', for settlement by cheque/demand draft. The Treasury Offices will send the paid vouchers directly to the Central Pension Accounting Office.

On receipt of the claim from the State Accountants General, the Central Pension Accounting Office will conduct prima facie checks to ensure that all pension vouchers relate to it. Thereafter, the Central Pension Accounting Office will incorporate the details in the 'Register of Inward Claims' in Annexure 'F'. Columns 1 to 7 of the Annexure shall be filled up through the Computer System. After this, voucher shall be prepared for making payment to the State Accountants General concerned, by debiting the amount to the final heads of account as indicated in para 7.11.1, and contra credit afforded to the major head '8670 cheques and Bills 102 - PAO cheques". The cheque along with a forwarding letter in Form CAM -54 shall be forwarded to the Accountant Generals concerned. The balance under the head 'PAO cheques' will be cleared by the Central Pension Accounting Office subsequently on receipt of payment scroll from the bank.

Note: For Central Govt. Civil pensioners ~~and Central Freedom Fighters~~ **(CS 4)** availing the facility of drawing pension at Treasury Counters of A.G. (A. &. E.), West Bengal, the accounting procedure will

be the same as mentioned in Para 7.11.2 above.

7.12 ACCOUNTING OF PENSIONS TO HIGH COURT JUDGES

7.12.1 The channels through which pension are drawn by the retired High Court Judges are as under.

1. Authorized Banks; and
2. Treasuries.

The procedure for accounting of the pensions paid to the retired High Court judges through the authorized banks shall be as the provisions laid down in para 7.11.1 above.

As regards pensions paid through the counters of treasuries, the procedure as laid down in para 7.11.2 above will be followed. The schedules of payment sent in support of the debit claims would be prominently marked 'Pension to High Court Judges'. The claim for reimbursement of pension paid to retired High court Judges shall be raised separate from other claims in respect of pensions paid to Central (Civil) pensioners and Freedom Fighters.

7.12.2 RECOVERY OF AMOUNT OF PENSION PAID TO HIGH COURT JUDGES IN TERMS OF ARTICLE 290 OF THE CONSTITUTION OF INDIA

In terms of Article 290 of the Constitution of India, the charges for the payment of pension to the retired High Court Judges are to be borne by the respective State Governments. After reimbursement to authorized Banks on account of pension paid to the retired High Court Judges and reimbursement of the claims received from the State Accountants General for payment through State Treasuries, the scrolls/schedules of payment/vouchers shall be segregated State-wise. The Central Pension Accounting Office in this regard shall generate the monthly and quarterly statements on computer. The figures appearing therein shall be reconciled on monthly basis with the figures booked by Computer System from the sources indicated in para 7.12.1.

The CPAO will then take action to claim reimbursement of the reconciled amount as generated through Computer system by debiting the same to the head '8658 Suspense Accounts' - PAO Suspense - Transactions adjustable by A.G. …….. '. Contra credit will be afforded to the minor head '106 – Pensionary Charge' in respect of the High Court Judges recovered from State Governments' under major head '0071 Contributions and Recoveries towards Pension and other Retirement Benefits'. The CPAO will then send an Outward Claim to the Accountant General concerned on quarterly basis for the quarters ending June, September and December in Annexure 'G'. The claim for January and February will however, be sent on monthly basis. In respect of transactions relating to the month of March, the debit shall be raised on weekly intervals against the A.G. concerned. In case of transactions arising on or after 25th March, telegraphic advices shall be sent to the A.G. concerned.

On receipt of cheque/demand draft from the A.G., a note shall be kept in column 6 of the statement in Annexure 'G'. The cheque/demand draft will be remitted to bank along with the challan. On receipt of Receipt Scroll from the bank, the Central Pension Accounting Office will clear the debit under to '8658 Suspense Account - PAO Suspense- transactions adjustable by A.G. ..... '.

7.13 PAYMENT OF PENSION IN NEPAL

7.13.1 The following procedure will be adopted for payment of pension in Nepal:

(A). Payment of Defence pensions will be made by the Military Attaché to the Indian Mission in Kathmandu on the basis of authority from the Pr. Controller of Defence Accounts, Allahabadand the expenditure will be booked under the head '8658 - Suspense Accounts- PAO Suspense- Transactions adjustable by Pr. Chief Controller of Defence Accounts (Pensions) Allahabad and included in the monthly cash account of the Embassy to be rendered to the Chief Controller of Accounts, Ministry of External Affairs. The Schedule with supporting vouchers will, however, be sent directly to the Chief Controller of Defence Accounts (Pensions) Allahabad, by the Military Attaché in Kathmandu, for necessary adjustment to the final head. A copy of the Schedule will be attached by the Embassy to the cash account, to enable the Pr. Chief Controller of Accounts, Ministry of External Affairs to effect monetary settlement with the Chief CDA (Pensions), Allahabad.

Note: The Chief Controller of Defence Accounts (Pension) Allahabad will also accept debits for payments other than pensions based on authorities issued by various Controllers of Defence Accounts.

(B). (i) In respect of pension/gratuity payments to the personnel of Assam Rifles, the PAO Assam Rifles, Ministry of Home Affairs, will forward the PPOs under Special Seal Authority to the Central Pension Accounting Office. CPAO, after creating master data in the computer will forward the same under Special Seal Authority direct to the Mission in Kathmandu. The specimen signature of the PAO in the CPAO and impression of his Special Seal for the first time will be forwarded to the Mission through the Pr. Chief Controller of Accounts, Ministry of External Affairs. Subsequently, in the event of the change in the incumbency, the specimen signature of the new officer will be sent duly attested by the relieved officer.

Note: The payment of pension to ex-servicemen of Assam Rifles may be made through sub-post office at Vijaynagar in Arunachal Pradesh, as a special case. The debit on this account will be passed on by the Director of Postal Accounts to PAO, Assam Rifles, Shillong, who after reimbursing the same will debit it to the final head of account in his books.

(ii). In respect of other Central Government Departments the PPOs under Special Seal will be sent to Central Pension Accounting Office which, after creating Central Data Bank in the computer, will send the same to the Mission in Kathmandu.

(iii). These pension and gratuity payments will be adjusted to the final head of account under the major head "2071 -Pension and other retirement benefits" in the books of Pr. Chief Controller of Accounts, Ministry of External Affairs.

(iv). The Pr. Chief Controller of Accounts, M/o External Affairs, will send the vouchers relating to payment of pension and gratuity both in respect of Assam Rifles Personnel as well as other Central Govt. Department pensioners, along with certified lists of payments, to the Central Pension Accounting Office. This is required for post check and record in CPAO and for producing them to Statutory Audit Parties, whenever required.

(v). The procedure prescribed in (iii) & (iv) above will be applicable to payments that are continuing on pension payment orders issued under Special Seal by erstwhile Accountants General, Central Revenues prior to Departmentalization of Union Govt.(Civil) Accounts.

(C). Pension Payment Orders issued by the State Accountants General in respect of State Govt. pensioners residing in Nepal, will be routed through the Pr. Chief Controller of Accounts, Min. of External Affairs to the Mission in Kathmandu for arranging payment. Vouchers relating to such payments received along with the monthly cash account from the Mission by the Pr.Chief Controller of Accounts, Ministry of External Affairs will be accounted for under '8658 - Suspense Accounts - PAO Suspense- Transactions adjustable by State A.G. and forwarded to the State AG concerned for obtaining reimbursement.

7.14 PAYMENT OF PENSION TO CENTRAL CIVIL PENSIONERS IN SIKKIM

7.14.1 Pension to Central Civil Pensioners in Sikkim will be disbursed only through State Bank of India, Sikkim. The detailed procedure to be followed, in such cases, will be the same as outlined in para 7.5 above.

7.14.2 Finance Department of the Govt. of Sikkim will continue to make payment of pension to the existing Central Civil Pensioners. After making payment they will claim reimbursement from the Central Pension Accounting Office, duly supported by relevant vouchers and other documents. On receipt of the claim and after necessary scrutiny, the Central Pension Accounting Office will reimburse the amount by Demand draft drawn in favour of Secretary, Finance Department, Govt. of Sikkim, Gangtok, and account for the debit under the final head of account.

7.15 ACCOUNTING OF PAYMENT OF PENSIONS TO FOREIGN PENSIONERS IN INDIA

7.15.1 Payment of pensions is also made to Indian nationals on behalf of some foreign Governments. They can be broadly classified as:

a. Burma Civilian Pensioners and Family Pensioners;

b. Singapore Pensioners;

c. Sri Lanka Pensioners; and

d. Pakistan Civil Pensioners and Family Pensioners.

7.15.2 Burma Civilian Pensioners/Family Pensioners

In the case of Burma Government pensioners who are Indian nationals, necessary sanction and PPO will be issued by the Accountant General, Burma, and sent to the Accountant General of the state where the pensioner intends to receive his pension. The pensioners will draw their pension from the Treasury offices concerned. The expenditure on this account will be debited by the State Accountant General against the major head '8679 - Accounts with Governments of Other Countries - Government of Burma'. The State Accountant General will send a debit claim to the Accountant General Burma, duly supported by paid vouchers. Simultaneously he will also send necessary advice to the Reserve Bank of India, Central Accounts Section, Nagpur, for obtaining necessary reimbursement from the foreign Government. On receipt of necessary reimbursement advice from the RBI, CAS, Nagpur, the transitory head of account 8679 - Accounts with Governments of Other Countries will be cleared, and paired off by the State Accountant General.

The State Accountants General will also be responsible for issuing necessary amendment to the Pension Payment Orders in the cases where the Burma Civilian Pensioners/Family Pensioners are drawing their pensions from treasuries located under their jurisdiction. In the case of pensioners drawing their pension from treasuries located in Union Territories, the Pay and Accounts Officer, Department of Economic Affairs, New Delhi will undertake the work of issue of amendments, etc.

In the case of Burma Government pensioners who are drawing their pensions from Treasury offices in Union Territories (with or without legislature), the Accountant General or Pay and Accounts Officer (where the accounts have been departmentalized) will raise necessary debit against the Pay and Accounts Officer (Foreign claims), Department of Economic Affairs, New Delhi. After making

reimbursement to the Accountant General or Pay and Accounts Office of the Union Territory, as the case may be, by debit to the transitory head of Account '8679 - Accounts with Governments of Other Countries', the Pay and Accounts Officer, Department of Economic Affairs, New Delhi will send an advice to the Reserve Bank of India, Central Accounts Section, Nagpur, for obtaining necessary reimbursement from the foreign Government. The Pay and Accounts Officer, Department of Economic Affairs will clear the debit lying under the head'8679 - Accounts with Governments of Other Countries', on receipt of advice of reimbursement from the RBI, CAS, Nagpur.

In order to mitigate the hardship of the Burma Civilian pensioners/family pensioners, the Government of India have sanctioned ad-hoc ex-gratia allowance and relief on pension as admissible to Central Govt. pensioners with effect from 1.6.87. The A.G.under whose jurisdiction the pensioner was receiving pension will sanction the ex-gratia allowance. The extra liability on this account will be debited by the State Accountant General in State Section of his account under the head '8658 Suspense Accounts' and settled with the Pay and Accounts Officer, Central Pension Accounting Office, in terms of Article 5.17 of Account Code for Accountants General.

7.15.3 Singapore/Sri Lanka Pensioners

In case of the Singapore and Sri Lanka Pensioners, sanctions and Pension Payment Orders with name of the pensioner, his full postal address, PPO number, amount of basic pension and any other relief on pension, etc. (both in foreign currency as well as in Indian currency with rate of exchange applicable) will be communicated by the foreign Governments to the Pay and Accounts Officer, Department of Economic Affairs. A copy will be sent to the Accountant General or Pay and Accounts Officer (where the accounts have been departmentalized), as the case may be, of the State/Union Territory in whose jurisdiction the pensioner is residing and intends to draw pension.

On receipt of sanction/PPO as above, the Pay and Accounts Officer, Department of Economic Affairs will issue necessary Special Seal Authority to the Accountant General or the Pay and Accounts Officer concerned, as the case may be, with a copy to the Foreign Government as well as to the pensioners. After making payment, the Treasury Officer will send the pension vouchers to the Accountant General with his monthly cash account. The Accountant General will debit the expenditure in State Section of his accounts under the head '8658 Suspense Accounts - Pay and Accounts Office Suspense' and claim reimbursement from the Pay and Accounts Officer, Department of Economic Affairs. Similarly, the Pay and Accounts Officer of the Union Territory (where the accounts have been departmentalized) will claim reimbursement after debiting the expenditure to the above suspense head by sending a reimbursement claim to the Pay and Accounts Officer, Department of Economic Affairs. On receipt of such claims from the Accountant General or the Pay and Accounts Officer, as the case may be the Pay and Accounts Officer, Deptt. of Economic Affairs will reimburse the claim as above by debiting a transitory head '8679 Accounts with Governments of Other Countries' and prefer a claim duly supported by the paid vouchers, against the foreign Government concerned. The foreign Government on receipt of such claims will make reimbursement by demand draft in favour of the Pay and Accounts Officer, Economic Affairs after exercising necessary checks. The head '8679 Accounts with Governments of other Countries is cleared when the credit on account of the demand draft appears in the bank scroll.

In fresh cases arising in future, the Pay and Accounts Officer, Department of Economic Affairs will arrange to make payment of such pensions directly by crossed cheque or bank draft on receipt of a pre-receipted bill.

7.15.4 Pakistan Civil Pensioners/Family Pensioners

In the case of Pakistan (including Bangladesh) Civil Pensioners/Family Pensioners, the following two types of payments are made on behalf of Pakistan/Bangladesh:

(i) Provisional pension under Indo-Pak Provisional Payment Scheme.

Pensions under Indo-Pakistan Provisional Pension Payment Scheme are sanctioned by the officer in charge 'Central Claims Organisation under the Rehabilitation Division of Ministry of Home Affairs (previously Ministry/Department of Rehabilitation). Based on such sanctions, the Pay and Accounts Officer (Pension & Misc) will authorize the State Accountant General concerned to make payment after due verification of the identity of the person. After making payment by debiting the Suspense head 8658 Suspense Accounts - PAO Suspense, etc, the Accountant General will prefer an outward claim duly supported by the paid vouchers to the Pay and Accounts Officer (Pension & Misc). Pay and Accounts Officer (Pension & Misc) will reimburse the claim by debit to the Suspense head '8679- Accounts with Governments of other Countries - payment on behalf of Pakistan/transactions on behalf of Bangladesh and eventually raise a debit against the foreign government. The above suspense head would be cleared on receipt of reimbursement from the foreign government concerned.

(ii) Provisional pension under the Ad-hoc payment scheme of Department of Rehabilitation.

This provision is for Government pensioners and the pensioners of former princely states and local bodies who migrated to India from West Pakistan after 31st Nov. 1960 but before 1st April 1967. In such cases, the Government of India has sanctioned provisional payment of pension till an agreement is reached with Government of Pakistan for acceptance of the liability/ transfer of their pension to India.

The pension in these cases will be authorised by the Ad-hoc Committee in the Central Claims Organisation, to the Pay and Accounts Officer (Pension & Misc). He will arrange payment through the Accountant General of the State where the applicant desires payment. After making payment, the State Accountant General will obtain reimbursement from PAO (Pension & Misc). The Pay and Accounts Officer (Pension & Misc) debits the payments to the head " 8679- Accounts with Governments of Other Countries- Pakistan. At present there is no agreement with the Government of Pakistan for reimbursement of claims under the Ad-hoc payment scheme. Payment made in such cases will be centralised in the books of Pay and Accounts Officer (Pension & Misc) till an agreement is reached.

There was no scheme of Family Pension at the time of the partition of the Country. The families of retired employees who migrated to India after partition were not sanctioned any Family Pension in the event of death of the pensioners. Subsequently Government decided to divide such cases into two categories:

i. Cases where name of the authority which had issued the PPO was known; and
ii. Others, where no such details were available.

The procedure for finalizing the cases of above categories will be as follows:

(i) If the Accountant General's office had issued the Pension Payment Order, the Accountant General concerned may issue authority to sanction ex-gratia family pension on the basis of the following documents-

a. Succession certificate from a Court, or
b. Affidavit shown before a Magistrate, or
c. Affidavit of the claimant on a plain paper supported by any two documents which may be acceptable to the Head of the Deptt./Pension Sanctioning Authority.

(ii) In other cases where no details are available, it will be the responsibility of the Settlement Commissioner, Rehabilitation Division, to process the cases for payment of ex-gratia family pension. On the basis of the sanctions received from the Settlement Commissioner, the PPO will be issued by the PAO (Pension and Misc.), Ministry of Home Affairs, New Delhi.

The extra liability on this account will be debited by the Accountants General to major head 8658 Suspense Accounts - PAO Suspense, and settled with the Pay and Accounts Officer, Central Pension Accounting Office.

For fresh cases arising in future, the Pay and Accounts Officer (Pension & Misc) will arrange payment of such pensions by crossed cheque/bank draft on receipt of pre-receipted bill from the beneficiary. The first payment in such cases will be made after proper verification on the basis of descriptive roll received from the Officer in charge (Claims) along with the sanction letter.

7.15.5 ICS Family Pension Fund (Transferred)

Government of United Kingdom communicates the basic pension and graded relief admissible to such Family Pensioners. Based on such communications, the payment of Family Pension will be arranged by the Pay and Accounts Officer, Department of Economic Affairs, New Delhi. The total expenditure involved is initially booked under 8679-Accounts with Governments of other Countries. After close of the financial year, reimbursement of the expenditure so incurred against ICS Family Pension Fund (Transferred) will be claimed from Govt. of U.K. through a Proforma Account. The Proforma Account has in it the details of name of pensioner and payments made. No vouchers are required to be sent in support of the claim. On receipt of the Proforma Account from the Pay and Accounts Officer, Department of Economic Affairs, the Govt. of U.K. will reimburse the claim by means of a demand draft. The above Suspense head is cleared by minus debit when the credit on account of the said demand draft appears in bank scrolls.

7.15.6 ICS Family Pension Fund (Un-transferred)

In this case the Ministry of Home Affairs issues the sanctions. Based on such sanctions, payment will be made by the Pay and Accounts Officer, Dept. of Economic Affairs. In respect of this category of Family Pension, the Govt. of U.K. pays only basic pension. The relief/graded relief on pension in these cases is still lying under the Suspense head awaiting a decision in this regard.

7.15.7 ICS Family Pension (Non-European Members)

In these cases also, the Ministry of Home Affairs issues necessary sanction. The payment of Family Pension will be made by the Pay and Accounts Officer, Dept. of Economic Affairs by debiting the major head '2071- Pensions and other Retirement Benefits, 01 – Civil- 200 -Other Pensions - Pensions under the ICS (NEM) Family Pension Fund'. In all these categories of ICS Family Pension Funds, payments will be made quarterly in advance i.e. for the quarters ending March, June, September and December. Necessary sanction giving therein the amount of pension admissible for the quarter in question will be sent to the widow of the pensioner, and on receipt of duly pre-receipted bill from the family pensioner, payment will be made by means of demand draft.

7.16 PAYMENT FROM COMPASSIONATE FUND OF GOVT. OF INDIA

7.16.1 Awards for payment from the Compassionate Fund fall under two categories namely:

a. Lump sum payments; and
b. Recurring payments to be made at quarterly intervals, in arrears.

7.16.2 In cases where the award is for a lump sum amount, payment shall be made by crossed cheque/bank draft to the beneficiary. The Pay and Accounts Officer will do this after proper identification on the basis of the sanction issued by the Ministry/Department with the concurrence of the Establishment Division of the Ministry of Finance. Bill in this regard will be submitted by the Drawing and Disbursing Officer in Form CAM-67, enclosing a descriptive roll of the beneficiary with the sanction. The expenditure on this account will be classified under major head '2235 - Social

Security and Welfare - Other Social Security and Welfare Programmes - Other Programmes - Payment from the Compassionate Fund'.

7.16.3 In cases where the award is of recurring nature and the payments are to be made at quarterly intervals, in arrears, the Administrative Ministry/Department will issue sanction as above. The Pay and Accounts Officer will note the sanction in a separate Register to be maintained in Form CAM-25. At the time of first payment, a descriptive roll of the beneficiary will be sent along with the sanction. The PAO after proper identification will make payment by crossed cheque/bank draft to the beneficiary on the expiry of each quarter to which the payment relates, through submission of a pre-receipted bill in Form CAM-67. The payment will be debited to the head indicated in para 7.16.2 above. The payment through Public Sector Bank is not permitted in these cases.

7.17 POST PAYMENT CHECKS

7.17.1 The Central Pension Accounting Office will conduct post checks of payments of pension through the Computer System and any irregularities noticed during the course of post check, would be communicated to the pension disbursing authority, who will be responsible for carrying out necessary rectification. The Central Pension Accounting Office through the "Objection Book will watch the rectification of irregularities.

7.17.2 The concerned Accountant General (Audit) will conduct audit of pension payments in such manner and to such extent as the Comptroller and Auditor General of India may prescribe from time to time. The accounts, records and registers maintained in the branches of authorized Banks making pension payments, and also those in the Link Cell Branches shall be open to audit by the Comptroller and Auditor General of India or any person appointed by the government in this regard.

7.18 DEFINED CONTRIBUTION PENSION SCHEME

7.18.1 Details of the Defined Contributory Pension Scheme:

(i) Government of India vide Ministry of Finance, Dept. of Economic Affairs, ECB & PR Div. Notification No. 5/7/2003-ECB & PR Div. Dated 22/12/2003 introduced a new penson scheme viz. Defined Pension Contribution Scheme for all those government servants joining service under the Government of India on or after 1-1-2004 (except the armed forces, in the first stage). The scheme will have two tiers- Tier-I and Tier-II. Under Tier-I, the Government servants have to make a mandatory contribution at the rate of 10% of salary and DA while the Government will make equal matching contribution. The contributions and investment returns will be kept in a non-withdrawable Tier –I Pension account.

(ii) In addition to the above pension account, each individual may also have a voluntary Tier-II withdrawable account at this option. The Government will not make any contribution to this. This amount will be kept in a separate account that will be withdrawable at the option of the Government Servant. GPF will not be available to those who are covered under the Defined Pension Contributory Pension Scheme. Employees would be free to withdraw part or all of the accumulations under Tier-II.

(iii) Individuals can normally exit at the age of 60 or after 60 years of age for Tier –I of the pension system. At exit the individual would be mandatorily required to invest 40 percent of pension wealth to purchase an annuity (from an IRDA-regulated life insurance company). In case of government employees, the annuity should provide for pension for the lifetime of the empoyee and his dependent parents and spouse. The individual would receive a lump sum of the remaining pension wealth, which he would be free to utilise in any manner. Individuals would have the flexibility to leave the pension system prior to the age of 60, but in such case the mandatory annuitisation would be 80% of the pension wealth.

(iv) To implement the scheme, there will be a Central Record Keeping Agency and several Fund Managers shall be appointed to offer three categories of Schemes to Government servants viz. options A, B and C, the categories based upon the ratio of investments in fixed income instruments and equities.

While implementing the Defined Contribution Pension Scheme the followinng decisions were taken by Ministry of Finance, Department of Economic Affairs: -

(a) As an interim arrangement, till such time the Statutory PFRDA is set up, an interim PFRDA would be appointed.
(b) Such amounts representing the contribution made by the government servant and the matching contribution made by the Government will be kept in the Public Account of India.
(c) During the interim period, only Tier I would be implemented and Tier II would not be operational.
(d) Central Pension Accounting Office would act as the interim Record Keeping agency and maintain the individual accounts DCPS in respect of the Central Government servants.
(e) No withdrawals would be permitted during the interim period.

M/o Finance D/o Economic Affairs vide their resolution No. F.5. (1)-PD/2003 dated 21/04/2005 have decided that during the interim period the accumulation under the Tier-I of the Pension Fund in respect of the subscribers to the New Pension Scheme (Defined Contribution Pension Scheme) would carry interest at the rate of 8% per annum for the period of interim arrangement. It has also been decided by the Government that in case of death of a government servant covered under the New Pension Scheme, the deceased government employee's own contribution and government's matching contribution plus 8% interest thereon may be payable to the legal heirs immediately- vide M/o Finance D/o Economic Affairs UO No. 5(27/A)/2006-ECB &PR dated 14/03/2006.

The guidelines issued by Controller Genral of Accounts vide OM. NO. 1(7)(2)/2003/TA/11 dated 7-1-2004 with regard to implementation of the New Pension Scheme and the accounting procedure outiluined in O.M. No. 1(7)/2/2003/TA/128 dated 24-2-2004 and O.M. No. 1(7)/2/2003/TA / 380-424 dated 10-5-2005 as amended from time to time should be folowed by PAOs/DDOs during the interim arrangement. One of the salient provisions in the above guidelines provides for the bills for payment of salary of all employees joining Government service under the new defined contribution pension scheme along with the bill for matching Government contribution to be paid only by the Pay and Accounts Officers, and all DDOs including the cheque drawing DDOs are required to send the bills to their respective PAOs for this purpose. The PAOs shall be responsible to account for these and report and reconcile it with the interim record keeping agency viz. the Central Pension Accounting Office.

Annexure - A
(Para 7.1.1)

(To be published in the Gazette of India part II Section-3, Sub-section ii)

Ministry of Finance
Department of Economic Affairs
Budget Division

New Delhi the 31st December,1990.

NOTIFICATION

No.F.1(19)-B(R)/90 : In exercise of the powers conferred by the first proviso to sub-section(1) of Section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971) and in partial modification of the order of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. F.1(15)-B(AC)/76 dated 8.9.1976, the President, after consultation with the Comptroller and Auditor General of India, hereby relieves the Comptroller and Auditor General from the responsibility for compiling the accounts of:

a. The Ministry of Finance relating to pensions: and
b. The Ministry of Home Affairs relating to pensions to freedom fighters.

2. This order shall come into force with effect from the financial year 1990-91. By order and in the name of the President.

Sd/-
(Smt. Janaki Kathpalia)
Officer on Special Duty (Budget)

To

The Manager
Government of India Press
New Delhi.

ANNEXURE -B
(Para 7.5.7)

Procedure for Payment of Pensions through Postal Money Orders

The payment of pension may be made by postal money order at the option of the pensioners, where the amount of monthly pension including relief on pension does not exceed Rs. **2000/-**. Where this mode of payment is adopted, the detailed procedure given in part V Section IV of CTRs in general and Rule 360 therein in particular will be followed by the Pay and Accounts Officer mutatis mutandis. Some of the important instructions on payment of pension through postal money order are as under:-

1. The pensioner who elects to have his pension paid by money order should present in person to the Pay and Accounts Office with a declaration to this effect with his copy of the PPO. The pensioner should be identified as per procedure laid down in rule 356 of CTR Vol. I. A separate file headed "Pension payable by money order" should be opened by the PAO and the declaration should be pasted in this file.

2. Purchase of postal money order forms and their accounting

The cost of money money order forms purchased for this purpose may be debited to the head " Cost of Remittances by Money Orders" under the MH "2071 - Pensions and other Retirement Benefits". Money orders forms will be purchased from nearest Post Office on payment by Cheque and a stock register of money order forms will be maintained by the Pay and Accounts Office and an account of receipt and issue of M.O. forms will be kept therein. The stock of the forms will be verified half yearly in August and February each year. Account of the M.O. forms will be submitted to the PAO on 15th of each month. Half yearly stock verification report should be submitted to CA/Dy.C.A. as the case may be. The submission of the register will be watched through Calendar of Returns. At the time of second half yearly stock taking i.e. in the month of February the cost of money order forms utilised for remitting pension to pensioners drawing pension in excess of Rs. 1,500/- P.M. plus relief thereof admissible from time to time may be debited to the head "Pension and Other Retirement Benefits" by minus debit to the head "Cost of Remittance by money order" where it was initially debited.

3. Payment of Pension

Pension up to Rs. **1,500/-** plus relief in pension admissible from time to time may at the request of the pensioner be remitted by postal money may at the request of the pensioner be remitted by postal money order at the cost of Govt. M.O. commission charges being shown as a distinct item in the pension bill and debited to the minor head " Other Expenditure" under-"2071 - Pensions and Other Retirement Benefits".

In respect of other pensioners drawing pension in excess of Rs **500/-** the charges of remittances will be deducted from the amounts of pension. The deduction on account of M.O. Commission and cost of M.O. should be shown at the foot of the M.O. form the information of the recipient.

In order to facilitate, as far as practicable, receipt by the pensioner of his pension on the first of the next month the Pay and Accounts Officer should arrange remittance of pensions through postal money order during last week of the month which pension relates, superscribing the same as "Not payable before the first proximo". However, in respect of pensions for the Month of March remittance should be arranged on or after the 1st day of April but not later than 10th of April.

The Pay and Accounts Office will prepare one cheque for the total amount of the bill in favour of the Post Master of nearest post office. A list in duplicate showing the amount to be remitted in each case which will be the amount of pension less money order commission will be prepared. All the Money Order forms duly filled in and marked prominently on the top of the M.O. form to be paid to the

payee only" and signed by PAO should then be sent in bulk to the nearest post office along with the cheque and the list indicating the details of Commission charges, etc.

4. Watching of Acknowledgement

In order to minimise the risk of fraud, the PAO should compare the signature on the money order receipt every month with the pensioners' signature on the money order receipt every month with the pensioner's signature available on record or on the disburser's portion of the PPO as per provision of rule 360 of CTR Vol. I. Next pension bill should not be drawn in respect of the pensioners till their acknowledgement is received. A reference to the pensioners to the effect that acknowledgement of the pension sent by M.O. for the month of …… has not been received should be made and formal receipt watched. The certificate stipulated in rule 360 (ix) of CTR Vol.1 that the PAO has satisfied himself that all pension indicated in the Schedule for the previous month have been paid to the proper person and that he has obtained all money order receipts in support of these payments and filed them in his office should be recorded in the Schedule for each month.

The various other checks prescribed in Rule 360 of CTRs Vol. 1 and other rules should be exercised while making payment by Money orders.

ANNEXURE 'C'
(Para 7.5.8).

ABSTRACT OF PENSION PAYMENT ORDER (CIVIL PENSIONER).

PENSION PARTICULARS:

1. PPO NUMBER
2. NAME OF PENSIONER
3. DATE OF BIRTH OF PENSIONER
4. CLASS OF PENSION
5. ACCOUNTS OFFICER ISSUING PPO
6. DEPARTMENT/MINISRTRY IN WHICH PENSIONER WAS LAST SERVING
7. BASIC PENSION
8. PROVISIONAL PENSION (IF ANY)
9. DATE OF COMMENCEMENT OF PENSION
10. PRESENT ADDRESS OF PENSIONER

COMMUTATION PARTICULARS, IF ANY:

11. AMOUNT OF COMMUTED PENSION
12. DATE OF COMMUNICATION OF PENSIOIN
13. RESIDUAL PENSION PAYABLE AFTER COMMUTATION AND DATE FROM WHICH PAYABLE

FAMILY PENSION PARTICULARS, IF ANY:

14. NAME OF RECIPIENT OF FAMILY PENSION AND HIS/HER AGE
15. RELATIONSHIP WITH DECEASED GOVT. SERVANT
16. FAMILY PENSION AT ENHANCED RATE : AMT……..FROM ……TO ……
17. FAMILY PENSION AT NORMAL RATE : AMT……..FROM……..TO……

ANNEXURE 'D'
(PARAS 7.5.5 & 7.5.8)

SCHEDULE OF PENSION PAYMENTS FOR THE MONTH OF……..
NAME OF PAY AND ACCOUNTS OFFICE……..
CODE NO. OF PAY AND ACCOUNTS OFFICE…….

Name of the pensioner	Pension Payment Order No.	Period for which the pension is paid	Amount of pension			Recovery of over payment, if any	Income Tax deducted	Net amount paid	Allocation of pension	Remarks
			Basic pension	Personal pension	Dearness Relief					
1	2	3	4			5	6	7	8	9

ANNEXURE D-1
(PARA 7.11.2)

ABSTRACT OF SCHEDULE OF PAYMENT OF PENSIONS

Sl. No.	Name of Treasury	Month to which pension relates	Superannuation & Retirement Allowance	Family Pension
1	2	3	4	5

High Court Judges	Pensions to legislators (Member of Parliament)	Central Freedom Fighters Pension	Commuted value of pension	Gratuity
6	7	8	9	10

Allocation of pension (if any)		Others (specify Category)	Gross Total	Income Tax Recovered	Net Amount paid.
Nomenclature of Government	Amount of Pension				
11		12	13	14	15

ANNEXURE 'E'
(Para 7.7.2)

APPLCATION FOR DRAWAL OF PENSION THROUGH AUTHORISED BANK

(TO BE SUBMITTED IN DUPLICATE)

To

The Pension Disbursing Officer (Exact designation
Of the Officer to be indicated)
(Place).

Sir,

I opt to draw my pension through Authorised Bank and give below the necessary particulars to enable you to make arrangements in this regard:

1. PARTICULARS OF PENSIONER:

(a) Name ……..

(b) PPO No.……

(c) Present Address…….

2. PARTICULARS OF THE AUTHORISED BANK

(a) Name ……

(b) Branch where payment desired ……..

3. *Pensioner's S.B./Current Account No. at the Branch to which pension is to be credited.

Yours faithfully,

Place:
Date:
(Pension)
*(Joint Account of the Pensioner with the spouse could be operated either by 'Former or Survivor' or 'either or survivor')

Pensioner's Specimen Signature…….

FOR USE IN THE OFFICE OF THE PENSION DISBURSING AUTHORITY

Forwarded to the Central Pension Accounting Office for transmission to Link Branch of PSB …… ……..(Name of Branch). The Disburser's half of PPO of Shri/Smt./Km……. bearing No. ..... is (are) sent herewith.

The pensioner has been paid pension @ Rs. …… p.m. and dearness relief thereon @ Rs…… p.m. for the period up to the month of ……Pension due from the month of …….. is to be arranged by the Bank.

(Pension Disbursing Authority)
(with Name & Seal)

Station :
Date :

ANNEXURE 'F'
(PARA: 7.11.2)

REGISTER OF INWARD CLAIMS.

Sl.No.	No.& Date of letter with which account was received	Name of AG from which received	Period of Accounts	Debits Rs.	Credits Rs.	Net Debit Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Particulars of Cheque sent to AG	Amount Rs.	No. & Date of letter forwarding Cheque/ Draft to AG	Date on which Cheque appeared in Scroll	No. & Date of Register sending DISO	Remarks
(8)	(9)	(10)	(11)	(12)	(13)

ANNEXURE 'G'
(PARA 7.12.2)

STATEMENT OF OUTWARD ACCOUNTS IN RESPECT OF HIGH COURT JUDGES.

Sl. No.	Name of A.G. against which pension is adjustable	Period to which pension relate	Amount Rs.	No. & date of letter forwarding claim	No. & date of cheque received	Date of Scroll for credit of cheque	Initials of the A.O.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

ANNEXURE 'H'
(PARA 7.5.2)

Registered A/D (if sent by post)

Office of the Pay and Accounts Officer
Department of ……
Ministry of……..

To

The Pay and Accounts Officer,
Central Pension Accounting Office,
Ministry of Finance
Govt. of India
Trikoot-II, Bhikaji Cama Place
R.K. Puram, New Delhi - 110066.

Sir,

A Pension Payment Order in favour of Shri/Smt …… details of which are given below is forwarded herewith for arranging payment.

Details

1. PPO No. & date ……
2. Category of pension…….
3. (a) Amount of Basic pension Rs……
   (b) Family pension in the event of death of pensioner……..

   Enhanced Rate up to
   ……..
   Normal Rate Rs.
   ……
   with effect
   from……

   (c) Monetary allowances attached with Gallantry award to be paid by Pension Disbursing Authority :…….(CS 27).
4. Date of commencement of pension …….
5. Name of Bank ……..
   Branch ……..
   Location and Code No……
   Account No……..
   Distt. ……
   State ……

6. * Commutation not applied for /Commutation already paid/being authorised through DDO/Commutation authorised simultaneously through a separate letter.

Conditions attached to pension payment may be made subject to the conditions specified in the PPO as well as in the CCS (Pension) Rules and Treasury Rules.

- Strike out whichever is not applicable.

Yours faithfully,

PAY & ACCOUNTS OFFICER

Encl:

1. PPO (Pensioner & Disburser's portion).
2. Photo
3. Specimen Signature Slip
4. Option of the pensioner indicating Name and full address of the Authorised Bank.

ANNEXURE 'H-1'
(PARA 7.5.2)

Deptt./Ministry

To

The Pay and Accounts Officer
Central Pension Accounting Office
Ministry of Finance
Department of Expenditure
Trikoot-II, Bhikaji Cama Place
R.K. Puram
New Delhi- 110066.

Subject: Revision of pension/family pension of Shri/Smt.……
holder of PPO No……under class/category……

Sir,

I request you to make arrangement for carrying out the modification in both the halves of the said PPO as detailed below:

(a). Revised pension Rs. ……
(Rupees… .....) **under class /category …….of Rules…**…..
effective from …….....
(b). Revised pension commuted Rs. ……
(Rupees.....)
(c). Revised Reduced Pension after commutation Rs.……
(Rupees.....)
effective from ……
(d) Monetary allowances attached with Gallantry award to be paid by Pension Disburing Authority:…….

2. (a). Differential commuted value paid or being arranged through Pay and Accounts Office Rs.……
(Rupees….....)

(b). Differential commuted value of pension payable by the bank Rs.……
(Rupees. .....)

(a) or (b) whichever is applicable should be filled up. The other column should be prominently marked as 'Not applicable').

3. Additional amount of Death/retirement Gratuity payable by the bank due to revision (this column is to be prominently marked as 'not applicable' if additional amount of gratuity is arranged through Pay and Accounts Officer concerned or no Death/Retirement gratuity is payable as a result of revision) Rs.……
(Rupees. .....)

* 4. Revised Family Pension **under class /category …….of Rules…**…. .

a. At enhanced Rate Rs. ……
(Rupees……..) up to ……
b. At normal Rate w.e.f. Rs. ……..
c. EOP (F) Original /Revised Rs……(Rupees……..)
d. Effective from……..

[CS 22]

4. Details of Disbursing Bank.

i. Name of Bank ……..
ii. Branch and Code No. (if any). ……..
iii. Account No. ……..
iv. Deptt. ……..
v. State. ……

Yours faithfully,

Pay and Accounts Officer.

* In case the family pension does not undergo any change as a result of revision of pension, the words “No change” should be inserted in column No. 4. In case family pension is not admissible, the words ‘Not applicable’ should be inserted in this column.

ANNEXURE 'H-2'
(PARA 7.5.3)
SSA of CPAO

CENTRAL CIVIL PENSIONS

SPECIAL SEAL AUTHORITY: Date:

To

The PDA

The authority given for under mentioned PPO has been verified as per records given by respective PAO. You are requested to make payment as per this authorisation below (Details are given in enclosed P.P.O) to Name …….

Holder of P.P.O No. Category ofPension

AadharNo: ############ Pan No: Mobile No:

Email ID.

Date of Birth (Pensioner):

Pay Matrix: Last Pay Drawn**:**

Net Qualifying Service(Years-Month-Days)**:**

Name of Spouse**:**

Date of Birth(Spouse)**:**

Paying Branch**:**

A/C No.

P.P.O. issuing authority:

1. BasicPensionP. M:/- Date of Commencement:

2. Residual Pension P.M:Commencement Date (Residual Pension):

3. Additional Pension P.M. (80 Years &above):

4. Constant Attendant Allowance P.M.:

5. Family Pension at Enhanced Rate: From:To:

6. Family Pension Normal Rate: From: To:

7. Medical Allowance Payable (as per rate admissible from time to time):

8. Commuted Value Payable by Bank:

9. Provisional pension/family pension has been/shall be paid for the period from ------- to ---------

@ Rs. ---------- plus Dearness Relief.(Strike off whichever is not applicable). The payment of final

family pension may be commenced by the bank w.e.f. ---------- **.(CS NO.19,22)**

10. Monetary allowances attached with Gallantry award to be paid by Pension Disbursing Authority:…….. (**CS 27)**

Pay & Accounts Officer

Notes

1. The pensioner portion of the ppo is to be handed over to the pensioner by the bank.
2. If pension papers do not pertain to your bank, please redirect them to the concerned bank, under intimation to this office to avoid delay
3. DR is admissible on basic pension + additional pension if any.
4. Rduced pension payable w.e.f. date of crediting the amount of commuted value into pensioner's a/c.
5. Undertaking for recovery of over payment made by bank attached
6. Please see reverse for other guidelines for bank & pensioners.

Copy Forwarded To:

1. **Pensioner:**
2. **PAO:**

ANNEXURE 'I'
(PARA 7.8.3)

Office of the Pay and Accounts Officer
Deptt./Ministry.

To

Regd. AD (if sent by post).

The Pay and Accounts Officer,
Central Pension Accounting Office
Govt. of India, Ministry of Finance
Trikoot -II, Bhikaji Cama Place
R.K. Puram, New Delhi -110066.

(Authority for Commutation)

Subject: Commutation of pension of Shri/Smt./Kum……
holder of PPO No. ……..

Sir,

I request you to make arrangement for payment of commuted value of pension amounting to Rs…… (Rupees……..……) in respect of PPO mentioned above by carrying out the modifications in both halves of PPOs as detailed below:-

1. (A) Basic Pensions Rs……..
(Rupees… .....only)
(B) Pension Commuted Rs…….. ……..
(Rupees… .....only)
Reduced pension payable after Commutation Rs…….
(Rupees .....only)

2. Details of Disbursing Bank:

(i) Name of Bank……
(ii) Branch, location and Code No. (if known) ……..
(iii) Account No. …….
(iv) Distt……
(v) State ……..

3. * Already drawing pension from the Bank indicated at 2 above/pension being authorised simultaneously.

Note:

I. Reduced monthly pension after commutation will take effect from the date commuted value is credited into the pensioner's Account by the Bank.
II. Pension/provisional pension, if paid, may be adjusted suitably.
III. Dearness Relief to be allowed as admissible from time to time.

* Strike out whichever is not applicable.

Yours faithfully,

Pay and Accounts Officer
(Signature with Special Seal Authority)

‘Annexure-J’
(para 7.3.1)

PROCEDURE FOR PROCESSING OF PENSION CASES ONLINE AND ISSUE OF E-PPO

1.0 Role of retiring official: - The retiring official will submit online application in Form 5, upload his/her joint photograph and signature through BHAVISHYA. He/She shall also submit an undertaking through BHAVISHYA that he/she shall refund any sum credited by the disbursing bank to which he/she is not entitled. The concerned Heads of Office will verify these forms along with other documents and will forward to the PAO through BHAVISHYA after its verification and due process.

2.0 Role of Head of Office: - Head of Office can view the list of employees who are going to retire in the next 15 months under Retiree Details after Log in to BHAVISHYA. He can also track the pension process of every case. In order to ensure expeditious pension payment, the Head of Office of the Ministry/ Department is required to ensure the following: -

i. The Head of Office undertakes the work of preparation of pension papers with reference to the provisions of the rules applicable regarding timelines; he has to undertake the preparation of pension papers in Form 7 one year before the date of superannuation, or on the date on which he proceeds on leave preparatory to retirement, whichever is earlier. He is required to complete the pension papers eight months prior to the date of retirement of Government servant.

ii. The Head of office will go through the e-service book of the employee and ensure that the service is verified and complete in all aspects.

iii. The Head of Office has to upload the scanned PDF copy of the Certificate regarding the length of qualifying service proposed to be admitted for the purpose of pension and gratuity and the emoluments and average emoluments proposed to be reckoned for retirement gratuity and pension payments, eight months before the date of retirement. The Head of Office shall also furnish a certificate to the retiring Government servant to this effect and direct him to furnish the reason for non-acceptance, supported by the relevant documents in support of his claim within two months if the certified service and emoluments as indicated by the Head of Office are not acceptable to him.

iv. The Head of office will send Form 5 to the retiree 8 months before the date of retirement and advising to submit the same duly completed in all respect so as to reach the Head of Office not later than six months prior to the date of retirement.

v. The retiree should also be asked to update mobile number and e-mail ID in the system so that SMS and Email alert can be sent for online filing of forms.

vi. Head of Office can fill the retiree pension forms from the retiree’s login itself in case the individual is unable to do so.

vii. Worksheet of Form 5, Form 7 and Form 8 are filled online along with calculation sheet and other forms are to be checked by Head of office (HOO) before finally submitting to Pay Accounts Office (PAO). If any correction is required, forms can be returned online with remarks /reasons.

viii. All the forms duly digitally signed by the Head of Office and the pensioner as the case may be, along with e-Service Book of the Government Servant duly completed up to date and any other document relied upon for verification of service shall be forwarded to the Accounts Officer not later than four months before the date of superannuation of a Govt. Servant and in cases other than retirements on superannuation not later than three months after the date of submission of Form 5 by the Government Servant.

ix. The Head of Office will make available a copy of the pension calculation sheet, which will include the details of period of service rendered, emoluments for pension, scale of pay, etc. at the log in of the pensioner in the BHAVISHYA Portal.

x. Even after forwarding of the pension documents, if the Head of Office comes across any event that may have a bearing on the admissible pension, he should immediately intimate the same to the PAO.

xi. The Head of Office shall, after ascertaining and assessing the Government dues referred to in Rule 71 of CCS (Pension) Rules 1972, furnish the particulars thereof to the Accounts Officer in Form 8 (Rule 61 of CCS (Pension) Rules, 1972).

xii. The Head of Office can sanction Provisional Pension, if he is convinced that it will not be possible to finalize the pension papers to be sent to the Accounts Officer within the prescribed period. The sanction letter in such cases will be addressed to the employee with a copy endorsed to the Accounts Officer.

3.0 Role of Pay and Accounts Officer- The BHAVISHYA portal has been integrated with the pension module of PFMS. Therefore, pension papers forwarded by the Head of Office through BHAVISHYA will be shown in the Pension Module of PFMS. PFMS- Pension module comprises a provision of obtaining a retiree's/ pensioner's data electronically from BHAVISHYA application of the Department of Pensions & Pensioner's Welfare after data verification from the Head of Office. On receipt of these documents in the pension module of PFMS, Pay and Account officer is required to do the following: -

i. Verify the service records through the Service Book/e-Service book and apply prescribed checks with reference to the applicable Pension rules, and assess the amount of pensionary benefits.

ii. Determine the pensionary benefits admissible in respect of the incumbent with reference to the relevant rules.

iii. Record necessary entries with regard to the authorized entitlements in the Service Book/e- Service Book under the digital signature of PAO to avoid double payment.

iv. Apply the requisite checks, complete Part II of Form 7, assess the amount of pension, family pension and gratuity, assess dues and issue the electronic pension payment order (e-PPO) within three months of the date of receipt of pension papers from the Head of Office in the cases of retirement otherwise than on attaining the age of superannuation.

v. All the information forwarded by the Head of Office will be captured/filled for processing pension and preparation/generating Electronic Pension Payment Order (e-PPO). These data will be verified by the PAO.

vi. The amount of gratuity determined by the Accounts Officer should also be intimated to the Head of Office electronically along with the details of other retirement benefits, for the preparation of bills to be submitted online through pension module of PFMS to the PAO for payment.

vii. The PAO concerned after applying the necessary checks prepares/generate the e-PPO in the prescribed format given in CAM..

viii. The pensionary benefits admissible in respect of the incumbent will be determined with reference to the relevant rules and necessary entries in the Terminal Benefits Register with regard to the entitlements. Necessary entries with regard to the authorized entitlements shall also be recorded in the Service Book/e-Service Book duly digitally signed by PAO to avoid double payment.

ix. PAO will forward the e-PPO duly signed digitally along with requisite documents to the Central Pension Accounting Office atleast one month in advance of the date of the retirement of a Government servant on attaining the age of superannuation. The final responsibility of the correctness of calculations and authorization of admissible pension is that of the PAO.

x. In special circumstances if pension cases can't be sent to PAO through designated digital system by Head of Office, such pension cases may be allowed to enter manually in Pension module of PFMS in order to generate e-PPO through PFMS.

xi. As and when the pension case is passed by the concerned Pay and Account office after verifying the details of the pensioner in respect of the pension cases which are processed through pension module of PFMS, the PPO Number will be allotted to the Pensioner.

4.0 Role of Central Pension Accounting Office: -

i. Central Pension accounting office will provide web service to the Pension Module of PFMS for generating the Pension Payment Order Number in respect of the pensioners covered under Old Pension Scheme and the pensioner covered under New Pension System – Additional Relief. (NPS-AR).

ii. Directory of the authorized signatory of e-PPO will be shared by the PFMS, along with public key with CPAO.

iii. On receipt of the e-PPO in both formats xml and PDF will appear in the Pension Authorization Retrieval Accounting System (PARAS) as per the integration with pension module of PFMS.

iv. The AO of CPAO will check the pension and other pensionary benefits with reference to the Last Pay drawn mentioned in the e-PPO.

v. Thereafter, the CPAO shall forward the e-PPO along with the Undertaking from the retiring government servant and other documents to the concerned CPPC of Authorized Banks. As soon as the data of the e-PPO is verified by the PAO of CPAO, the same will be saved in the CPAO data base (PARAS).

vi. The information regarding issue of e-PPO by CPAO to Bank will be shared with PFMS by CPAO.

If there is some discrepancy in the e-PPO, the pension case will be returned to PAO for making necessary changes in PFMS.

5.0 Role of Pension Disbursing Banks

i. The Pension disbursing Banks will consume the e-PPO (both pdf and xml) sent by CPAO to their Secured File Transfer Protocol (SFTP) servers and provide an acknowledgement to CPAO.

ii. The Bank will consume the details provided in e-PPO in their pension software without the need for any manual intervention and will process the pension payments based on extant instructions.

iii. The Bank will verify the KYC details of the pensioner as per the details available in the e-PPO and credit the pension to the bank account of the pensioner.

iv. The Bank will provide the e-scroll to CPAO with the list of pension payments made (PPO number-wise). All cases of arrears paid will be so indicated in the e-scroll and the Paid and Payable Statement based on which the arrears were drawn by bank shall be shared digitally with CPAO.

v. The Bank will provide e-Pension slip, a copy of e-PPO, the Paid and Payable Statement for each payment of arrears and relevant documents relating to pension to the pensioner.

vi. The Bank will also deduct TDS as applicable as per Income Tax Act from the pension payment due and provides Form-16 to the pensioners.

vii. The Bank will take the life certificate through 'Jeevan Pramaan' from the pensioners in electronic mode.

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CHAPTER 8
PROCEDURES FOR INTER-GOVERNMENTAL AND INTER-DEPARTMENTAL ADJUSTMENTS.

8.1 GENERAL

The inter-departmental or inter-governmental transactions will be settled by different procedures as given below :

i. Direct booking of expenditure by agent Ministry/Department against the Demands for Grants of the functional Ministry;
ii. Issue of advices to RBI, CAS, Nagpur; and
iii. Cash settlement.

Note : The system of issue of advices to RBI, Central Accounts Section (CAS), Nagpur, for inter-governmental adjustments will be applicable in respect of adjustments for which the system of settlement is specifically prescribed in paragraphs 8.8, 8.9, 8.12.1, 8.13.1, 8.18.1and 8.21.3. The detailed procedure of direct booking of expenditure by the agent Ministry against the Demand for Grants of the functional Ministry has been given in Para 8.5 below.

8.2 TRANSACTIONS ARISING IN THE ACCOUNTS OF THE PAY AND ACCOUNTS OFFICE WHICH ARE ADJUSTED BY THE ACCOUNTS OFFICER OF ANOTHER GOVERNMENT/DEPARTMENT ON CASH SETTLEMENT BASIS.

8.2.1 (i) The Pay and Accounts Office in whose books the transactions originate should initially adjust such transactions under the suspense head "8658-Suspense Accounts - Pay and Accounts Office Suspense-Transactions adjustable by. " (Name of Accounts Officer/Authority concerned in whose books the transactions are finally adjustable). Different Accounts Officers/Authorities may open such sub- heads as required to record the adjustable transactions distinctly.

(ii) After daily compilation is completed, these transactions shall be posted by the P.A.O. in the Outward Claims Register in Form CAM- 53, on daily basis, using separate folio for each Accounts Officer or Authority. The closing will be done at the end of each month for the purpose of cash settlement, except for transactions arising in March (Para 8.4.1 may be referred for settlement of transactions arising in the month of March).

(iii) However, the P.A.Os of Department of Supply are required to maintain separate subsidiary registers on account of heavy volume of such transactions, and enter weekly totals in the Outward Subsidiary Claims Register for effecting weekly settlement.

(a) If the account closes with some amount due to the other party, a bill should be prepared for the net amount due and sent to the cheque section for obtaining a cheque in favour of the Accounts Officer of the Government/Department concerned. The bill will be classified as minus credit under P.A.O. Suspense for the gross amount of receipts, while the amount already paid earlier should be classified as minus debit. The original credit/debit balance under the suspense head will be cleared automatically at the time of compiling of this voucher in the accounts section. The cheque will be sent to the concerned party along with necessary schedules and vouchers in support of the transactions in Form CAM -54. The receipt of acknowledgement of the cheque by the other party

should be watched and when the acknowledgement is received, it should be noted in the register.

(b) In the opposite case, when payments on behalf of the other Government/Department are more than the receipts from them during the month, the schedules with supporting vouchers etc. should be sent to the other accounts officer, demanding payment through cheque. On receipt of the cheque from the other party it will be sent to the bank for clearance, and on receiving the credit through bank scroll, the outstanding debit/credit (original) under the suspense head will be cleared by affording a responding minus debit for the gross payments and minus credit for the balance receipts.

Note 1: Direct Booking of Recoveries

The recoveries from salary bills on account of income tax, surcharge, CGHS contributions, licence fees for government quarters, education cess, service tax, contributions towards defined contribution pension scheme, CGEGIS and PLI premia etc will not be passed on to the Accounts Officers of the concerned Ministry/department. These recoveries will be credited in the books of Pay and Accounts Officer to appropriate final head of account, and included in the final compiled account rendered to the Principal Accounts Office. The accounts rendered by the Principal Accounts Office of the Ministry/Department to the Controller General of Accounts, will include the credits adjusted under these heads. The Principal Accounts Officer will send a statement in the prescribed form every month to the concerned departmental officers wherever required by the prescribed due dates. In addition to this, the P.A.O. concerned will send the schedule of recovery of licence fees to the concerned Assistant Director of Estates, in the form prescribed by him.

Note 2: Recoveries Arising in the Salary Bills etc.

The following recoveries arising in salary bills etc in the books of Non Civil Ministries/Departments viz. Defence, Railways, Posts, Telecommunications and U.T. Governments/Administrations will also be adjusted to the final head of account by their Accounts Officers to reduce inter-departmental adjustments.

a. Central Government Employees' Insurance Scheme , 1977;
b. Central Government Employees' Group Insurance Scheme , 1980;
c. U.T. Government Employees' Group Insurance Scheme, 1984;
d. A.I.S. Officers borne on U.T. cadre and subscribing to the A.I.S. Officers (Group Insurance Rules,1981); and
e. Postal Life Insurance Premia Recoveries.

The transactions arising in the books of Railways including for their own employees, would be settled with the P.A.O. (Exp.) for the Central Government Employees' Insurance Scheme, 1977 and Central Government Employees' Group Insurance Scheme, 1980. Similarly, it will be settled with the P.A.O., U.T. Govt/Adm from which the employee had come, for the scheme for U.T. Government Employees' Group Insurance Scheme, 1984, and with the P.A.O. (Delhi Admn.) for the scheme of A.I.S. Officers borne on U.T. cadre and subscribing to the A.I.S. Officers (Group Insurance Rules), 1981. The schedules of recovery of Postal Life Insurance Premia in the format supplied by the Director, P.L.I., Kolkata indicating therein the transfer-in and transfer-out cases along with a monthly statement of booked figures may be sent to him.

The Accounts Officers of Central Civil, Railways, Defence, Posts, Telecommunications, U.T. Government/Administration will include the relevant transactions relating to officers on deputation, in the statistics to be furnished under the schemes at Sl. No.(b) and (d) above.

Subscriptions under the All India Service Officers (Group Insurance) Rules,1981, recovered from All India Service Officers borne on a State cadre but serving on deputation with Government of India or U.T. Government / administration will not be included in the statistics of borrowing Ministry/Department, and shall be passed on to the accounts officer of the parent State Government.

Note 3: Recoveries of Provident Fund, Loans and Advances

Recoveries on account of Provident Fund or loans and advances in respect of other than Central (Civil) Ministries/Departments, for example, of officers belonging to All India Services that are adjustable in the books of Accounts Officer of other Government/Department, will be initially booked under PAO Suspense head, and then cleared by remittance of cheque/draft as per the prescribed procedure.

Note 4: Recoveries in respect of Officials on Foreign Service from the Public Sector Undertakings , Autonomous Bodies , Institutions etc :

(i) This procedure applies in respect of employees taken on foreign service from the public sector undertakings, autonomous bodies, institutions etc. Recoveries on account of their contributions to the Contributory Provident Fund maintained by such bodies and other recoveries like instalments of repayment of conveyance advance, house building advance etc. drawn by them from their parent organisation, are adjustable finally in the books of these bodies. These recoveries shall not enter the accounts of Government and will therefore not be entered in the body of the bills.

(ii) The concerned drawing and disbursing officer shall prepare and attach a separate schedule relating to such amounts for remittance to the parent body. Such recoveries will be indicated only on the outer cover of the bill as 'Payable to ..... Organisation' for obtaining a crossed cheque / bank draft in favour of the concerned organization, for dispatching it to them. The P.A.O. will pass the bill and issue one cheque for the net amount of the salary payable to the employee and another in favour of the parent organisation specified in the bill. The same shall be dispatched by the D.D.O. to the concerned organisation with a covering letter, indicating the name of the employee and details of the recovery against which the cheque is forwarded.

Note 5: Payment on account of Stores Supplied/ Services rendered by D.G.S. & D. to various Ministries/ Departments.

Payment on account of cost of stores supplied or services rendered by D.G.S. & D. to various Ministries/ Departments are made by the Department of Supply (other than those mentioned in para 8.8 below). The payment is initially classified under the "P.A.O. -Suspense" head, to be eventually accounted against the grant of the respective Ministries/ Departments that receive the stores. The reimbursement is made to P.A.O., Department of Supply on receipt of claims for the payment made initially by them. It is necessary that both parties take prompt action to adjust all such claims promptly, so as to have better budget control and avoid savings/ excesses under the grants, and to avoid mounting outstanding amounts under "P.A.O. -Suspense", which makes subsequent clearance difficult.

8.3 TRANSACTIONS ARISING IN THE BOOKS OF ACCOUNT OFFICERS OF OTHER GOVERNMENTS/DEPARTMENTS, WHICH ARE ADJUSTABLE IN THE BOOKS OF THE PAO ON CASH SETTLEMENT BASIS.

8.3.1 Such transactions may represent either recoveries or receipts initially accounted for by the Accounts Officer of the other department or Government or payments made by other Government/Department, which are finally adjustable in the books of the Pay and Accounts Office. In the former case, the other Accounts Officer will send to the Pay and Accounts Office a cheque for receipts/ recovery along with supporting schedules etc. (Form CAM 54). On receipt of the cheque or draft, the P.A.O. will send it to the bank for credit to Government account along with a challan showing the classification of the receipt or recovery and credit the final head of account at the time of compiling the account on receipt of the bank scrolls.

8.3.2 In the latter case i.e. when another Department or Government has made payment, an account with supporting vouchers will be sent by the other party along with a claim for reimbursement. On receipt of the claim, the P.A.O. will examine it to see whether prima facie, it pertains to the Department under his payment control and if necessary consult the Departmental officer. If it pertains to his department, he will have a bill prepared for the amounts duly classified under final head, pass and send the bill to the cheque section, just as in the case of a bill presented at the bill counter of the Pay and Accounts Office. The cheque section will issue the cheque and send the paid voucher to the accounting section along with other vouchers paid during the day. The debit will be classified under the final heads at the time of compiling vouchers received from the Cheque Section as in the case of other payments. The cheque will be dispatched to the Accounts officers of the Government or Department concerned along with a forwarding letter in Form CAM-56, giving reference to the number and date of the letter through which the claim was received.

8.3.3. Specimen entries of the accounting adjustments to be made in the books of the Pay and Accounts Office on account of Inter-Departmental and Inter-Governmental transactions are given below-

(a) Recovery (say of Rs. 500) made from pay bill towards Provident Fund subscription adjustable in the books of another Accounts Officer :

First Stage:- When the recovery is effected it will be classified under "8658-Suspense Accounts-PAO Suspense-Transactions" adjustable by P.A.O. 'X' - Rs. 500/-Credit-Original.

Second Stage:- When the cheque is issued in favour of the other accounts officer, schedule of Debit or Credit received in Form CAM -54 will serve the purpose of bill. The accounting entry will be as follows-

"8658-Suspense Account-PAO Suspense-Transactions" adjustable by P.A.O. 'X'-Rs. 500/-minus credit, and credit shall be afforded to "8670-Cheques and Bills-PAO Cheques" Rs.500/-. The credit under PAO cheques will be cleared on receipt of the bank scroll, indicating payment of the cheque.

(b) Payment made by the Pay and Accounts Office on behalf of another Government/Department :

In such cases, payment will be initially debited to "8658-Suspense Accounts-PAO Suspense" head and the account of the payment will be sent to the other Accounts Officer concerned for reimbursement. On getting cheque from the other Accounts Officer, it will be sent to bank for credit to Government account. When the bank scroll is received with this credit, the item will be classified as minus debit under the suspense head referred to above.

(c) Recovery made by other Accounts Officer which is adjustable in the books of the Pay and Accounts Office :

When the cheque is received in the PAO from the other Accounts Officer along with supporting schedule, it will be sent to bank for clearing, along with the challan indicating final classification of the receipt. On receipt of the bank scroll, the credit will be taken to the final head of account.

(d) Payment or services rendered by another Government / Department adjustable in the books of Pay and Accounts Officer :

i. On the basis of preliminary checks, if the PAO prima facie finds the accounts received (from the other Accounts Officer) adjustable in his books, he should reimburse the full amount claimed by the Accounts Officer within a period of 7 days of the receipt of the account. He should not wait for the detailed audit of vouchers. Wherever the P.A.O. finds it necessary to consult the Departmental Officer, the payment so made will be classified under the minor

head Expenditure Awaiting Transfer (EAT) to other heads below the concerned functional head of the Department. Otherwise, he will adjust the payment to the final head of account and intimate the Departmental Officer.

ii. In the cases where Departmental Officers are to be consulted, the P.A.O will communicate the details of the debit claims received by him for acceptance by the departmental officer. When the acceptance is received, the PAO will clear the booking under EAT by contra debit to the final head of account.

iii. On receipt of the remarks of the Department, if it is found that the transactions are not adjustable in the books of the P.A.O, he will raise claim for the payment already made to the originating Accounts Officer, in the accounts for the month in hand. All the supporting vouchers etc. received from the other Accounts Officer should also be returned.

iv. The PAO must keep a close watch over clearance of the transactions recorded under the suspense head. The reasons for delays over a month will be thoroughly investigated and appropriate action taken.

8.3.4 A Register of Inward Claims in Form CAM-55 will be maintained to watch the settlement of accounts and claims from other accounts offices, with separate folios used for claims received from different Governments/Departments. As regards the form of register and procedure relating to Outward claims, para 8.2.1 may be referred. For watching the clearance and settlement of Inward and Outward Claims, P.A.O. Suspense Broadsheet has to be maintained in Form CAM- 64.

8.3.5 The Pay and Accounts Offices may directly raise the Outward claims that require to be settled with State Accountants General. But the outward claims of State Accountants General which as a special arrangement are required to be settled with Pay and Accounts Offices, may be routed through the concerned Principal Accounts Office, except those relating to expenditure etc. on National Highways.

Outward claims of G.P.F. pertaining to State Government or U.T. employees on deputation with Central Government will be settled directly with the Accountants General/authority nominated by the State/U.T. Government for the maintenance of G.P.F. accounts of its employees by the PAO. Wherever a State or U.T. Government has taken over the work relating to maintenance of G.P.F. accounts from the Indian Audit & Accounts Department, it will be done without routing through the A.G. office.

8.4 PROCEDURE FOR SETTLEMENT OF TRANSACTIONS ARISING IN THE MONTH OF MARCH.

8.4.1 (i). Normally, reimbursement of transactions arising during a month, or last week of a month in the case of Supply Department, is claimed by the first week of the following month.

(ii). However, all the transactions arising in the month of March are required to be accounted for during the same financial year in the books of the concerned Accounts Officers.

(iii). To do so, all the Accounts Officers in Civil Ministries, State Accountants General, Railways, Defence, Posts and Telecommunications Departments should endeavor to settle transactions arising during the first 3 weeks of March, by raising debits duly supported with vouchers and schedules etc at weekly intervals, against the Accounts Officers concerned. The Accounts Officers receiving the debits should respond to ensure immediate settlement of such claims by issue of cheque.

(iv). For the debits or payments arising on or after 25th of March of the year, a telegraphic/fax intimation indicating the net amount of claim to be reimbursed, briefly indicating the nature of the transaction should be sent to the concerned Accounts Officer. In the case of departmentalized offices, the Accounts Officers receiving the claim shall immediately arrange to send the cheque for

such claims by placing the amount under the minor head EAT under the relevant functional major head of account, pending receipt of vouchers and documents in support of this debit. Since payments against such telegraphic/fax intimations are envisaged to be made even where details are not received by the responding Accounts Officers, the Accounts Officer raising the telegraphic/fax debit should take utmost care that it is sent to the correct Accounts Officer, and for the correct net amount. He should invariably ensure the dispatch of supporting vouchers/schedules etc by speed post on or before the 10th of April of the succeeding financial year. On receipt of vouchers etc, the responding Accounts Officer should adjust the debit to the final head of account before the close of March (Supplementary) account and clear the Suspense head EAT.

8.4.2 Despite adhering to the procedure indicated in para 8.5.1 there might be cases where debits do not reach the concerned Accounts Officer in time to enable him to issue cheque/demand draft on or before 31st March of the same year . In such cases, where the debits supported by the vouchers are received in the succeeding financial year, but before March (Supplementary) accounts are closed, the Accounts Officer to whom the debits pertain shall accept and respond to the inward debit claim by issuing a cheque. He should in such cases, debit the suspense head P.A.O. suspense, in the accounts of the year in which the debit is received. A transfer entry shall simultaneously be inserted in the March (supplementary) accounts of the preceding year, by debiting the final head of expenditure and minus debiting the head 'P.A.O. Suspense'. This will serve to incorporate the expenditure in the accounts (including Appropriation Accounts) of the year, in which the payment was made by the outward claim originating Accounts Officer, and avoid lapse of funds in the Demand for Grants of the consignee concerned.

8.4.3 The above procedure will also be applicable for adjustment of miscellaneous receipts appearing in the books of an Accounts Officer that require final accounting in the books of another Accounts Officer.

8.5 SETTLEMENT OF INTER DEPARTMENTAL TRANSACTIONS THROUGH BOOK ADJUSTMENT OR WITHOUT RESORTING TO CASH SETTLEMENT (LETTERS OF AUTHORIZATION)

This relates to the programmes or activities for which one Ministry /Department utilizes the services of another Central Ministry /Department as its agent for executing the activity. In such cases, the Financial Adviser /Pr. Chief Controller of Accounts/Chief Controller of Accounts/Controller of Accounts of the functional Ministry / Department will issue annual budget allocation letter, indicating the amount approved in the Budget for the year for the programme or activity assigned to the agent or executing Department, after obtaining necessary financial sanctions. The executing Ministry /Department are authorized to incur expenditure up to the limits specified in the authorization letter. The allocated amount in such cases will not be available for re-appropriation by the concerned functional Ministry/ Department, without the concurrence of agent Ministry/ Department. A copy of such sanction has to be endorsed to the Accounts Officer of the functional department to enable him to keep a note of this in the Expenditure Control Register maintained by him. The functional Ministry /Department would also communicate the Computer Code number relating to the heads, to the Pay & Accounts Office of the agent Ministry in the authorization letter.

The executing/agent Ministry or Department, on the condition of observance of normal procedures of sanction will incur the expenditure. The Pay & Accounts Office of the executing Ministry will book the expenditure under the relevant expenditure head against the Demands for Grants of the functional Ministry/Department and furnish the monthly and progressive figures of expenditure to the Pr. Accounts Office of the functional Ministry / Department. This is to enable the latter to monitor the flow of expenditure on the programme /activity and prepare Appropriation Accounts related to the Grant. The Accounts Officer of the executing/agent Ministry will not honour any claim that would result in excess over the amount authorised by functional Department, in any case. The Principal Accounts Offices of both agent and functional Ministries/Departments will conduct annual

reconciliation of expenditure, before preparing their SCT and Appropriation Accounts respectively.

8.6 PROCEDURE FOR RECOVERY OF COST OF WORK DONE IN THE C.P.W.D./OTHER DEPARTMENTS FUNCTIONING ON THE PUBLIC WORKS PATTERN ON BEHALF OF OTHER GOVERNMENTS/ DEPARTMENTS

8.6.1 The expenditure incurred by the Divisional Officers on behalf of other Civil Ministries/ Departments for which provision has not been made under the Grants of C.PW.D. will be booked directly under the final head, in the Grant of the Ministry /Department concerned, in terms of the procedure mentioned in para 8.5. The expenditure incurred on behalf of non-civil Ministries / other Governments will be booked under the Suspense head "8658-Suspense Accounts-107-Cash Settlement Suspense Account.

8.6.2 The Divisional Officer will send the vouchers supporting the concerned charge of work to his Pay and Accounts Officer, in the normal manner as in respect of other works expenditure. The vouchers will be subject to post check in the prescribed manner, in the concerned Pay and Accounts Office.

8.6.3 The claim for reimbursement of monthly expenditure will be made simultaneously by the Division against the concerned Accounts Officer of the non-civil ministry/department or Accountant General of the State, as the case may be. The Claim will be duly supported with an attested copy of the Schedule of Works Expenditure (without any supporting vouchers) in Form CPWA- 64. On its basis, the Accounts Officer /Accountant General concerned will settle the claim within one week of receipt of the claim in accordance with the instructions contained in Para 8.3.3 (d)(i) above.

8.6.4 Since the claims for March will be received by Accounts Officers of the non-civil Ministries only after the end of the financial year, the procedure of operating Suspense head as detailed in para 8.4.2 shall be followed, for accounting the expenditure in the concerned year itself.

8.6.5 In the month of March, the Divisional Officer will send an extra copy of the 'Schedule of Works Expenditure' to his Pay and Accounts Officer who will certify that the total expenditure for the year shown in column 7 against the work concerned is correct, and forward this certified Schedule tothe concerned Pay and Accounts Officer/Accountant General.

8.6.6 Any excess/short payment noticed through post check of the Divisional Accounts, will be communicated by the PAO to the division originating the debit, for rectification of the resultant charge in the subsequent month's account.

8.6.7 The Division originating the debits will be responsible to watch the realisation of the payments from the concerned Pay and Accounts Office/State Accountants General to clear the suspense head in his books.

8.6.8 The Division would also be responsible to ensure that the expenditure incurred on the work does not exceed the administrative approval, technical sanctions and appropriation of funds, either originally sanctioned or subsequently revised.

8.7 The procedure explained above shall be followed for settlement of transactions arising on account of execution of civil works by the other Departments of the Government also that function on the lines of C.P.W.D., and where the Divisional Officers have no cheque drawing powers. The claims in such cases will be subject to pre-check and payment by the P.A.Os on behalf of other Governments/Departments. The modification in such cases will be that instead of operating the minor head "Cash Settlement Suspense Account", the minor head "PAO Suspense" will be operated in their books.

8.8 SETTLEMENT OF DEBITS ON ACCOUNT OF SUPPLIES EFFECTED

SUPPLIES AND DISPOSAL ARRANGED BY THE DEPARTMENT OF SUPPLY.

8.8.1 The Chief Controller of Accounts, Department of Supply and his branch offices at Mumbai, Kolkata, Chennai, etc. have been authorised to recover the cost of stores for which they initially made payments. The above PAOs of Department of Supply will remit directly advise the Reserve Bank of India (C.A.S), Nagpur to effect transfer of funds to the account of that Department from that of State Government, Defence, Railways, Posts and Telecommunications. The following heads of accounts are operated by the Organisation of Chief Controller of Accounts, Department of Supply:

a. 8786-Adjusting of account between Central and State Governments, in respect of supplies to State Governments;
b. 8787-Adjusting of Account with Railways, in respect of supplies to Railways;
c. 8788-Adjusting of Account with Posts, for supplies to Department of Posts;
d. 8789-Adjusting of Account with Defence, for supplies to Defence Ministry; and
e. 8795-Adjusting of Account with Telecommunications, for supplies to Department of Telecommunications.

Note: The banking business of Government s ~~of Jammu and Kashmir and~~ (**C.Slip 2)** Sikkim is not conducted by the Reserve Bank of India. Recoveries on account of supplies to these State Governments will therefore be effected by operating the major Head "8658 - Suspense Accounts - P.A.O. Suspense - Transactions adjustable by ....." and raising of Outward Claim against the Accounts Officer / authority concerned for reimbursement by cheque / bank draft.

8.8.2 The Pay and Accounts Officer, Supply, will send weekly advices to the Central Accounts Section, Reserve Bank of India, Nagpur, and send a copy of the advice duly supported with vouchers and other necessary details to the Accounts Officers of the Department of the consignee concerned. They shall ensure that such advices are sent telegraphically to the Central Accounts Section, Nagpur, so as to reach them by the 15th April or the date specified by RBIin respect of payments effected during the close of a financial year.

8.8.3 In case of any erroneous debit passed on by the Pay and Accounts Officer Supply to any Accounts Officer, the latter may reverse adjustments through the Central Accounts Section of the Reserve Bank of India, Nagpur, by operating the head of account as indicated below -

i. The Accountants General shall operate the relevant remittance head indicated in para 8.8.1 (a) above; and
ii. Railways, Defence, Posts, and Telecommunications Accounts Officers shall operate the Major head 8658-Suspense Accounts-Suspense Account (Railways/Defence/Posts/Telecommunications), Reserve Bank Suspense.

The number and date of the relevant debit advice issued by the Reserve Bank of India (Central Accounts Section, Nagpur) shall be quoted in all such correspondence.

8.8.4 On receipt of the copy of the debit advice from the State Accountants General or Railways/Postal/Defence Accounts Officers, the PAO (Supply), will make the following adjustment in his books:

(a) If the advice is not accompanied with relevant vouchers:

The amount will be debited to the suspense minor head EAT under the relevant functional major

head by contra credit to the minor head `Reserve Bank Suspense - Central Accounts Office'. Subsequently, when vouchers relating to the rejected claims are received, the amount will be debited to the concerned head viz.8786/8787/8788/8789/8795, in case the debit is found to be pertaining to other State Govts./Railways/Posts/Defence Accounts Officers respectively. It will be debited to 8658 Suspense Accounts-PAO Suspense, if the debit is found to be adjustable in the books of other Central Pay and Accounts Officers, by relieving the minor head Expenditure Awaiting Transfer. When the clearance Memo from Reserve Bank of India is received, the minor head "Reserve Bank Suspense - Central Accounts Office" will be cleared by minus credit and contra credit to the Head `8675 - Deposits with Reserve Bank-101-Central (Civil)- Reserve Bank (CAO)'.

(b) If the advice is accompanied with relevant vouchers:

In such cases the amount will be debited to the adjusting heads or to `PAO Suspense' as above, by contra credit to the head `Reserve Bank Suspense-Central Accounts Office'. The Reserve Bank Suspense head will be cleared on receipt of clearance memo from the Reserve Bank of India, Central Accounts Section, by affording contra credit to the head 8675 - Deposits with Reserve Bank – Central Civil-RBI (CAO). The debit will subsequently be raised afresh against the concerned Accounts Officer for both (a) and (b) above, by advising the Central Accounts Section, R.B.I., Nagpur, or by raising an Outward Claim as the case may be.

8.9 SETTLEMENT OF TRANSACTIONS ARISING IN MISSIONS/POSTS ABROAD

8.9.1 In respect of payments made abroad by the Indian Missions, which require cash settlement with other accounts authorities, the Disbursing Officers should send to the Pay and Accounts Officer, Ministry of External Affairs, schedules and vouchers on a weekly basis. This is required to promptly claim reimbursement against it from the concerned accounting authorities.

8.9.2 Transactions of the State Governments taking place abroad shall be settled in cash by the Chief Controller of Accounts, Ministry of External Affairs with the Accountants General of the concerned States. This will be done by operating the head "8658-Suspense Accounts-PAO Suspense-transactions adjustable by. (name of the Accountant General concerned)".

8.10 SETTLEMENT OF DEBITS RELATING TO CUSTOMS DUTY ETC.

8.10.1 The procedure for the realisation of customs duty on goods imported by the various Governments/ Departments has been laid down by the Department of Revenue and Banking.

8.10.2 Under this procedure, there will be no book transfers and the Department importing goods shall pay the customs duty by cheque, drawn in favour of the Chief Accounts Officer of the Customs House concerned.

8.10.3 Customs duty on foreign post, parcels and mail will continue to be collected by the Postal Department in cash/by cheque. The Customs Officers in Foreign Post Offices will do this after assessment of duty payable. A monthly statement of such assessed and collected duty will be prepared by the Foreign Post Office concerned, and sent in duplicate to the Customs Officer in charge of the Foreign Post Office. The Customs Officer shall return one copy to the Post Office after checking / verification, and send the duplicate copy to the Pay and Accounts Office concerned. The Pay & Accounts Officer will watch receipt of the amount from the Director of Accounts (Postal), Nagpur.

(Authority: Para 22.1 and 22.2 of Scheme for Collection of Revenue and Payment of Refunds etc. in the Central Board of Exise and Customs.)

8.11 SUPPLIES MADE BY THE MEDICAL STORES DEPOTS OF MINISTRY OF HEALTH & FAMILY WELFARE TO STATE AND U.T. GOVERNMENTS.

8.11.1 The Ministry of Health & Family Welfare has separately prescribed the procedure for settlement of claims relating to supplies made by the Medical Stores Depots under that Ministry to various Governments, vide Pr.A.O. Min. of Health & F. W. OM No. 25021/1/78-79/CDN/M.S.Depot/1582 dated 25-2-81.

8.12 SETTLEMENT OF TRANSACTIONS BY RAILWAYS/ DEFENCE/POSTS/ TELECOMMUNICATIONS AMONG THEMSELVES ETC.

8.12.1 Transactions between Defence, Railways, and Posts will be settled among themselves by sending advices to the Central Accounts Section, Reserve Bank of India, Nagpur.

8.13 SETTLEMENT OF TRANSACTIONS BY RAILWAYS/DEFENCE/POSTS/TELECOM WITH MINISTRY OF FINANCE.

8.13.1 The following transactions appearing in the books of Railways that require to be credited to Central Revenues under Ministry of Finance, Department of Economic Affairs, will be settled by Railway Board through necessary advice to the Central Accounts Section, Reserve Bank of India, Nagpur.

(a) Dividend payable by Railways in lieu of tax on railway passenger fares every month to Central Revenues, and creditable to Ministry of Finance, Department of Economic Affairs.

(b) Payment of loans to Railways from General Revenues, repayment of loans by Railways including recovery of interest on loans and advances to employees of Railways adjustable by Department of Economic Affairs.

8.14.1 The Controller General of Accounts may authorise Proforma Adjustment through Finance Accounts, i.e. without effecting monetary settlement through the Reserve Bank (Central Accounts Section), on the merits of each case, in the following cases or circumstances:

(a) Cases in which normal mode of settlement is through RBI, CAS, Nagpur i.e.
(i) Settlement between Railways, Posts, Telecommunications and Defence departments inter se; and
(ii) Settlement between Railways and Chief Controller of Accounts of Ministry of Finance Department of Economic Affairs as envisaged in para 8.13.1, in cases where the settlement could not be effected before 15th April or as per date specified by RBI.

(b) Aggregate amount of the transactions to be adjusted between the accounting units is Rs. 5 lakhs and above (gross credit or gross debit).

(c) The proposal reaches the Controller General of Accounts before the prescribed date, in terms of the schedule for closing of annual accounts laid down by the Controller General of Accounts.

8.14.2 The payment of dividends and interest on State Railway Provident Fund balances by the Ministry of Railways to Central Revenues shall therefore be settled on 'proforma' basis outside the books of the Reserve Bank of India. This is because in these cases it is not practically possible to calculate the amount and effect monetary settlement of these transactions before 15th of April each year.

8.15 SETTLEMENT OF TRANSACTIONS BETWEEN CENTRAL GOVERNMENT AND STATE GOVERNMENTS

8.15.1 Monetary settlement will not be resorted for claims up to Rs. 1000 in each case, for transactions on account of supplies made or services rendered by one Government to another. However, for the claims relating to commercial departments/undertakings of a Government, monetary settlement will be carried out, irrespective of the amount involved. The settlement in both the cases will be made through cheque payment.

8.15.2 The procedure for monetary settlement in these cases, for supplies/services to a Central Government Department including Defence, Railways, Posts and Telecommunications besides Civil Ministries will be as given below:

8.15.3 For the settlement of claims, the Central Government Department that received the supplies or services will present a bill along with the accepted invoice to its own Accounts Officer. The Accounts Officer will make the payment by cheque drawn in favour of the concerned officer of the Government that made the supply or provided the services.

8.15.4 In the reverse case, where a Central Government Department rendered the supplies or services, the settlement will be done in cash. The cheques received by it from the State Government that received the supplies will be presented to its Accounts Officer for encashment and credited to the proper head of account. In case the departmental officer is himself in account with a branch of the bank, the cheque will be remitted by him to the bank with a challan showing particulars of the head of account, for credit to Government account.

Note: Ministry of Finance, Department of Economic Affairs O.M. No. F.1(57)-B/74 dated 12.10.1976 also lays down the procedure to be followed for settlement of inter-governmental transactions. This is for inter-governmental transactions (i) between State Governments inter-se, (ii) between State Government on the one hand and Central Government-Railways, Defence, P&T, Civil Ministries/Departments on the other and (iii) between Central Civil Departments/Ministries on the one hand and Railways/Defence/Posts and Telecom Departments on the other. It provides for an additional permissible method of settlement, in cases where the debit does not originate in the books of the concerned Accounts Officers. However, in all cases where the debit for the supply and services (ii and iii above), originate in the books of an Accounts Officer, he shall raise the debit against the Accounts Officer of the department that received the supplies. The Accounts Officer of the department receiving the supplies shall effect necessary settlement by issue of cheque. The prescribed procedure of cash settlement between the executive authorities concerned shall not be applicable in such cases.

8.16.1 The Union Territory Governments will also follow the procedure indicated in para 8.15 for settlement of their inter-governmental transactions arising out of services rendered or supplies made by/to them.

8.17.1 Some miscellaneous receipt and payment transactions viz. payment of interest and repayment of principal on discharge of Central Government securities and pensions including pensions to freedom fighters etc. take place at State treasuries, even at present. These transactions have to be accounted for by the treasuries in the State section of accounts under the head "8658-Suspense Accounts-PAO Suspense-Transactions adjustable by the Pay & Accounts Officer, Department of....." (name of concerned department). The Accountant General of the State is required to pass on the debits for these payments supported by schedules, vouchers etc to the Pay & Accounts Office of the concerned Ministry/ Department, for cash settlement by issue of cheque in the usual manner.

Payments of Central Civil pension at the treasury counters of the Principal Director of Audit (Central), Kolkata are booked under the final head of account in the Central section in their books, and the accounts submitted to the Controller General of Accounts.

8.18.1 Ministries/Departments of Central Government will arrange payment of loans and grants-in- aid as well as payment of States' share of income tax, Union excise duty, etc. through their Principal Accounts Offices.

(i). On receipt of sanction orders from the Ministry/Department, the Principal Accounts Offices will arrange to credit the balance of State Government, (except in the case of ~~Jammu and Kashmir &~~ **(C.S. 2)** Sikkim), by debit to their Ministries/Departments accounts through Reserve Bank of India (C.A.S), Nagpur.

Note: On receipt of sanction for effecting payment of loans/grants etc. to State/UT Governments by the Central Government, the Inter-Governmental Adjustment Advice (IGAA) should be issued to RBI, CAS, Nagpur immediately (in any case within two days at the most) or on the date prescribed for its release in the sanction itself. (inserted vide CS 11)

(ii). The Principal Accounts Officer will pass an entry in his books debiting the appropriate final head of account, (e.g. major heads 3601, 3602, 7601 etc.) and crediting "8658-Suspense Accounts Reserve Bank Suspense-Central Accounts Office". A copy of the advice will be sent to the concerned A.G. or the Chief Accounting Authority of the State also, in cases where the accounts have been separated from audit, to enable necessary adjustment in the accounts of the State Government.
(iii). On receipt of the Clearance Memo from the Central Accounts Section of the Reserve Bank of India, the suspense head mentioned above will be cleared by minus credit and contra credit afforded to "8675-Deposits with Reserve Bank-Central-Civil- RBI (CAO)".
(iv).The Principal Accounts Officer should ensure that the amount shown and debited in the monthly account sent by the Reserve Bank of India tallies with the amount of advice sent by him. For detailed procedure in this connection, refer to Annexure 1 to this Chapter.

8.18.2 Repayment of loans and payment of interest on it by the State Governments (except ~~Jammu and Kashmir and~~ **(C.S.2)** Sikkim) for loans received from the Government of India will be arranged by the State Accountants General or the Chief Accounting Authority of the State. Issue of suitable advice to the Reserve Bank of India (C.A.S.), Nagpur, to credit the account of the Ministry/Department of the Central Government by debiting the State balance, will be resorted to for this purpose.

8.18.3 When State Governments (except ~~Jammu and Kashmir and~~ **(C.S.2)** Sikkim) have to refund unspent amounts of old loans, the payment for it will be arranged by the State Accountants General by issue of advice to Reserve Bank of India(C.A.S., Nagpur) to credit the balances of the Central Ministry/Department by debiting the State balances.

8.18.4 While State Accountants General are not authorised to debit the Central Government by sending advices to the R.B.I. However, as an exception, they have been permitted to withdraw erroneously credited amounts to Central Government towards repayment of loans or interest by advice, through sending of another advice to debit the Central Government account, provided such an advice contains the following certificate-

"Certified that this advice represents the withdrawal of an earlier erroneous credit to the Central Government, by debit to State Government and does not represent withdrawal of payments already made which were due to the Central Government by State Government. Necessary details of earlier erroneous advice(s) now being withdrawn are being furnished to the CCA/CA concerned separately".

8.18.5 The Principal Accounts Offices of the Ministry/Department are responsible for maintenance of detailed accounts of the loans sanctioned by the Central Government to the State Governments and watching the recovery of instalments of principal and interest.

~~**8.18.6** the Reserve Bank of India does not conduct the banking business of the Government of Jammu and Kashmir. For payment of loans/grants to J&K Government, the Principal Accounts Officer of the concerned Ministry/Department will issue crossed 'Account Payee' cheque in favour of the Secretary to the Government of Jammu & Kashmir, Finance Department, on the basis of sanction issued by the competent authority. It will be sent to the branch of the Jammu & Kashmir Bank Ltd., at Baba Kharag Singh Marg, New Delhi for crediting the account of the Jammu & Kashmir Government. Simultaneously, an intimation of payment along with necessary particulars will be sent to the Secretary, Finance Department, Jammu & Kashmir and to the A.G., Jammu & Kashmir. The Jammu & Kashmir Bank's branch at New Delhi will arrange to clear the cheque through usual banking channels and credit the amount to Jammu and Kashmir Government's account.~~

~~**8.18.7** A copy of every sanction order for payment of loan/grant issued by the Ministry/Department may be sent to the Accountant General, J & K, Srinagar/Sr. Dy. A.G., Jammu, by name. This will be sent with full particulars of payment like cheque/bank draft number, letter number and date of remittance of the payment. A check- list of all the sanctions issued and acted upon during each quarter ending June, September, December and March of every financial year will also be sent by name to the authorities as mentioned above, by the 15th of the following month.~~ **(CS 2)**

8.18.6 As the banking business of the Government of Sikkim is also not conducted by the Reserve Bank of India, the payment of loans/grants to the Government of Sikkim will be regulated by the procedure prescribed hereunder:

(a) The Ministries/Departments of the Government of India will send necessary sanctions for payments of grants and loans to the Government of Sikkim to their Principal Accounts Office, and endorse copy of these to the Finance Department of Government of Sikkim and the Accountant General, (Central), Kolkata.

(b) The Principal Accounts Office will make payment to the Government of Sikkim based on the sanction issued by the competent authority. The payment will be made by bank draft in favour of the Secretary, Finance Department, Government of Sikkim, Gangtok, drawn on the State Bank of India. He will send intimation to A.G. (Central) Kolkata regarding the remittance as also the quarterly lists, as laid down in para 8.18.6.

(c) The Principal Accounts Office will account for the transactions under the final head of account.

(d) While forwarding the draft to the Government of Sikkim, the Principal Accounts Office should furnish the full particulars relating to the payment to the Sikkim Government and send a copy to the Accountant General (Central), Kolkata.

8.18.7 As RBI does not operate their account, the system of direct payment will be followed by ~~Jammu and Kashmir and~~ **(CS.2)** Sikkim Governments for repayment of loans and payment of interest. This will be done through bank drafts drawn in favour of the concerned Principal Accounts Officer, or where the former does not operate a drawing account, it will be done through the specified P.A.O.

8.19 ARRANGEMENTS FOR CREDIT TO CENTRAL GOVERNMENT OF INCOME TAX DEDUCTED AT SOURCE (TDS) FROM THE SALARY AND OTHER BILLS OF STATE GOVERNMENTS.

8.19.1 Consequent upon departmentalization of receipt accounts of Union Govt. (Civil), the income tax recoveries will be effected from the bills paid by treasuries/State Government Pay and Accounts Officers/other State Government departmental offices rendering compiled accounts to the Accountants General. They shall be classified under the Minor head "TDS Suspense" below the Major head "8658 Suspense Accounts" in the State Section of accounts. The credit to this head has to be afforded by transfer credit at the time of recording pay order, as per the provisions of Article 19 of Accounting Rules for Treasuries, 1992. These offices should also maintain details of credit to the suspense head as above under the various major, minor and detailed heads of account relating to deductions of income tax at source like "0020","0021",etc.

8.19.2 The Accountant General, will consolidate the amounts thus shown under TDS Suspense by these authorities for the State Circle as a whole, on monthly basis. A cheque for the total amount booked under TDS Suspense shall be sent by him along with the treasury wise break up of TDS on closing the monthly accounts, to the concerned Zonal Accounts Officer. The Accountants General will provide DDO wise quarterly information regarding TDS to the ZAO in the format prescribed in " TDS Book Adjustment Form" in soft copy for uploading to the Tax Information Network. The DDOs of the State Governments will also furnish quarterly returns in Form 24-Q and 26-Q to the Income Tax Department. On receipt of the cheque and its realization through the accredited bank, the Zonal Accounts Officer of the CBDT will straightaway classify the credits to the relevant major, minor and sub-heads of accounts on monthly basis. He will upload credits in TDS Book Adjustment Form in Tax Information Network on quarterly basis. This will be done on the basis of O.M. No. 1(1)/2003/TA/Part-I (3)/706-08 dated 29th October, 2005.

8.19.3 Accounting of income tax deducted at source out of interest on Central Government securities paid at State treasuries.

Payment of interest on Central Government securities can take place at State treasuries even after departmentalization of Union Government Accounts (Civil). The claim for reimbursement on account of this payment shall be prepared by the Accountants General on net basis, i,e. after deduction of income tax deducted at source. The Principal Accounts Officer, Department of Economic Affairs, shall effect the settlement of such claims. The Accountants General are required to furnish the following information to the Principal Accounts Officer, Department of Economic Affairs:

a. Gross amount of the interest paid;
b. Amount of income tax etc. deducted from such payment; and
c. Net amount for which claim is preferred.

8.19.4 On receipt of the above claim, Principal Accounts Officer, Department of Economic Affairs shall reimburse the net amount to the Accountants General. He will credit the income tax deducted at source to the concerned final head of account in his books, after booking the gross amount of interest payment on Central Government securities against the relevant interest head of account.

8.19.5 The income tax deducted at source from State Government securities either at the treasuries or at Public Debt Offices of the Reserve Bank of India, is classified under the suspense head ‘TDS Suspense’ in the State Section of accounts. The procedure prescribed in para 8.19.1 and 8.19.2 above will be applicable for the passing on the credit to the Zonal Accounts Officer of CBDT and its final accounting in his books.

8.20 SPECIAL PROCEDURE FOR SETTLEMENT OF TRANSACTIONS RELATING TO NATIONAL HIGHWAYS.

8.20.1 The following procedure has been laid down in connection with the reimbursement of claims to State Govts./UT Govts. for construction and maintenance of National Highways by them on agency basis:

The Executive Engineers of the State Public Works Divisions will incur the expenditure out of State balances, and then incorporate it in the monthly compiled accounts submitted to the State Accountants General.

(i) On receipt of monthly compiled account from the Divisions, the Accountant General will initially adjust the expenditure in the State section of his books. The applicable head of account being "8658-Suspense Accounts- P.A.O. Suspense-Items adjustable by Pay Accounts Office (NH), Ministry of Road Transport & Highways". After consolidation, the monthly statement of expenditure and receipts if any, on National Highways is sent by the Accountants General to P.A.O. (NH), Ministry of Road Transport & Highways, for claiming reimbursement. This is sent along with all the schedules, vouchers, supporting documents etc.

(ii) On receipt of the monthly statement of receipts and expenditure on National Highways from the Accountant General as stated above, the P.A.O. (NH) in the Office of CCA, Ministry of Road Transport & Highways will exercise the prescribed checks. He will then reimburse the expenditure incurred to the State A.G. concerned by cheque or demand draft.

(iii) The amounts outstanding in the Suspense head 8658 in the books of Accountants General will be cleared on receipt of cheque / demand draft from the Pay & Accounts Office (NH).
(Authority: CAG of India's letter no. 402-AC/192-71 dated 19-3-77.)

8.20.2 For the month of March, the procedure for settlement / reimbursement of transactions relating to National Highways will be as follows:

(i) The Divisions incurring the expenditure on National Highways will telegraphically/fax intimate the figures of weekly expenditure clearly under the Major Heads " 3054" and "5054" (concerned heads of account), to the Accountant General.

(ii) The A.G. will consolidate the figures Major-Head wise on weekly basis, and intimate the same to Pay & Accounts Officer (National Highways), without vouchers.

(iii) The Pay & Accounts Officer (NH) shall settle the claim relating to the first three weeks of March without insisting on the vouchers, by payment through cheque as usual.

(iv) For the expenditure incurred during the fourth week of March, the Accountant General by will send a telegraphic/fax advice to PAO (NH) 29th or 30th of March. The P.A.O. will settle this claim by telegraphic transfer.

(v) There may still be some residual March expenditure that has not been covered by telegraphic/fax advice as mentioned in preceding sub-para. The claim for reimbursement of such residual expenditure shall be preferred by the A.G by 15th April, duly supported by vouchers etc. The Pay & Accounts Officer (NH) will settle this claim also by cheque, as usual. At this stage all the vouchers and supporting documents for the entire claim of March will be sent to PAO (NH), after duly reconciling the claims already preferred with the expenditure booked in the accounts of March. PAO (NH) while making reimbursement will make the necessary re-adjustments if any, under advice to the A.G.

(vi) Pending the receipt of supporting vouchers /schedules from A.G., the payments made by Pay & Accounts Officer (NH) will be adjusted initially under the suspense head " 8658- Suspense Accounts-P.A.O. Suspense". P.A.O. (NH) will clear this head on receipt of the requisite documents by debiting the payments to final head of account before the close of March (Supplementary) accounts.

(vii) The reimbursement sought in connection with maintenance and construction works on National Highway under the Major heads "3054" and "5054" respectively will be invariably indicated in distinct manner, in the weekly / telegraphic advices, sent by the Accountants General.

8.20.3 The accounting procedure prescribed in paras 8.20.1 and 8.20.2 will continue. However, to deal with the problem of late receipt of monthly compiled accounts in some States causing delay in reimbursement of expenditure incurred by the State Public Works Divisions, it will be supplemented by the system of "On-Account" payment to States /Union Territory Governments. On- Account payments will be released in quarterly instalments, on the formal sanctions issued by the Ministry of Road Transport & Highways. Payment for the first quarter will be released soon after the 'Vote -on account' is passed by the Parliament. The fund releases for the second and third quarters will be based on the actual expenditure of the previous quarter as well as the likely expenditure in the succeeding quarter, as reported by the State Governments. The "On Account" release of funds will also take into account the recoveries (actual and likely) from the State Governments under the Major head'"3054-Roads & Bridges-Other Receipts, that relate to recoverable hire charges of Central machinery and equipment from contractors etc. The sanctions will clearly indicate the head of account to which payments are to be debited against the budget provision. All "On-account" payments will be released to the State Governments and Union Territories through Accountants General concerned. It will be done through cheque only and debited by the Pay & Accounts Officer, (National Highways), to the final heads of account viz. 3054-Roads and Bridges and "5054-Roads and Bridges etc. as the case may be.

The State Accountants General will initially credit ‘On- Account’ advance as receipt in their books, under the head "8658-Suspense Account-P.A.O. Suspense". The extent up to which the claim is rendered to Pay & Accounts Officer (NH) by Accountant General, shall be cleared by minus credit to the suspense head. For the first three quarters, advance payment up to 100% of anticipated expenditure after deducting the unspent balance of the previous quarter’s advance, as reported by State Governments shall be made. This will however, be subject to adjustment on receipt of monthly account from the State Accountants General by the R.P.A.O.s, under the normal procedure mentioned in para 8.20.1.

The Regional Pay & Accounts Officer (NH) will maintain register in the form Annexure 1 to this Chapter, to ensure prompt and periodical adjustment of "On Account" payments made. The columns in the register will be opened as per the requirements of the Pay & Accounts Office. For example, the columns relating to adjustment may be opened on the right side of the page in the register, while columns relating to "On Account" payments may be opened on the left side. The registers are required to be closed every month, indicating the total amount of advance paid up to the month in that year, the amount adjusted and the balance outstanding against the relevant heads of account.
[Authority: CCA, Ministry of Transport, Dept. of Surface Transport's letter no. PAO/NH/2/ Revised Accounting Procedure /86-87/2600-17 dated 19-12-86.]

8.20.4 DIRECT PAYMENT PROCEDURE FOR EXECUTION OF NATIONAL HIGHWAY WORKS

I. OLD DIRECT PAYMENT PROCEDURE (1999-2000)

(a). The system of Direct Payment for maintenance work of National Highways and Payment Procedure for World Bank assisted project in Punjab was approved by C&AG of India vide their U.O. No. 725-AC-I/SP-II/16-98dated 15.12.99 for the year 1999-2000 only. This system was introduced in eight States. Under this procedure Regional Officer (NH) was declared as Drawing and Disbursing Officer. All the Supervising Engineers were asked to submit the bills of contractors to the

RO of M/o Road Transport & Highways. He was required to verify the payments and accord necessary approval as per PWD procedure. Thereafter these were to be processed by RPAO (NH) and required to issue cheques in favour of contractors as asked by RO and make necessary entries in his records. The payments were to be restricted as per allocations made by M/o Road Transport & Highways for this purpose. Cheques for agency charges were required to be sent to State Accountant General for credit to the State Account.

(b). The Ministry then decided to introduce the New Direct Payment Procedure in 14 States for all works under the MH 3054 and MH 5054 : C&AG accorded his approval for introduction of this procedure in 14 states w.e.f. 1.11.2000 vide his U.O. No. 547-AC-1/SP-II dated 28.9.2000. It was subsequently approved by CGA vide U.O. No. 9(9)/91/TA/Pt./617 dated 29.9.2000.

II. NEW DIRECT PAYMENT PROCEDURE

(a). The C&AG has accorded approval for the implementation of Direct Payment Procedure (DPP) in all the States vide letter No. 422-AC-I/SP-I/23-2001 dated 9.10.03. The DPP has accordingly been implemented in all the states w.e.f. 1.4.2004. The State PWD will continue to execute various schemes of Central Government on National Highways as entrusted to them and passing through their respective states will continue to be treated as agent to Central Government and will also continue to be responsible for contractual liability.

(b). Under this procedure, the Regional Officer (National Highways), M/o Road Transport & Highways will be the Drawing and Disbursing Officer for all payments and receipts relating to National Highways. The Supervising Engineer (Executing Engineer or Asstt. Engineer) will seek payment from the RPAO (NH) through the Regional Officer (NH). The Supervising Engineer will submit claims of contractors or of their own department, if some work has been undertaken departmentally, duly verified and certified to the Regional Officer (NH) for payment instead of going through State Treasury and State Accountants General. The Regional Officer (NH) in turn, after applying necessary checks as prescribed in the preceding paras, pass on the bills to the Regional Pay & Accounts Officer (National Highways) for processing and issue of cheques / Demand Drafts. If some claims are deficient in any respect, the same will be returned to the Supervising Engineer through the R.O. for doing the needful. On compliance of the observations raised by RPAO (NH) the Supervising Engineer will re-submit the claim for payments through R.O. (NH). On receipt of the cheques from RPAO (NH) the same will be entered in the cheque delivery register by the division. Supervisor will ensure proper acknowledgement of payment released to the contractors / parties / individuals. The division will maintain deposit Register, while Executive Engineer will make the entries while making payment of refund of Security Deposit. It will be certified by Executive Engineer that necessary entries in this regard have been made in the register.

©. In the New Direct Payment system, all receipts pertaining to National Highways will also be deposited with the RPAO (NH) by means of Cheque / Demand Draft, and RPAO (NH) will issue a receipt for this purpose.

The following items will form part of National Highways Receipts:

1. Sale proceeds of Tender Documents;
2. Sale proceeds of empty bitumen drums and cement bags;
3. Road cutting charges;
4. Sale proceeds of forest products;
5. Receipts from Telecommunication Department; and
6. Misc. receipts.

(d). The State PW Divisions will continue to maintain the same records for submission of bills to RPAO (NH) as is being done in the reimbursement procedure. (As prescribed in CPWD Manual Vol. II, CPWD Code, and CPWA Code etc.). They will also continue to submit the claims of the contractors in the prescribed format as was being done in the previous system.

(e). Under this procedure the Regional Officer (National Highways) has been declared as the Drawing & Disbursing Officer to arrange payments to State PWDS for incurring expenditure on National Highways. All Supervising officers/ Executive Engineers/ Project Directors of State PWD will submit the claims of contractors /department to the Regional Officer (NH), M/o Road Transport & Highways in the applicable bill forms for seeking payment from RPAO. The powers to amend the procedure for payment, accounting and change or addition in formats, modifications if any, in the responsibilities of the Regional Officers, Regional Pay & Accounts Officer (NH) and State PW Divisions will rest with Ministry of Road Transport & Highways and the same will be done with the approval of CGA and C&AG. The clarification on any point in the said procedure will be given by the PAO (NH) Headquarters, CCA, Ministry of RTH, New Delhi. This will be binding on ROs and RPAOs (NH) and State P.W. Divisions who have opted for the New Direct Payment Procedure.

III. RESPONSIBILITIES OF REGIONAL OFFICERS (NH) MINISTRY OF ROAD TRANSPORT & HIGHWAYS

(a). In the new procedure of Direct Payment, the Regional Officers will execute and perform the duties of DDO as prescribed in CPWA Code/Receipts & Payment Rules/GFR/CAM and relevant rules prescribed by G.O.I. as is applicable. He will receive the bills in duplicate from the Divisions for arranging Payments to contractors / divisions. After applying the prescribed checks as detailed below, he will sign the bill in the capacity of DDO and send it to the RPAO (NH) for processing and issue of cheques. RO will maintain a Bill Register in the prescribed proforma.
R.O. should enter the bill details in the Bill Register and enter the bill No. & date on right hand corner on the first page of the Bill. He will also record the classification on the Bill. Before sending the bill to RPAO, RO should make the entry of the bill in Job Register / Expenditure Control Register.

(b) R.O. will also be responsible to countersign the certificates received with the bill from PWD Divisions, and on receipt of the cheques / DD from the RPAO office, RO should enter the number of cheque / DD in the Bill Register. He will also enter these cheques / DD details in the cheque Delivered Register to be maintained in the prescribed format. R.O. should watch for proper acknowledgement from the party and ensure to get the stamped receipt from the payee, and it will be his responsibility to issue proper TDS Certificates to the concerned parties as well as to concerned Govt. agencies.

©. R.O. will ensure that all bills are in prescribed formats and the supervising Engineer has exercised all checks as required under rules and recorded relevant certificates required of him. He will also be responsible to ensure compliance on the observations made on bills returned by the RPAO (NH), and ensure that Division conducts the reconciliation of expenditure with the figures / records being maintained in RPAO (NH). R.O. will also depute an official and reconcile the figures with RPAO on a monthly basis. In case of discrepancy if any, they will be settled on month-to-month basis.

The following checks are to be applied by the R.O. while examining the bills received fromPWD (NH) Division-

1. That the Expenditure relates to National Highway Work;
2. That the bill is in prescribed printed form & supported with all necessary documents;
3. That the expenditure is for a sanctioned job;
4. That the expenditure is covered with proper financial sanction and has

technical & Administrative approval of the M/o Road Transport & Highways, New Delhi;

5. That all the recoveries have been made as per rule;
6. That the necessary entries have been made in the Measurement Book;
7. The rates are as per agreement;
8. That the necessary certificates prescribed by the D.G.Road, M/o Road Transpot & Highways, New Delhi are attached with the bill; and
9. That the expenditure is within the budget allotment.

IV. RESPONSIBILITIES OF RPAO'S IN THE NEW DIRECT PAYMENT PROCEDURE

(a). On receipt of bills from Divisions duly verified and certified by the Regional Officer, the RPAO will process all the bills with reference to the sanctioned estimates, Revised Estimates, Budget allocations and other financial and administrative sanctions. He will see that vouchers, invoices, schedules etc in prescribed formats duly support bills, and that it is complete in all respects. He will also see that all statements wherever necessary are attached with the bill and duly signed and as prescribed in departmental codes (CPWD-Manual, CPWA Code). After completing all checks as required under GFRs, Receipts and Payment Rules CTRs, CPWD Manual Vol. II, CPW Account Code, Delegation of Financial Powers and Civil Accounts Manual etc, he will pass the bill and make necessary entries of expenditure in relevant registers. He will then prepare cheque / DD from accredited Bank of M/o Road Transport & Highways for the amount and pass it on to the RO for onward transmission to the Divisions. Cheques relating to Agency Charges will contain all necessary details of the bill. Various recoveries to be remitted to the State will be paid through cheque by PAO and cheque will be sent to Supervising Engineer of PWD through R.O.

(b). Thereafter, RPAO (NH) will compile the accounts of these payments and book the expenditure against the relevant head of Account and send consolidated Accounts to Headquarters. He will also ensure that the expenditure does not exceed budget grant, approved estimates and that the expenditure pertains to National Highways. RPAO (NH) will also account for all receipts received from Divisions on account of sale of tender forms, forest produce, empty drums and bags, road cutting charges and Telecom department charges etc and account them against relevant receipt heads.

©. RPAO (NH) will return all such claims that are deficient of supporting documents, copy of sanction, sanctioned estimates, or not submitted in prescribed format to the R.O., for getting the deficiencies rectified through the State P.W.Division. He will also assist the Supervising Engineer in reconciliation of expenditure figures with that being maintained in his office. RPAO will maintain the following registers for payment and accounts:

1. Job-wise/Expenditure Control Register;
2. Payment Register – Form CAM 9;
3. Compilation Register – Form CAM 33; and
4. Cheque Delivered Register.

RPAO (NH) will also maintain all other registers as being maintained now in the reimbursement procedure, namely:

A. Sanctions of Contracts; and
B. Register of Order of Special Recoveries.

Income Tax including Surcharge, if any, deducted at source will be booked to the final head of account by RPAO in his books. Separate Cheque will be prepared by RPAO for Sales Tax, (Surcharge, if any), Royalty or any other tax/duty/levy due to State Government and it will be sent through Supervising Engineer of State PWD through R.O. These cheques will be issued on a fortnightly basis by PAO along with a schedule showing details of amounts deducted from the bills.

V. Accounting of Agency Charges

(a). The cheque for agency charges for executing the work of National Highways will be sent by RPAO directly to the State Accountant General for credit to the accounts of the State Government on a fortnightly basis along with schedule showing the details of the bills. The Supervising Engineer will also send a monthly statement of Bills and Payments received from RPAO (NH) to the State Accountants General so as to enable him to calculate the amount of the agency charges due to the State, and endorse a copy of the statement to the concerned PAO.
The Supervising Engineer will be required to reconcile the details of expenditure being booked in his office with that in the R.O. on month-to-month basis. This reconciliation work should not be postponed. If there is any discrepancy between the two sets of figures, Division will depute an official to reconcile the same with the RPAO (NH).

(b). The Supervising Engineer will ensure that all claims are duly supported by proper sanction of Ministry of Road Transport & Highways, and that there exists an approved and sanctioned estimate of the project for which bills are being submitted to RPAO (NH) for payment. He will also ensure that budget allocation for the financial year is available. The charge is rightly debitable to the National Highways. He will exercise all checks as prescribed in this system and as required of him under CPWD Manual II, CPWD Account Code, other Departmental Regulations, Delegation of financial power, etc. He will also append all Certificates with the bill as prescribed in this system. He will be responsible for factually correct and timely submission of bills to RPAO (NH) through the Regional Officer. He will be accountable to the Drawing & Disbursing Officer for all payments and receipts.

8.21 TRANSACTIONS RELATING TO PAYMENT OF LOANS/GRANTS BY CENTRAL GOVERNMENT TO UNION TERRITORY GOVERNMENTS (WITH LEGISLATURE)

8.21.1 Even though the Union Territory Governments with legislature have separate Consolidated Funds of their own, they do not have separate balances with the Reserve Bank of India. The procedure in para 8.18.1 above therefore does not apply to them, and normal procedure of settlement in cash will be followed for the payment of loans and grants, repayment of loans and payment of interest, as described below.

(i) The Ministries/Departments of the Government of India will address the sanctions relating to payment of grants/loans to the Union Territory Governments with Legislature, to their Principal Accounts Office. They will also endorse its copy to the concerned Finance Secretary and Accounts Officer/Director of Accounts of the Union Territory Government.

(ii) The Principal Accounts Office of the Ministry/Department will make the payment to the Union Territory Governments on the basis of the sanction through a cheque drawn in favour of Pay and Accounts Officer or Director of Accounts as the case may be, of the concerned Union Territory. The Principal Accounts Office should furnish full particulars relating to the payment and endorse a copy of the forwarding letter to the Finance Secretary of the concerned Union Territory Government. The Principal Accounts Officer will account for the payments under the concerned grants-in-aid/loan head of account.

(iii) On receipt of the cheque, the Accounts Officer of the Union Territory Government will take immediate action to credit it into the bank, and account for the receipt under the concerned head in their books. The receipt of the cheque shall be promptly acknowledged.

8.21.2 The Accounts Officers of the Union Territory Governments will be responsible for initiating action for repayment of loans and advances and payment of interest. These payments will be arranged by sending cheques in favour of the Principal Accounts Officer of the Ministry/Department

that sanctioned the loan. For this, the designation and address of the Principal Accounts Officer in whose favour the cheque shall be drawn will be communicated by the concerned Ministry/Department, to the Accounts Officers of the U.T Governments. On receipt of the cheque the Principal Accounts Officer will send it immediately to the bank for credit to the Government account. When the bank scroll is received, credit will be afforded to the loan/interest heads.

8.21.3 If the amount involved for payment of loan or grant is substantial, being over Rs. 1 crore, a slightly modified procedure will be followed. In place of sending demand draft, the Principal Accounts Officer of the Ministry/Department sanctioning the loan or grant will advise Reserve Bank of India, New Delhi, to transfer the amount by telegraphic transfer to the bank account of the concerned Union Territory Government, at their headquarters. Specific instruction will be given to ensure that the debit to the account of the Ministry and credit to the Government account takes place with the least possible time lag. The Union Territory Governments will follow similar procedure for repayment of amounts involving more than Rs. 1 crore. The underlying intention behind this arrangement being that, since both the debits and credits are taken ultimately to the Central Government cash balance, the transfer will not deplete the cash balance until the receiving bank affords credit to Government account.

8.21.4 The Principal Accounts Offices of the Ministry/Department are responsible for maintaining detailed accounts of the loans sanctioned by the Central Government to Union Territory Governments, and watching the recovery of instalments of principal and interest.

8.21.5 Procedure stated in paras 8.19.3 to 8.19.5 above will also be applicable to the Union Territory Governments and Union Territory Administrations, whose accounts have not been separated except that Minor head "TDS Suspense" below the major head "8658-Suspense Accounts" shall be operated in the Central Section of the books of the Accountant General.

8.22 PROCEDURE FOR DRAWING BY UNION TERRITORY ADMINISTRATIONS AGAINST DEMANDS FOR GRANTS OF CENTRAL MINISTRIES/DEPARTMENTS (OTHER THAN THE AREA DEMAND) FOR WHICH PROVISION DOES NOT EXIST IN THE UNION TERRITORY BUDGET, AND CASH SETTLEMENT FOR IT.

8.22.1 Government of India does not give Loans or grants to the Union Territory Administration under the head 3601. For them, budget provision is made by the Ministries/Departments under the relevant functional major heads in the Revenue and Capital sections of the Demands for Grants. The relevant departmental officers have been authorized to incur expenditure against these heads in the Demands for Grants. In such cases, each withdrawal by the departmental officer of the Union Territory Administration shall be on the basis of the administrative approval and expenditure sanction accorded by the main Ministry/ Department concerned.

On the basis of such sanctions and administrative approvals, in cases where the accounts of Union Territory Administrations have not been separated, the concerned Accountant General will classify the transactions as debit to the head "8658-Suspense Accounts-PAO Suspense-Transactions adjustable by the ....." quoting reference to the sanctions accorded by the Central Ministry/Department for enabling the withdrawal. The Accountant General will claim reimbursement from the Pay and Accounts Officer of the Ministry/Department concerned in the usual manner, and clear the suspense head on realization of the cheque.

8.22.2 In the case of Union Territory Administrations whose accounts have already been separated, the Pay & Accounts Officer of the concerned Central Ministry / Department will book the expenditure directly against the Demands for Grants of the Ministry/Department, by adopting the procedure prescribed in para 8.5 above.

8.23 PROCEDURE FOR ADJUSTMENT OF ITEMS OF CENTRAL CIVIL RECEIPTS/EXPENDITURE ARISING IN THE BOOKS OF POSTS, TELECOMMUNICATIONS, RAILWAYS AND DEFENCE.

8.23.1 In respect of transactions for which the relevant Civil Ministry/Department do not have to maintain detailed individual wise accounts of the receipts and payments, they will be finally accounted for under the concerned Major etc. (Civil) heads of account in the books of Posts, Telecommunications, Railways and Defence Departments. Such transactions may arise in connection with any scheme/subject etc. applicable to all the employees of the Government of India, including civilians paid out of Defence Estimates, Posts or Telecommunications. The following heads are a few examples of this type of transaction-0020-Corporation Tax; 0021-Taxes on Income other than Corporation Tax; 2047-Other Fiscal Services; 2049-Interest payments and 7610-Loans to Government servants, etc.

Note- However, even though individual account is maintained in the cases of licence fee for Government quarters that are a part of the General Pool accommodation managed by the Director of Estates, no monetary settlement is to be effected. Such recoveries are required to be booked directly against the final head in the books of Posts/Telecommunications/ Railways Departments.

[Authority: Principal Accounts Office, Min. of Urban Development, New Delhi's OM No. G- 25011/1/91-92/ Pr.A.O./ T&C/293 -98 dated 9th April, 92.]

8.23.2 The receipts and payments relating to civil estimates under the Major Heads 0059 - Public Works, 0075 - Misc. General Services, 0210 - Medical and Public Health; 0216 - Housing, 2052 - Sectt. General Services, 2059 - Public Works, 2216 - Housing, 4059 - Capital Outlay on Public Works and 4216 - Capital Outlay on Housing shall be adjusted to the final head in the books of the Defence Department, without any monetary settlement with the concerned Civil accounting authority. The authority consolidating the accounts of these departments shall render a monthly statement of receipts and payments including progressive figures for the financial year to the Accounting Authority of the concerned Ministry. The same shall be sent to the Controller of Accounts of the Ministry/Department concerned along with the details of scheme/subject. While submitting the monthly accounts, the figures under the relevant minor/ sub-head will also be furnished to the C.G.A organization. Following are a few examples- the statements in respect of Corporation Tax and Income Tax recoveries are to be rendered to the Pr.CCA, C.B.D.T, and receipts/payments under Government Employees' Insurance Scheme under Major Heads 0235 and 2235 or Loans to Government servants under Major Head 7610 will be rendered to C.C.A. Ministry of Finance. The budget forecast for the receipt and expenditure based on actual figures will be furnished by Postal Board, Telecom Board and F.A. Defence, to the respective Civil Ministry/Department in connection with the preparation of Budget Estimates and Revised Estimates as well as for the administration/control of the relevant composite Demand for Grant. The accounting authority in the Central Civil Ministry/Department is required to watch the receipt of such monthly/annual statements. He shall consider these reported figures for calculating the expenditure figures, and preparation and finalization of Appropriation Accounts for the relevant Demands for Grants under his accounting control.

ANNEXURES TO CHAPTER - 8

ANNEXURE 1
(Refer para 8.18.1)

DETAILED INSTRUCTIONS IN REGARD TO THE PROCEDURAL ASPECTS RELATING TO ACTION IN THE MINISTRY/DEPARTMENT AND THEIR PRINCIPAL ACCOUNTS OFFICES AND ACCOUNTANTS GENERAL OFFICES

A.- Payment of loans/grants to State Governments by the Central Government

(i) The Ministries/Departments of the Government of India should endorse copies of the sanctions for payment of loans and grants to the state Governments, to the Principal Accounts Officer of the Ministry/Department. Finance Department of the State and the A.G. of the State Government concerned.

(ii) On receipt of the sanction, the Principal Accounts Officer of the Ministry/Department concerned would directly advise the Central Accounts Section of the Reserve Bank of India, Nagpur immediately (in any case within two days at the most) for crediting the balance of the State Government by debit to the balance of the Central Government. Simultaneously the Principal Accounts Officer will pass an entry in his books debiting the appropriate final head of Account e.g. Major Heads 3601, 7601 etc. and crediting "8658-Suspense Accounts-Central Accounts Office R.B. Suspense". Such advices may be sent by Fax followed by post copies through Speed Post on the same or next day of advice.

(iii) A copy of the advice at (ii) above alongwith a copy of the sanction should be sent by the Principal Accounts Officer of the Ministry/Department to the Deputy Accountant General by name and the Finance Departments of the State Government concerned. Full particulars, i.e. the no. and date of the sanction, the scheme for which loan/grant etc. has been sanctioned, amount etc. should be indicated clearly in the advice.

(iv) On receipt of the advice from the Principal Accounts Officer of the Ministry/Department in Central Accounts Section, Nagpur, the Reserve Bank of India will credit the balance of the concerned State Government and pass on the debit through the Reserve Bank of India Central Account to the office of the RBI maintaining the accounts of the Ministry/Department, giving reference to the no. and date of the advice. Copies of the clearance memorandum after making the adjustments should be sent by the Central Accounts Section of the RBI, Nagpur to the concerned State Accountant General and to the Principal Accounts Officer of the Ministry/Department concerned, giving particulars of the advice on the basis of which the adjustments have been carried out.

(v) On receipt of the clearance memorandum from the Central Accounts section of the Reserve Bank of India, Nagpur the Suspense Head mentioned at (ii) above will be cleared by the Principal accounts Officer of the Ministry/Department by minus credit by per contra credit to the head `8675 Deposits with Reserve Bank-Central-Civil-Reserve Bank-Central Accounts Office'.

(vi) The office of the Reserve Bank of India maintaining the accounts of the Ministry/Department, will include the debit advised by the Central Accounts Section of the Reserve Bank of India, Nagpur as a distinct item in the monthly statement sent to the Principal Accounts Officer. The Principal Accounts Officer should ensure that the amount debited in the monthly account sent by the R.B.I. tallies with the amount of the advice sent by him to the Central Accounts section of the R.B.I. at Nagpur. CCA/C.A. should also review the Register of Advices maintained by Pr. Accounts Office on 10th of each month.
(Authority:-Ministry of Finance (Deptt. of Exp.) O.M. NO. F2(45)/76-SC dated 22-2-1977 on file No. T-14013/1/78/MFCGA/Codes).

Note:- "The procedure for release of ways and means advance by the Plan Finance Division of the Ministry of finance to the State Governments has been discontinued and from the financial year 1977-78 onwards the Ministries themselves will release funds to the State Governments directly for the centrally sponsored schemes and others administered by them and maintain all the necessary accounts. As the Ministries, themselves will be directly releasing the funds to the State Governments, their Principal Accounts Officers would arrange to make the payment of loans and grants on this account also in accordance with the procedure prescribed in the Ministry of Finance, Deptt. of expenditure Special cell O.M. No. F.2(45)/76-Special Cell dated 22-2-77 reproduced as Para A above).
(Authority:-MOF (DE) O.M. No. 10 (1)-PFI/76 dated 22.1.1977 and G-26035/1/77-MF-CGA dated 17.5.1977 on file No. T-14013/6/78/MF-CGA/Codes).

B.- Repayment of Loans and payment of interest thereon by State Governments in respect of Loans from Central Government

(i) The Accountant General of the concerned State Governments will as before arrange for such payments on the due dates by issuing advice to the Central Accounts Section of the R.B.I. at Nagpur for crediting the balance of the Central Government by debit to the balance of the State Governments concerned.

(ii) The advices sent by the State Accountants General to the Reserve Bank of India should clearly indicate the name of the Ministry and Department and the Principal Accounts Officer, in whose books the amounts are creditable. Copies of the advices sent by the Accountants General to the Central Accounts Section of the R.B.I. should invariably be endorsed to the Principal Accounts Officer of the Central Ministry/Department in whose accounts the amounts are adjustable, as indicated in the form given below together with a statement, giving the following information.

i. No. and date of the sanction for the original Loan
ii. Amount of the Loan.
iii. Rate of interest applicable.
iv. Repayment of Principal.

    a. Date on which due;
    b. Amount of repayment;
    c. Reasons for delay, if any.

v. Payment of interest. (a) Date on which due;

(b) Amount paid and rate at which calculated;

(c) Reasons for delay, if any.

(iii) On receipt of the advice from the Accountant General, the Central Accounts Section of the R.B.I. will debit the balance of the concerned State Government and pass on the credit to Central Government through the Reserve Bank of India Central Account to the Office of the Reserve Bank of India maintaining the account of the Ministry/Department concerned, supported by full particulars relating to the advice. A copy of the clearance memo after making the adjustment should also be sent to the Principal Accounts Officer of the Ministry/Department concerned supported by full particulars relating to the advice.

(iv) On receipt of the copy of the advice from the AG referred to in para (ii) above, the Principal Accounts Officer will take credit under the appropriate loan/interest head by contra debit to Reserve Bank Suspense. On receipt of the clearance memo from the R.B.I. the Principal Accounts Officer should link it with the copy of the advice received from the Accountant General and clear the

suspense head by per contra debit to the head 8675-Deposits with Reserve bank-Central-Civil-(CAS)."

(v) The office of the Reserve Bank of India maintaining the accounts of the Ministries/Departments will include the credit passed on by the Central Accounts Section in the periodical statements of accounts rendered to the Principal Accounts Officer. It should be ensured by the Principal Accounts Officer that the relevant credits appear in these statements as early as possible after receipt of clearance memo form the central Accounts Section.

(vi) Though the State Accountants General will be initiating action as above for repayment of loans and advances and payment of interest, the Principal Accounts Officer of respective lending Ministries/departments, will be responsible for maintaining necessary loan ledgers and ensuring that the central loans and advances to the states are repaid in the manner prescribed on due dates and payment of instalments of interest are also made correctly and on due dates. The detailed accounts of the loans will be kept by the Principal Accounts Officers as required in para 8.18.5 of this chapter. Cases of default or delay in repayment of loans or payment of interest should be promptly taken up with the Governments concerned. The position should also be reported to the Controller General of Accounts, Ministry of Finance in such form and at such intervals as may be prescribed by him. [Authority:- MOF (Department of Expenditure) O.M. No. F. 2(45)/76-Special Cell dated 11-1-1979 on File No. T-14013/1/78-MF-CGA/Codes]

TABLE

(See Part 'B' above)

Nature of loan	**Central Ministry/Department in whose accounts repayments of Principal and interest are to be adjusted.**
A. In respect of loans as were outstanding at the end of 1978-79	
(a) Consolidated Rehabilitation Scholarship loans	(i) Department of Rehabilitation in respect of loans for relief and rehabilitation of displaced persons, repatriates etc. (ii) Ministry of Education and Social Welfare in respect of loans under National Loan Scholarship Scheme. (iii) Department of Revenue and Banking (Revenue Wing) in respect of loans for relief of displaced gold smiths.
(b) Other Consolidated loans	Ministry of Finance, Department of Economic Affairs.
(c) Loans against net collection of Small Savings collections	Ministry of Finance, Department of Economic Affairs.
(d) Other Loans (i) Bhakra Nangal Project (ii) Hira Kund Stage-I (Orissa)	Ministry of Energy (Department of Power)
B. In respect of loans sanctioned in 1979-80 or thereafter	
(e) Various categories of Plan/Non-Plan loans and Ways and Means Advance	Ministry/Department which sanctioned the loans and advances

CHAPTER 9
RECOVERIES, PAYMENTS AND ACCOUNTING FUNCTIONS ARISING IN RESPECT OF CENTRAL GOVERNMENT EMPLOYEES SENT ON FOREIGN SERVICE/DEPUTATION

9.1 INTRODUCTORY

9.1.1 Foreign service means service in which a Government servant receives his pay with the sanction of Government from any source other than the Consolidated Fund of India or Consolidated Fund of a State or Consolidated Fund of a Union Territory. [F.R.9(7)]

9.1.2 Foreign Service is mainly distinguished between 'Foreign Service in India' and 'Foreign Service out of India' depending on whether the employer is in or out of India. The country of employment however does not alter the character of foreign service.

9.1.3 Deputation of Government servants on foreign service terms to Public Sector Undertakings / autonomous bodies based on circulars, requests or Public advertisements etc. is ordinarily not permissible. However, provisions for certain exceptions exist on the needs of the borrowing organizations concerned. As such, cases of deputation on foreign service to Public Sector Undertakings / autonomous bodies must be ensured to be in accordance with the Government orders on the subject, issued from time to time.

9.2 PENSION/LEAVE SALARY CONTRIBUTIONS

9.2.1 While a Government servant is in foreign service the contribution towards his cost of pension must be paid to the General Revenues of the Government on his behalf. If the foreign service is in India the contributions on account of the cost of leave salary must also be paid. Pension and Leave Salary contributions are payable in whole rupees and fractions of a rupee equal to 50 paise or more shall be rounded off to the next rupee.

The Government servant shall himself shall pay the contributions as above, unless his foreign employer gives consent to pay them. They shall not be payable during leave while on foreign service.[FR.115(c)]

The contributions for leave salary and pension in respect of a government servant on foreign service may be paid annually within fifteen days from the end of each financial year or at the end of the foreign service, if the deputation on foreign service expires before the end of financial year, and if the payment is not made within this period, interest on the unpaid contribution must be paid to government, unless specifically remitted by the President. The interest will be paid at the rate of two paise per day per Rs.100/- from the date of expiry of the above period up to the date on which the contribution is finally paid. The government servant or the foreign employer will pay for the interest in the same way as they make payment for the contributions.

9.2.2 ~~PAY/DEARNESS PAY TO BE RECKONED FOR CALCULATION OF LEAVE SALARY/PENSION CONTRIBUTIONS~~

~~Pension contributions should be based on the maximum of the pay, as defined in Rule 9(21)(a)(i) of the Fundamental Rules, of the post held by the Government servant in his parent department at the time of his proceeding on Foreign Service and the Proforma promotion that he may get while on foreign service.~~

Pension contributions should be based on the basic pay in the level (in Pay Matrix) of the post held by him/her at the time of proceeding on foreign service and the Proforma promotion/financial upgradation that he may get while on foreign service plus DA admissible on such basic pay during foreign service. (CS 14)

9.2.3 ~~The rates of pension contribution payable during foreign service are governed by the Ministryof Finance , Department of Expenditure O.M. no. F-3(39)-e(3)/81 dated 29th July 1982 as detailed in Annexure "A". The pension contribution payable in respect of a government servant during the active period of his foreign service will be based on the maximum of the pay as defined in para 9.2.2 plus the dearness pay, NPA etc. However, whenever dearness allowance and additional dearness allowance etc. are ordered for treating as pay for calculation of average emoluments for pension, the same shall be reckoned for pension contributions on account of foreign service.~~

The rates of monthly contribution of pension during the active period of Foreign Service are as follows:

(i) Employees covered under the Old Defined Benefit Pension Scheme

a) For the period from 1.1.2016 to 31.3.2019: @14%
b) For the period from 1.4,2019 onwards: @18%

(ii) Employees covered under the NPS

a) For the period from 1.1.2016 to 31.3.2019: @ 24% (i.e. employee's contribution @ 10%, employer's contribution @ 10% and contribution by employer for gratuity @ 4%).

b) For the period from 1.4,2019 onwards: @ 28% (ie. employee's contribution @ 10%, employer's contribution @ 14%, and contribution by employer for gratuity @ 4%.)

Note: For the earlier period, the pension contributions will be as per extant orders i.e. the order in force during period prior to 01.01.2016 from time to time.

Authority: - DoPT OM No. 2/9/2017- Estt.(Pay-II) dated 9th Oct., 2020. (CS 14)

9.3 MAINTENANCE OF LEAVE ACCOUNT, GRANT OF LEAVE AND LEAVE SALARY PAYMENTS ETC. WHILE ON FOREIGN SERVICE

9.3.1 The proforma leave account of the concerned Government servant has to be maintained by the foreign employer. For this purpose, the head of office of the parent department shall supply an extract of the leave account to him. The foreign employer will determine the leave admissible to the Government servant and sanction it under intimation to the head of office and the Pay and Accounts Officer, apart from arranging payment for the leave salary to the official. The foreign employer shall claim reimbursement of the leave salary so paid at half -yearly intervals by sending necessary claims to the head of office, indicating details of the official on foreign service, nature and period of the leave sanctioned, rate of leave salary and amount of leave salary paid. This statement shall be sent for the period ending 30th September and 31st March of each year. The Head of Office shall verify the claims preferred by the foreign employer and arrange to reimburse the amount by means of a cheque or bank draft within a month of receipt of the claim, by submitting a bill to the Pay and Accounts Officer concerned.

9.3.2 The monthly rate of leave salary contribution in respect of all class of Government servants including group 'D' officials is governed by the Central Civil Service (Leave) Rules, and is applicable at 11% of pay drawn in foreign service.

Note: If the foreign employer pays these contributions, the leave salary contribution shall be at 11% percent of the pay actually drawn in foreign service. If the government servant himself pays the contributions, the leave salary contribution will be calculated on the net pay drawn during foreign service. The 'Net pay' in this case implies the balance pay after meeting the pension and leave salary contributions. In such cases, an element of compensation is taken into account for both the contributions before calculating the percentage for leave salary contribution, and is not applicable directly on the actual pay drawn during foreign service.

The following formulae will be applied in each of the three possible situations :

(A) Where the pension contribution alone is paid by the government servant:

Leave Salary Contribution = (Pay actually drawn – Pension contribution payable) X Rate of leave salary contribution payable/100;

(B) Where **the leave salary contribution alone is payable by the government servant:**

Leave Salary Contribution = Pay actually drawn X Rate of leave salary contribution payable /(100 + Rate of leave salary contribution payable);

(C) Where **both pension and leave salary contributions are payable by the government servant:**

Leave Salary Contribution = (Pay actually drawn - Pension contribution payable) X Rate of leave salary contribution payable /(100 + Rate of leave salary contribution payable).

9.3.3 Incidence of compensatory allowance payable for leave taken while on foreign service.

The entire expenditure for any compensatory allowance(s) for the period of leave taken by a government servant during or at the end of foreign service shall be borne by the Foreign Employer. The conditions of compensatory allowance shall be specifically incorporated in the terms of foreign service mutually settled by the government department and the autonomous body etc. However, dearness allowance on leave salary payable to a government servant who retires or dies in harness during foreign service shall be paid to him or his legal heirs by the parent department. It will be part of cash equivalent of leave salary of un-utilized leave admissible to him/her at the time of his/her retirement/demise.

[Authority (i) Ministry of Finance (Deptt. of Expenditure) O.M.No.F8 (4)-E.III/79 Dated 25.1.1980 & of even No. /82 Dated 10.1.1983.

(ii) Ministry of Finance (Deptt. of Expdr.) O.M. No. 21011/21/81- E.II (B) Dated 10.8.1981.]

9.4 PAY AND ACCOUNTS OFFICE SPECIFIED FOR THE PURPOSE

9.4.1 There will be a "specified" Pay and Accounts Office with assigned responsibilities relating to various payments and/or accounting functions relating to Central Government employees, during foreign service or deputation to State Governments, Defence, Railways, Department of Posts, Department of Telecommunications, and Union Territory Governments/ Administrations. The specified PAOs have been indicated in the following sub-paras.

(I) The Pay and Accounts Office of the concerned parent Ministry/Department in respect of employees belonging to any particular Ministry/Department, but not borne on a Centrally administered cadre. The corresponding DDO will be assigned the matters relating to DDO's responsibilities.

Note 1: An employee may proceed directly on foreign service or another deputation while already being on deputation to another Central (Civil) Ministry/Department, without actually reverting to the parent Ministry/Department. In such cases, he shall be deemed to have notionally reverted to the parent Ministry/Department before proceeding on the foreign Service/deputation, for the purposes of these provisions.

(II) PAO of the Ministry/Department in which the Officer served before proceeding on foreign service deputation, for an officer belonging to a Centrally administered cadre, such as Indian Civil Accounts Service and Indian Economic Service etc. The corresponding D.D.O may be assigned the matters relating to D.D.Os responsibilities).

(III) The specified Pay and Accounts Office will perform the functions indicated below :

(i) In respect of Central Civil Employees on Foreign Service:

a. Watching recovery of foreign service contributions from the foreign body and their credit to Government account;
b. Arranging payments arising in terms of main para Nos. 9.3., 9.5 and 9.7 etc of this Chapter;
c. Watching receipt of contributions under the Central Government Employees' Insurance Schemes of 1977 or 1980, as the case may be, payments arising under them and reporting statistics pertaining to it; and
d. All other residuary payment and accounting work, such as payment and recovery of instalments and interest of long term advances, and cash payment for un-utilized earned leave that are to be handled by Central Government Accounts authorities.
e. Maintaining G.P. Fund accounts, in accordance with para 6.1.1 of this Manual.

(IV) Recoveries towards subscription to General Provident Fund for All India Service Officers borne on the Union Territory Cadre, effected during foreign service or deputation with the Government of India, will be passed on to PAO NO.VI, Tis Hazari, under Controller of Accounts, Delhi Administration, who maintains their GP Fund accounts. This will be equally applicable while AIS officers are on deputation with Railways, Defence, and Department of Posts And Department of Telecommunications. This PAO will also act *** as the 'specified' PAO in respect of functions similar to (a) & (c) above, arising in connection with UT Cadre A.I.S. Officers. However, the recoveries under the AIS (Group Insurance) Rules, 1981, effected during deputation as above will be finally accounted for and adjusted, in the books of the Accounts Officer of the Central Government Department concerned.

***D.O. No.S. 11034/1/79/TA/536 dated 5-2-1980 to C.A. Delhi Administration.

9.4.2 Copies of the orders transferring the Government servant to other Governments on deputation or foreign service or reversion from there, shall be endorsed to the concerned Pay and Accounts Officer by the Ministry/Department.

9.4.3 PROCEDURE FOLLOWED IN THE PAY AND ACCOUNTS OFFICE

On receipt of orders regarding deputation of Government servants to foreign service, the Pay and Accounts Office will take the following steps:

(i) Check that the competent authority has accorded sanction, and that the terms of foreign service are in conformity with the provisions of Appendix 2 to FR Part I.

(ii) Call for the following particulars in Form CAM- 57 relating to the Government servant concerned-

a. Date on which he made over charge of his duties under Government;
b. Date on which he assumed charge of his duties in the foreign service;
c. The post and the time scale of pay of the post held by him at the time of proceeding on foreign service, or to which he received proforma promotion while on foreign service;
d. Head of account to which his pay was debited prior to his transfer; and
e. Date of commencement of service qualifying for pension.

(iii) He shall also maintain a Register of Foreign Service Contributions as indicated below-

a. Every entry in the Register shall be attested by the P.A.O.; and
b. The register should be reviewed by the P.A.O. once every year in the last week of April, to ensure that Foreign Service contributions are received in respect of Government servants noted in the register and that the foreign employer/Government servant was reminded to send the contributions and penal interest levied according to rules, in cases of default.

9.5 MAINTENANCE OF REGISTER OF RECOVERIES OF FOREIGN SERVICE CONTRIBUTIONS

9.5.1 Each Pay and Accounts Office will maintain a Register in Form CAM- 58 for watchingrecoveries of leave salary and pension contributions. The ancillary data in respect of Government servants on foreign service shall be entered in it. This will include the date of relieving from the Government Department, date of assumption of office in foreign service, and other particulars for effecting recovery of foreign service contributions. All orders received in respect of the Government servant relating to the period of service with foreign employer, including the details regarding the sanction and type of leave as well as date of his return from foreign service, shall also be entered in this register.

9.5.2 (i). The Pay and Accounts Office will work out the monthly contributions payable by the foreign employer or the official concerned. He will intimate the amount worked out to the foreign employer or the Government servant concerned as the case may be, for payment, under intimation to the Head of office of the Government servant. The amount thus calculated along with particulars of foreign service shall also be noted in the Register, under attestation of Accounts Officer.

(ii). The rate of pension contribution is dependent on the length of service rendered under Government, while the rate of leave salary contribution depends upon the pay drawn by the Government servant while on foreign service. Therefore, a suitable note regarding date of increment and the length of service of the officer shall be noted prominently in the register. When the officer reverts from foreign service, his account must be verified to ensure that contribution at the prescribed rates along with interest wherever applicable have been recovered in full up to the date of reversal. In case of any dues or pending balances, it will be claimed immediately from the concerned foreign employer.

(iii). If foreign service contributions are payable by the government servant himself, it will be necessary for the PAO to secure a letter addressed to the concerned foreign employer, authorizing him to pay monthly specific sums towards his foreign service contributions from his salary, to the Government of India. The foreign employer will thus be responsible for making such deductions and its remittance to the Pay and Account Office of the parent department of the transferee, by demand draft/cheque.

9.5.3 RECOVERIES OF FOREIGN SERVICE CONTRIBUTION UNDER MERGED DDO SCHEME:

(i). If Government servants are going on deputation/foreign service from Union Ministries/Departments under Merged D.D.O. Scheme and the recoveries for G.P.F. subscriptions, long-term advances, leave salary and pension contributions etc. are received by the P.A.O., the existing procedure of accounting of these valuables will continue. However, the P.A.O. should duly intimate full details of the recoveries made and brought in to account by them to the D.D.O. The ultimate responsibility for watching the recoveries/contributions will be that of the concerned D.D.O. Recoveries that were in arrears as on 1.4.1986 will continue to be watched by the P.A.O. until their final settlement.

(ii). For the Government servants on deputation, individual folios will continue to be maintained in the Pay Bill Register in the section 'deductions/recoveries'. Entries will be made against the relevant month but the column headings can be changed suitably, if necessary. Claims submitted by the D.D.O. towards payment/reimbursement of leave salary of the government servants on foreign service will be noted by the P.A.O in the section 'Amount Due', in the pay bill registers. The D.D.O. of the lending department will be responsible for intimating the amount of 'leave salary and pension contribution' payable by the borrowing organization, at the time of drawing up terms and conditions of foreign service. He will, in addition, be responsible for recording of certificate in the service book, towards annual recovery of contribution.

[Government of India, Ministry of Finance OM No. F.1 (5)-E.III (B)/69 dt. 19-5-1969 and 2nd February, 1970].

9.5.4 ENTRIES IN SERVICE BOOKS TO BE MADE BY P.A.O.

On the transfer of a Government servant to foreign service, the Head of Office/Department must send his service book to the P.A.O. If it is not received in the PAO, he will initiate needful action for obtaining it. The details of transfer on foreign service will be noted in the service book over the PAO's signature, indicating the sanction orders for transfer, effect of transfer on admissible leave during foreign service and other particulars considered necessary. The service book will be returned to the Head of Office of the parent department or office from which it was received, after making these entries.

On return of the Government servant from foreign service, the service book will be sent again to the PAO or called for by him if not received, for making necessary entries. The entries on reversal will include necessary certificate regarding recovery of leave salary and pension contributions and will be signed by the Pay and Accounts Officer. [Authority: Supplementary Rule 203]

9.6 HEADS OF ACCOUNTS FOR CREDIT OF LEAVE SALARY/PENSION CONTRIBUTIONS

9.6.1 (i). If the contributions towards leave salary and pension are recovered together, it shall be credited to Government account under the head "0071-Contributions and Recoveries towards Pension and other Retirement Benefits-101-Subscriptions and Contributions".

(ii). When leave and pension contributions are recovered separately, the pension contribution will be credited to the head "0071-Contributions and Recoveries towards Pension and Other Retirement Benefits-101-Subscriptions and Contributions. The leave salary contributions in such cases will be credited to the receipt head corresponding to the functional head of the establishment. Alternatively, if there is no corresponding receipt head, it will be credited to the minor head 'Other Receipts' under the residuary receipt major head in the respective sectors.

(iii). Leave salary contributions received in respect of All India Service Officers shall be credited to the minor head "800-Other Receipts" below the sub-major head '60-Other Services' under the major head '0070-Other Administrative Services'.

9.6.2 Penal interest on arrears of contributions towards leave salary and pension of Government servants on foreign service shall be credited to the same head of account to which the contributions are credited.

9.7 PAYMENT OF PENSION OR CPF CONTRIBUTIONS, G.P.F. AND/OR CGEGIS SUBSCRIPTIONS OR REPAYMENT OF LOANS AND ADVANCES DURING THE PERIOD OF FOREIGN SERVICE OUT OF INDIA.

9.7.1 The Pay and Accounts offices will be responsible to regularly watch the receipt of dues from the Government servants proceeding on foreign service out of India. The dues will include therecoveries and contributions on account of Pension, C.P.F., G.P.F. subscriptions and repayment of loans and advances, that the employees are required to remit during the period of their foreign service out of India. Such recoveries and contributions are regulated by the procedure laid down in the Ministry of Finance, Department of Expenditure, O.M. No. F. 8(8)-E.III/81 dated 22nd September, 1981, as amended from time to time.

(Authority: Ministry of Finance (Department of Expenditure) O.M. No F 8(8)-E. III/81 dated 22-9-1981 read with O.M. No. E.III/82 dated 11.5.82).

9.8 DISCHARGE OF LIABILITY TOWARDS EARNED LEAVE DUE TO A GOVERNMENT SERVANT DEPUTED TO A PUBLIC SECTOR UNDERTAKING ON FINAL ABSORPTION.

9.8.1 It is governed under the provisions of O.M., No. 28016/5/85-Estt(C) dated 31st January 1986 issued by Government of India, Deptt. of Personnel and Training, as amended from time to time. Under these provisions, the Government shall pay a lump-sum amount to the Government servant on the date of absorption to the PSU, which shall be equal to the leave salary due against the earned leave at credit. The half pay leave at his credit will however, stand forfeited.

The concerned Department will discharge the pension liability in such cases, as per the instructions and procedure in the Ministry of Finance OM No. 26(18)-EV (B)/75 dated 8-4-76, and subsequent orders issued on the subject from time to time by the Dept. of Personnel & Training and Department of Pension & Pensioners Welfare.

9.8.2 The procedure to be followed in this regard is outlined below -

(i). With the departmentalization of accounts and issue of Ministry of Finance, DEA, Budget Division's O.M. dated 28.2.76, the Heads of Offices are to determine the entitlement of pay and allowances of all staff members, including the gazetted officers. The Pay and Accounts Officers will maintain only the records relating to watching of recoveries of leave salary and pension contribution from the autonomous body/organization.

(ii). When a Government servant deputed on foreign service to a Public Undertaking opts for permanent absorption therein, the Head of Office of the employee's parent department shall work out the leave at the credit of the Government servant, on the date on which he is permitted to get absorbed into the Public Sector Undertaking. He shall also work out the amount of corresponding leave salary under relevant rules. Simultaneously, he should ascertain from the concerned Pay and Accounts Officer whether up to date foreign service contributions have been recovered from the Public Sector Undertaking. After receiving this information, the Head of Office will prepare a bill towards lump-sum leave salary deducting the amount of foreign service contribution not realized, if any, and present it to the concerned Pay and Accounts Officer.

(iii). The cheque for the amount drawn in favour of the Government servant received by the DDO shall be sent to the concerned Undertaking under intimation to the employee. The PAO will keep a note of the payment in the service book of the employee as well as in the relevant register of foreign service contributions.

9.8.3 The expenditure on payment of the lump-sum leave salary will be debited to the head of account to which the leave salary of the Government servant would have been debited in the normal course.

9.9 DISPENSING WITH THE SYSTEM OF ADJUSTMENT ON ACCOUNT OF ALLOCATION OF LEAVE SALARY AND PENSIONS BETWEEN DEPARTMENTS OF CENTRAL GOVERNMENT/UNION TERRITORY GOVERNMENTS AND ADMINISTRATIONS

9.9.1 The system of allocation of leave salary and pension contribution among the departments of Government of India, including Railways, Defence, Posts, Telecommunications and Union Territory

Government/ Administration has been dispensed with from 1st January, 1978, for all cases of leave salaries paid and pensions sanctioned on or after that date.
[Authority:(I) Ministry of Finance, Deptt. of Expdr.) Special Cell O.M. No. F.2 (117) /76-SC Dated 26.12.1977 & (II) C.G.A.'s O.M.No. S- 11031/1/78/TA/725 Dated 23.2.1979]

9.10 DEPUTATION OF CENTRAL GOVERNMENT OFFICIALS TO STATE GOVERNMENTS AND VICE-VERSA

9.10.1 The Government employees whether temporary or permanent, who are deputed from Central Government to State Government and vice-versa, the system of allocation of pension/leave salary etc. has been dispensed with. This has been done in terms of Govt. of India, Department Of Personnel & Administrative Reforms letter No.3 (20)/Pen (a)/79 dated 31.3.1982, read with the provisions contained in Appendix V-B, II and III to the Government Accounting Rules, 1990.

The liability for pension and gratuity in such cases will be fully borne by the Central or State Government to which the government employee permanently belongs, at the time of retirement.

9.10.2 The full liability for leave salary is to be borne by the department from which the government servant proceeds on leave.

9.10.3 CONTRIBUTORY PROVIDENT FUND

The liability for government contribution to CPF will be borne entirely by the parent department of the concerned Central or State Government, and no contribution will be recovered from the borrowing department.

9.10.4 In case of Government servants of State Government on deputation to the centre, which mainly consists of All India Service Officers, the Central Government will pay an ad-hoc grant in lieu of the recovery of pension contributions to each State Government.

9.10.5 In respect of All India Service Officers borne on State Cadres but serving on deputation with a department of the Central Government, the recoveries on account of G.P. Fund and Group Insurance Scheme applicable to AIS Officers shall be passed on by the PAO of Ministry/Department to the State Accountants General concerned. This will be applicable even for such AIS officers on deputation with Railways, Defence, Posts and Telecommunications Departments.

In respect of the State Governments that have taken over the work of maintenance of G.P.F. accounts of its employees from the Indian Audit & Accounts Department, the procedure will be slightly modified. In these cases, the GPF recoveries for AIS officers borne on State cadres will be remitted directly to the authority nominated by State Government for maintenance of G.P.F. accounts

9.10.6 In the case of officers on deputation to the Central Civil Ministries/Departments from State Governments, Union Territory Governments and Administrations, Posts, Telecommunications, Railways and Defence.

In these cases, the Pay and Accounts Office shall furnish the annual statement of subscription to G.P.F. account, recovery of temporary advances from the G.P.F. account, recoveries against house building advance and motorcar advance sanctioned by the parent department, to each individual officer through the head of office, in form CAM-66. The annual statement will be prepared on the basis of entries in the Register of Outward claims maintained in form CAM-53. A copy of the statement shall be simultaneously sent to the Accounts Officer of the concerned official by the 31st of August each year. This statement can be used by the Accounts Officer of the parent department to adjust missing credits, if any, in the subscriber's account without any need for correspondence with the Principal Accounts Office/Pay and Accounts Office of the Central Government Ministries/departments.

The Accounts Officer of the State Government and the PAO of the parent department will follow similar procedure in the reverse situation, with their roles being suitably reversed as well. The reverse situation here means circumstances where a State Government borrows the services of a Central Govt. employee, including that of Union Territory Governments and Administrations, Posts, Telecommunications, Railways and Defence.

ANNEXURE "A"
(Referred to in Para 9.2.3)

Rates of monthly contribution for pensionary benefits payable during active foreign service in respect of:

Year of Service	Group 'A' Employees	Group 'B' Employees	Group 'C' Employees	Group 'D' Employees
(1)	(2)	(3)	(4)	(5)
0-1 Year	7% of the maximum monthly Pay of the post in the officiating/ substantive grade, as the case may be, held by the officer at the time of proceeding on foreign service.	6% of the maximum monthly Pay of the post in the officiating/ substantive grade, as the case may be, held by the officer at the time of proceeding on foreign service.	5% of the maximum monthly Pay of the post in the officiating/ substantive grade, as the case may be, held by the officer at the time of proceeding on foreign service.	4% of the maximum monthly Pay of the post in the officiating/ substantive grade, as the case may be, held by the officer at the time of proceeding on foreign service.
1-2 Yrs	7% -do-	6 % -do-	6% -do-	4% -do-
2-3	8% -do-	7% -do-	6% -do-	5% -do-
3-4	8% -do-	7% -do-	7% -do-	5% -do-
4-5	9% -do-	8% -do-	7% -do-	5% -do-
5-6	10% -do-	8% -do-	7% -do-	6% -do-
6-7	10% -do-	9% -do-	8% -do-	6% -do-
7-8	11% -do-	9% -do-	8% -do-	6% -do-
8-9	11% -do-	10% -do-	9% -do-	7% -do-
9-10	12% -do-	10% -do-	9% -do-	7% -do-
10-11	12% -do-	11% -do-	10% -do-	7% -do-
11-12	13% -do-	11% -do-	10% -do-	8% -do-
12-13	14% -do-	12% -do-	10% -do-	8% -do-
13-14	14% -do-	12% -do-	11% -do-	8% -do-
14-15	15% -do-	13% -do-	11% -do-	9% -do-
15-16	15% -do-	13% -do-	12% -do-	9% -do-
16-17	16% -do-	14% -do-	12% -do-	9% -do-
17-18	16% -do-	14% -do-	13% -do-	10% -do-
18-19	17% -do-	15% -do-	13% -do-	10% -do-
19-20	17% -do-	15% -do-	13% -do-	10% -do-
20-21	18% -do-	16% -do-	14% -do-	11% -do-
21-22	19% -do-	16% -do-	14% -do-	11% -do-
22-23	19% -do-	17% -do-	15% -do-	11% -do-
23-24	20% -do-	17% -do-	15% -do-	12% -do-
24-25	20% -do-	17% -do-	16% -do-	12% -do-
25-26	21% -do-	18% -do-	16% -do-	12% -do-

~~26-27~~	~~21% -do-~~	~~18% -do-~~	~~16% -do-~~	~~13% -do-~~
~~27-28~~	~~22% -do-~~	~~19% -do-~~	~~17% -do-~~	~~13% -do-~~
~~28-29~~	~~23% -do-~~	~~19% -do-~~	~~17% -do-~~	~~13% -do-~~
~~29-30~~	~~23% -do-~~	~~20% -do-~~	~~18% -do-~~	~~13% -do-~~
~~Over 30 Year~~	~~23% -do-~~	~~20% -do-~~	~~18% -do-~~	~~14% -do-~~

(CS No.14. refer para 9.2.3)

CHAPTER 10
LOANS, ADVANCES, GRANTS-IN-AID, GUARANTEES AND INVESTMENTS

10.1 GENERAL

10.1.1 Sanctions for loans and grants-in-aid are issued by Ministries / Departments in accordance with the guidelines provided in Chapters 9 and 11 of the General Financial Rules, while advances to Government servants are granted in accordance with the Compendium of Rules on Advances in GFR 2005. Government sanctions some loans and advances under special laws, for special reasons or as a matter of recognized policy.

10.1.2 General guidelines and instructions on the interest rates to be charged, period of repayment to be fixed for loans to different parties, and for various purposes in respect of public sector projects in particular, etc. are contained in Ministry of Finance (Budget Division) O.M. No. ~~F.14 (17)-B(SE)/79 dated 28-6-1980~~ **F.5(3)-B(PD)/2016 dated 6th January, 2017 (CS 16)** as amended from time to time. (Annexure 'A' to this Chapter). The Accounts Offices shall keep these provisions in view while scrutinizing the sanctions for loans.

(i). In the case of loans, the detailed accounts are required to be maintained by the Pay and Accounts Office. It will be responsible to see that the conditions of repayment are complied with by the organizations that have been given loans. The PAO shall also exercise a close watch on the repayment of instalments of principal and recovery of interest against it.

(ii).In the case of loans to Public Sector Undertakings, statutory bodies, institutions etc. other than State / U.T. Governments, the Accounts Officer maintaining the detailed account shall issue notices one month in advance of the due date of repayment. This has been provided vide clause (viii) to Rule 250 (1) of General Financial Rules, 2017. **(CS 16)**

(iii). Any default in the payment of principal or interest by the organizations/individuals who have received loans/advances should be reported immediately to the authority which had sanctioned it. If the sanctioning authority enforces any penal interest on the overdue principal and interest amounts, it shall be the duty of the Pay and Accounts Office to watch their recovery.

10.2 CLASSIFICATION

10.2.1 Loans to State governments are debited to the major head "7601-Loans and Advances to State Governments" and are treated as 'charged' items of expenditure. Other loans are debited to the concerned heads between "6202-Loans for Education, Sports, Art and Culture to 7605-Advances to Foreign Governments", and also "7615-Miscellaneous Loans", as found suitable for the purpose. These heads are used only for loans and not for advances to Government servants, which are debited to the major head "7610-Loans to Government servants etc".

10.3 PROCEDURE FOR PAYMENT OF LOANS AND ADVANCES SANCTIONED BY CENTRAL GOVERNMENT

10.3.1 The detailed procedure to be followed for the payment of loans and grants-in-aid to State

Governments and Union Territory Governments and Administrations are dealt with in Paras 8.18.1 to 8.18.9 and 8.21of Chapter 8.

10.3.2 Payment of loans and advances to parties other than State/U.T. Governments and Administrations shall be made by the drawing officers of the Ministries/departments sanctioning payment of loans and advances. The drawing officer shall present a bill on a simple receipt in a form similar to form GAR-34, supported by a copy of the sanction for such payment to the Pay and Accounts Office concerned. After due verification, the PAO shall record a certificate on the bill indicating that the conditions specified in the sanction have been satisfied and/or that a formal undertaking/agreement has been obtained from the loanee concerned. The Pay and Accounts Office will forward a crossed cheque to the drawing officer drawn in favour of the party concerned. DDO will deliver the cheque to the loanee and obtain his acquittance, duly stamped wherever necessary, and pass it on to the P.A.O

[Authority:-Para 1 of Ministry of Finance (DEA) O.M. No. F.10(41)-B/64 dated 12-5-1970]

10.4 PROCEDURE FOR REPAYMENT OF THE LOANS AND ADVANCES AND INTEREST THEREON

10.4.1 Paras 8.18.2, 8.18.9 and 8.21.2 of Chapter 8 deal with the procedure to be followed for repayment of loans and payment of interest by State Governments and U.T. Governments.

10.4.2 The procedure indicated below shall be followed for the repayment of principal as well as interest payment on the loans and advances referred to in para 10.3.2 by the borrowers. Such borrowers include Public Sector Units, Statutory bodies, Institutions, Societies, Private Sector concerns and other individuals etc.

(a) The payment of interest and principal on the loans shall be made on or before the due date. To ensure that Government gets credit by the due date, the cheque/draft should be deposited sufficiently in advance with the bank to enable its clearance on or before the due date. The cheque/draft should be deposited with the specified New Delhi main branch of the accredited Bank to the Ministry/Department that sanctioned the loan, or its successor in whose books the accounts of the loans in question are maintained.

(b) The payment shall be made in cash or by cheque/draft drawn on the scheduled bank in Delhi/New Delhi in favour of the accredited bank branch mentioned in sub-para (a) above). The payment will be accompanied by a memorandum or challan in duplicate, giving the following details:

i. Name of the loan sanctioning Ministry/Department or its successor as the case may be;
ii. Number and date of sanction letter with the loan amount sanctioned;
iii. Amount due for payment, separately for interest and principal and the head(s) of account to which the dues are to be credited in the Government account. Separate cheques/drafts and challans should be submitted for payment of principal and interest; and
iv. Due date for payment.

(c) Outstation organizations may similarly arrange for payment of dues on account of loans through their bank, to the accredited bank branch at New Delhi of the Ministry/Department. The payment should be made along with memorandum/challan in duplicate, and ensured to be tendered at the accredited bank branch by the due date; and

(d) The accredited bank branch will initially acknowledge the receipt of cheque/draft tendered in payment of dues through a paper token. After the realisation of cheque or draft, duplicate copy of the challan will be given to the depositor.

The accredited bank collecting the dues will arrange for its prompt credit to Central Government account and send details to the Pay and Accounts Officer of the Ministry/Department, in accordance with the general instructions for handling receipts and payments of the Ministry/Department.

[Authority: Ministry of Finance, Department of Economic Affairs, O.M. No. F. 10(7)-B(TR)/76 dated the 21st June, 1976]

10.4.3 The repayment of loan shall be watched in accordance with the terms of the sanction read with Rule 252 of GFRs 2017. **(CS 16)** Normally, the repayment of a loan shall begin on the day of completionof one year from the date of its drawing, and will be paid through specified number of equal annual instalments of principal. While the Government may sanction/allow suitable moratorium period for repayment of principal, no such moratorium period shall be allowed for payment of interest.

10.4.4 Interest shall be recovered from the loanees at the rates prescribed by Government from timeto time and calculated in accordance with the principle laid down in Rules 251 and 252 of GFRs 2017. **(CS 16**) Instructions issued by the Ministry of Finance (Budget Division) from time to time prescribing the rates of interest to be charged from statutory bodies, corporations etc. may also be referred to for this purpose, in case of doubt.

10.4.5 If the due date for repayment of instalment of principal or interest on a loan falls on Sunday or any other holiday, no interest will be charged for such days, if the recovery is postponed on this account. However, if the principal or interest is payable on the 31st March of a year, and if that day happens to be a holiday, the payment should be made on the immediate preceding working day.

[Authority: Govt. of India, Ministry of Finance, O.M. No. 13(10)/W&M/62 dated 23-7-1963]

10.5 LOAN REGISTERS AND BROADSHEETS

10.5.1 The sanction orders for payment of loans should be scrutinized and the noted in a Loan Register in Form CAM 29, in the page assigned to it, under the attestation of the Accounts Officer. The details noted will comprise of the amount sanctioned, authority sanctioning the loan and the conditions of each loan. For each loan, separate pages should be allotted in the Loan Register, and their repayment along with receipt of interest amount should be noted/watched against it. Further, wherever a loan is not drawn in one lumpsum, the drawing of further instalments, should also be noted/watched there itself. It should also be seen that all the sanctions contain specific provision for levy of penal interest in the event of default in the repayment of principal and/or payment of interest on due dates, in accordance with Rule 258(2) of GFRs 2017. (**CS 16)**

10.5.2 A major and minor head wise Broadsheet separately for debits and credits shall be maintained in Form CAM 59, to reconcile the payment and recovery of loans in each month against the accounts figures.

10.6 UTILISATION CERTIFICATES

10.6.1 In all cases where conditions have not been specifically laid down in the sanctions for loan, the Utilization Certificates are required to be furnished for (a) financial aid to public undertakings etc. totide over a temporary financial crisis; (b) financing of their approved capital outlay and (c) State Governments and local administration of Union Territory Governments. Against all loans paid for specific purposes, or where conditions are specified in the sanction regarding the object or the time within which the loan must be spent, the receipt of Utilization Certificates shall be watched from the authority that has sanctioned the loan. Utilization certificates are not required in cases where the loans are sanctioned for (a) financial aid to public undertakings etc. to tide over a temporary financial crisis and (b) financing of their approved capital outlay. Utilization Certificate must be obtained in Form 12-B

of GFR and at such intervals as agreed between Accounts Offices and Ministry/Department. **(CS 16)**

10.6.2 For the provisions relating to retrospective conversion of a loan given to a State or Union territory Government into grant-in-aid, Para 5.15.2 may be referred to.

10.7 LONG TERM ADVANCES TO GOVERNMENT SERVANTS

10.7.1 Long term interest-bearing advances like House Building and Motor Conveyance advance that are recoverable in not less than 60 instalments, shall be paid to Government servants only after pre-check of the bills by the concerned Pay and Accounts Office. The PAO shall keep a note of such payments and the repayments against it, in a Register in Form CAM 30 that has been prescribed for the purpose. The payments and recoveries noted in the register shall be reconciled on monthly basis with the figures compiled in the monthly accounts, and rectified in case of any discrepancies. The provisions under para 4.29.2 may be referred to for the purposes of calculation of interest.

10.7.2 If the Central Government employees are transferred or sent on deputation from one Ministry or Department to another under the Government of India, the balances outstanding against the Government servant at the time of such transfer shall be effected by monetary settlement through category 'C' cheques as envisaged in paras 16.4.1 and 16.4.2.

When such claim is received from the PAO of the employee from where he was transferred or came on deputation, the Pay and Accounts Officer of the employee where he has gone on transfer or deputation should issue a category ‘C’ cheque in favour of the former PAO. The payment of such amount by the PAO where the employee has been transferred/ deputed shall be classified and booked as minus credit (and not debit) to Major/Minor Heads '7610-Loans to Govt. Servants-HBA/MCA' affording contra credit to Major/Minor Head '8670-Cheques and Bills, PAO Cheques.

10.7.3 For All India Service Officers, the provisions of the All India Services (House Building Advances) Rules 1978, notified in D.P.A.R.'S No. 29012/1/75-AIS (II) dated 31-5-1978 are applicable. For the All India Service Officers borne on State cadre but on deputation with the Central Government, Autonomous Bodies, Public Sector Undertakings etc. owned or controlled by the Central Government, the applications for house building advance shall be processed in accordance with the rates and conditions of House Building Advance Rules of the Government of India. Such advance shall however be sanctioned only by the concerned State Government on whose cadre he is borne. The drawing and disbursing officer of the parent Government that had issued the sanction will draw the advance and make payment to the concerned officer by bank draft, through the DDO of the officer in the Central Government. The PAO of the Central Government will pass on the recoveries from pay bills (credits) against such advances to the Accountant General of the concerned State in the usual manner, on cash settlement basis.

[Authority: D.P.A.R. letter No. 14018/3/80-AIS (II) dated 4-5-1981 read with Min. of Fin. (Deptt. of Exp.) Spl. Cell O.M. No. F-4 (9)/76SC dated 11.3.1977]

Similar procedure shall be followed for the drawing and payment of other types of advances sanctioned by State Governments for their officers on deputation with the Central Government. For drawing of temporary advances and part final withdrawal from the G.P. Fund, provisions under Note below Para 6.4.2 may be referred to. For the sanction and payment of conveyance advance, Rule 15 of the Compendium of Rules on Advances along with the Explanation there under may be referred to.

10.8 SHORT-TERM ADVANCES TO GOVERNMENT SERVANTS

10.8.1 (i). Under the provisions of Rule 12 of Compendium of Rules on Advances to General Financial Rules 2005, the Heads of Offices are responsible for the recovery of advances granted under these rules, along with the recoverable interest, if any, and to ensure that the conditions

attached to each advance are fulfilled.

(ii). The Head of Office shall also maintain detailed accounts of short-term advances granted to Government servants including not only advances that are recoverable in less than 60 instalments, but also the recovery of advance of Pay/TA on Transfer, Tour Advance and Leave Travel Concession etc. Detailed procedure to be followed for the maintenance of records relating to short term advances by heads of offices and submission of periodical returns to Pay and Accounts Offices have been spelt out in Compendium of Rules on Advances in the General Financial Rules, 2005 and Annexure "A" thereof.

10.8.2 The procedure followed by the PAOs will be as follows-

(i). The Pay and Accounts Office shall watch for the receipt of monthly abstracts from each of his drawing and disbursing officer;
(ii). He should check for the certificates and arithmetical accuracy, and tally the opening balance of the current month with the closing balance of the previous month in the abstract;
(iii). He should check all accretions with the relevant vouchers for payment of advance, and recoveries effected through the establishment pay bills for the month;
(iv). He shall make effective use of the Bill Passing cum Expenditure Control Register to conduct reconciliation of accounts figures with reference to departmental figures in the monthly abstracts, for all units of appropriation including the the minor heads "Advances for Purchase of other Conveyances", and "Other Advances"; and
(v). If any discrepancies are detected, it should be pointed out to the concerned DDO for rectification.

10.8.3 Payment of such advances are not required to be noted in the objection book or other recordsor registers maintained by the P.A.O, for watching recovery from the individuals, as provisioned vide Note below para 10.8.7.

10.8.4 During the internal inspections of the office of drawing and disbursing officers, it shall be verified through the vouchers etc. through which advances were drawn that payment entries are made properly in the Pay and Bill Register. It shall also be checked that the recoveries are being made regularly from the concerned Government servant and the entries in the monthly abstracts of recoveries, especially those relating to 'transfers in' and 'transfers out' cases are being made correctly.

10.8.5 Differences are likely between PAO’s accounts figures under respective minor heads and the balances in the DDOs books, for persons with outstanding balances against them at the time of transfer from or to a DDO's office. Such differences should be reported through the monthly abstracts by accounting entries under columns 3 & 5 of the monthly abstracts. In the overall accounting circle of a Pr. A. O, such differences would normally be small due to the compensating effect. This happens because the Group C & D staff entitled to short-term advances are mostly transferred within the same Ministry/Department, and their accounts are managed by the Pay and Accounts Offices functioning within the same Principal Accounts Office. Instances of such transfers involving change in the Pr. A.Os are very rare and perhaps only in cases of transfer of CSSS and CSCS staff. For these reasons, inter-departmental adjustments shall not be effected to pass on credits for such outstanding advances. They shall continue to be indicated by the DDOs in the L.P.C of employees, for necessary recoveries by their counterparts within Civil Ministries/Departments.

10.8.6 As mentioned above, minor variations may arise on account of the transfers 'in' and 'out' cases between balances indicated by DDOs as recoverable in the monthly abstracts and the accounts figures of P.A.Os/Pr. A.Os. To bring them on par with the balances in the DDOs books, the concept of 'Raising Up' or 'Lowering Down' of the account balances held in the books of Pay and Accounts Offices and Pr.A.Os has been provisioned. For this purpose, after the close of the accounts every year and by the prescribed date, each PAO should send to his Pr.A.O.-

(a) A report indicating the figure as per account in his books on last day of the financial year under the two minor heads referred to above and the total ground balances held by all DDOs put together as on that date;

(For example, the figures on the last day of the financial year 31.3.2007 to start with, under the two minor heads and the total closing balance indicated in the abstracts of February, 2007 plus payments minus repayments in cash during March, 2007.)

(b) A certificate that the monthly abstracts for and up to February, 2007 have been checked through the process of verification of successive monthly abstracts for all the preceding months of the year as prescribed in para 10.8.2 above; and

(c) Recommendation in regard to the extent of 'proforma' correction needed.

Each Pr.A.O will similarly send the report and recommendation in respect of his entire accounting circle to the Controller General of Accounts, while submitting material for Statement No. 17 of the Finance Accounts.

10.8.7 After this, the office of Controller General of Accounts will compare the total of accounts figures held by all Pr. Accounts offices, separately under the three heads, with the total ground balances indicated by them as held by the DDOs under them. After satisfying that the totals agree, the CGA will accord sanction to each Pr.A.O for raising or lowering the figures, as the case may be, to come to the level of total figures of ground balances held by DDOs within the accounting circle, as 'Proforma' correction. The figures in the Finance Accounts for the Union Government appearing against these two minor heads will not be affected, and it will only enable the individual Pr.A.Os/P.A.Os to up-date their accounts figures.

Note: - As the DDO/Head of office is responsible for watching prompt recovery or adjustment of all types of short-term advances, the PAO is not required to note details of payment of advances on tour, transfer etc. in the Objection Book.

10.9 GRANTS-IN-AID

10.9.1 Grant-in-aid can be given only to a person or a body independent of the Government. One department of the Government cannot sanction grant-in-aid to another department of the same Government. An organization set up by a Government resolution or by an executive order does not have separate legal status of its own and functions only as a limb of the Government. The Government therefore cannot give grant to such an organization.

10.9.2 Instructions on the conditions for sanctioning grant-in-aid to public bodies, institutions etc are contained in Chapter 9 of the General Financial Rules 2017. Those provisions should be kept in view apart from the provisions in para 4.27 of this Manual, for the scrutiny of such sanctions and guidance on maintaining the relevant register(s).

10.9.3 Grants to local bodies, institutions etc. can be divided into two categories, namely,

a. Grants for general purposes; and
b. Grants for specified purposes.

No conditions are attached to grants for general purposes and the lump sum amount sanctioned by Government are paid to local bodies. In such cases, the Pay and Accounts Office is not concerned with the manner of utilization of grant in aid, and therefore, utilization certificate is not required in such cases from the grantee organizations. Grants for specified purposes should on the other hand, clearly state the object for which they are sanctioned and the period within which they should be spent/utilized. ~~Normally, grants in aid are required to be utilised within one year after the date of issue of the sanction, and therefore, the utilization certificate should also ordinarily be due after a period of 12 months from the date of sanction of the grant.~~ **In respect of non-recurring Grants to an Institution or Organisation, the Utilization Certificate should be submitted within twelve months of the closure of the financial year by the Institution or Organisation concerned in terms of Rule 238 (1) of GFR, 2017.** A formal utilization certificate in the given format from the administrative/technical and financial point of view should be arranged to be furnished by the

administrative authority to the Pay and Accounts Office. Normally, the certificate should be based upon statements of accounts and the reports regarding performance or achievements of the grantee institutions vis-a-vis the objects and conditions of the grants.

10.9.4 The following conditions apply for submission of utilisation certificates in respect of grants given by Central Government to State Governments:

c. Utilisation certificates are not required where the expenditure is incurred out of the Central grants, by the State Governments directly.
d. Where such expenditure is incurred by the State Governments through local bodies or private institutions, the State Government concerned should furnish the utilisation certificates.

10.9.5 In respect of grants to non-government or quasi-government bodies or institutions, the assets acquired wholly or substantially out of Government grants should not be disposed off or used for purposes other than the objects of the grant, without prior sanction of the Government. The Pay and Accounts Offices have, therefore, to watch compliance with such conditions.

10.9.6 The prescribed 'Register of Grants-in-aid' in Form CAM -28 may be used for enteringpayments relating to scholarships etc. and watching/noting the receipt of utilisation certificates, wherever necessary.

10.9.7 Para 5.15.2(iv) may be referred to in connection with retrospective conversion of a grant-in- aid given to a State or Union Territory Government into a loan.

10.9.8: In accordance with Rule 230(8) of GFR,2017 all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases. The minor head "Interest or other earnings fro Grantee on unspent balances" (code "801") may be opened wherever necessary under the functional major/sub-major heads in the Section Receipt Heads (Revenue Account) for classification of interest or other earnings received from Grantee or unspent balances of Grants-in-Aid. The nature of the receiepts ie. Interest or other earnings may be classified at sub-head level. (Authority: CS NO.931 of LMHHA). Inserted vide CS 16

10.10 GUARANTEES GIVEN BY CENTRAL GOVERNMENT

10.10.1 Article 292 of the Constitution empowers the Union Government to give guarantees in respect of loans raised by others within such limits as may be fixed from time to time by an Act of Parliament. Such guarantees constitute contingent liability of the Government.

10.10.2 Financial Adviser of the concerned Ministry/Department will report all cases of outstanding guarantees at the end of a calendar year, to Budget Division, along with all payments made in pursuance of the guarantee. For this purpose, a format has been prescribed through Notification on FRBM Rules, dated 2nd July, 2004. The report should reach Budget Division by the 2nd Week of January every year, for incorporating in Explanatory Memorandum in the Budget.

10.10.3 In case of a guarantee being invoked, the expenditure involved shall be treated as loan to the person/party on whose behalf the guarantee was given, and recoveries against it shall be watched. The expenditure as well as the recoveries, if any, should be classified under a distinct sub- head "Loans on invoking guarantees given by Government", in the Government account. This will be done under the relevant loan major head, exhibiting the name of the person/party against which it is indicated as loan, as the detailed head. If in due course, the whole or a part of the loan amount is finally held to be irrecoverable, the same should be adjusted in the manner indicated below:

a. Where a Guarantee Reserve Fund is already in existence, the amount of loan held to be irrecoverable shall be adjusted by debit to the Fund, through the same accounting procedure as prescribed for accounting of expenditure financed from reserve Funds. This is as per para 3.4 of the General Directions in the List of Major and Minor Heads of Account.

b. Where a Guarantee Reserve Fund does not exist, the irrecoverable amount of loan shall be adjusted under the minor head "Irrecoverable Loans Written Off", below the major/sub-major head relevant to the purpose/function for which the loans etc. had been granted. Where the loan cannot be identified with any purpose or function, the amount should be adjusted through minor head under the major head "2075-Miscellaneous General Services", as per para 3.3 of the General Directions contained in the List of Major and Minor Heads of Account.

(Authority: Ministry of Finance (DEA) O.M. No. F.1 (34)-B (AC)/76 dated 8th August, 1979.)

10.10.4 Data regarding the issue of guarantees will not be subject to check by the Accounts Office. The information relating to Statement Number- 4 of the Finance Accounts of the Union Government, for the guarantees outstanding at the end of a financial year shall be called for from the Finance Wing of each Ministry/Department. The Finance Wing shall be responsible for its correctness, and must ensure to send the duly confirmed statement to the concerned Pr. Chief Controller of Accounts/ Chief Controller/Controller of Accounts by the 21st of April each year. The CCA/CA in turn, would arrange to furnish the same to the Finance Accounts Section of the office of Controller General of Accounts, latest by 31st May each year. Such returns sent by the Chief Controllers/Controllers of Accounts will also show the cases of guarantees revoked during the year, if any. Since the payments for invoked guarantees shall be treated as loans, the figures of paid amounts in the Statement should be based on the accounts figures booked by Pay and Accounts Officer concerned.

10.10.5 As a measure to boost the confidence of banks and financial Institutions towards Government guarantees, a 'Guarantee Redemption Fund' has been created for cases of redemption of guarantees given by the Union Government to Central Public Sector Undertakings, Financial Institutions etc.

In order to meet the contingent liability arising out of guarantees invoked by Public Sector Banks every year, an amount as decided each year is provided under the head 'Transfer to Guarantee Redemption Fund' below the Major Head '2075-Misc. General Services' in the Demand for Grant of Ministry of Finance, DEA.

The amount provided as 'Transfer to the Fund' will be accounted for under a distinct sub-head 'Transfer to Guarantee Redemption Fund' below the Minor heads '797-Transfer to Redemption Fund/Deposit Account' under the Major head '2075-Misc. General Services'. Contra credit shall be afforded to the Major Head-8235- General and other Reserve Fund-117- Guarantee Redemption Fund. When guarantees are invoked by Public Sector Banks, the expenditure incurred will be accounted for at Sub-Head level of the loan head, as "Loans on invoking guarantees given by the Government' with the name of the loanee indicated as the detailed head. Recovery from the Fund will also be accounted under the loan head as Deduct entry below minor head '902- Deduct- amount met from Guarantee Redemption Fund'.

[Authority-File No. 1(10)(10)/2001]

10.11 INVESTMENTS

10.11.1 Investments are made by Government mostly in Public Sector Undertakings or statutory corporations. In addition to the scrutiny of sanctions for payment on the lines of payment of loans and making payment on bills, the Pay and Accounts Office shall also ascertain whether Government has actually received shares against the investment(s) made by it in the concerned company. A record of the investments made by Union Government in statutory corporations, public sector companies, other joint stock companies, cooperative banks and societies etc. shall be kept in a "Register of Investments" in Form CAM-60. This register shall be maintained by the Principal Accounts office or the Pay and Accounts Office responsible for release of funds for investments. The receipt of dividends shall also be watched through this register.

10.11.2 The following information will be obtained from the Ministry/Department concerned for maintaining the Register of Investments-

(a) Whether the concerned company etc has issued share scrip for the full value of investment to the Government, in the name of the President of India;

(b) Name and designation of the officer responsible for the safe custody of share scrip;

(c) Whether share scrip are in the custody of the officer or kept in the accredited public sector bank or it has been kept in stock with the Reserve Bank of India
(Public Debt Office);

(d) Whether physical verification of the share scrip is done periodically;

(e) Details of the dividend declared by the companies; and

(f) Full particulars on the realization of dividend from the company and their credit to Government account, as well as verification of their actual credit in Government account.

10.12 PERMANENT ADVANCES

10.12.1 Permanent advance is normally granted to officers who have to make payment before they can place themselves in funds by drawing money from the Pay and Accounts Office, subject to the provisions under Rule 322 of GFRs 2017. (**CS 16)**

10.12.2 A note of each item of Permanent Advance given to various authorities shall be kept in the "Register of Permanent Advances" (Form CAM-61). If the amount of an advance is increased or reduced during the course of a year, the amount in the column for the current year should be altered in red ink as soon as payment of the increased advance is made or credit representing difference due to reduction is received from the officer concerned. The amount of the advance outstanding as on 31st of March each year should be entered in the money column for the subsequent year.

10.12.3 Sanctions for permanent advance accorded by Heads of Department are to be scrutinized to see-

(i) That the officer sanctioning the advance is a recognized Head of Department;

(ii) That the advance is intended for the subordinate and not for his own office; and

(iii) That the advance has been sanctioned in accordance with the provisions of Rule 322 of GFRs 2017. **(CS 16)**

Acknowledgement from the officers holding permanent advance shall be obtained as on 31st March, in the month of April. Further, from the Register of Permanent Advances, the aggregate outstanding amount should be worked out and tallied with the ledger balance.

ANNEXURE (Referred to in Para 10.1.2)
MOST IMMEDIATE

F.No.5(3)-B(PD)/2016
Government of India
Ministry of Finance
Department of Economic Affairs

New Delhi, the 6th January, 2017

OFFICE MEMORANDUM

Subject:- *Loans and advances by the Central Government-Interest rates and other terms and conditions.*

Reference this Ministry's Office Memorandum No. F.5(3)-B(PD)/2015 dated the 3rd February, 2016 on the captioned subject.

2. The lending rates, categories and conditions prescribed in the aforesaid Office Memorandum have been reviewed. The revised rates of interest, categories and conditions as given in the Table below, would be applicable from 1st April, 2016 and till the time these are reviewed:

…….Table is not printed……

The terms and condition and conditions regarding eligibility of loan would remain the same as that of last year. If any specific request comes in future from any other financial institution/CPSE/Autonomous Body/Cooperative, it would be examined by the Budget Division, DEA on merits of that case.

3. The terms including interest rate of loans to Foreign Governments may be settled in consultation with Budget Division. Terms for on-lending of funds under externally aided projects should be in accordance with the prescribed pattern. In case, deviation is considered necessary, Budget Division should be consulted.

4. The interest rates prescribed above assume timely repayments and interest payments and hence no further rebate in rates is to be allowed for timely payments.

5. OTHER TERMS AND CONDITIONS

(a) The loan sanctioning authority should meticulously follow the instructions contained in General Financial Rules, 2005 (GFR 2005), particularly, rules framed under Chapter 9 (II-LOANS) of GFR, 2005, while sanctioning loans to various entities as stipulated therein.
(b) The instructions issued from time to time have been reviewed and are set out in the following paragraphs for facility of reference.

6. STATE GOVERNMENTS

In the case of loans to **State Governments**, the arrangements for payment of annual installment of principal and interest will be as under:-

(a) Block loans for State Plan Schemes and other Plan loans for Centrally Sponsored Schemes.:- These loans when drawn in installments, will be consolidated and deemed to have been drawn as on 1st October in each year. The maturity period of the loans sanctioned for State Plans is 20 years, repayments being made in 20 annual equal installments together with interest on the outstanding balance commencing from the following year, *subject to consolidation under the award of Twelfth Finance Commission (TFC).*

However, *fifty per cent* of these loans will enjoy a five year initial grace period , after which repayments of these loans will be effected in 15 annual equal instalments. The amounts annually payable (by way of principal and interest) would be recovered in 10 equal monthly installments commencing 15th June, *subject to debt waiver under the award of TFC.*

(b)Other Loans:-The terms of repayment of these loans will be as laid down from time to time.

7. PUBLIC SECTOR POJECTS

(A) For new installations or expansion of existing institutions:

(a) The terms and conditions of loans should be fixed with reference to financial picture presented in the approved Project Report. (Once the pattern is settled, there should be no change excepted with the specific concurrence of this Department for reasons to be stated in writing).

(b) The capital requirements of a project should include adequate provisions for interest payment on borrowings during the period of constructions (as specified in the Project Report). The interest on loans due during the period of construction will be allowed to be capitalised to the extent of the provisions made for this purpose in the approved Project Report. In other words, while interest on loans advanced to an undertaking during the period of construction will be notionally recovered by allowing its capitalisation, the payment of interest should effectively commence after the construction period is over.

(c) The repayment of principal should ordinarily commence one year after the project commences production, the number of installments being determined with reference to the financial projections and repaying capacity specified in the Project Report. Requests for further moratorium will be considered *only in exceptional cases* where the Project Report has specified any special circumstances that may necessitate a longer period of moratorium and has indicated clearly what staggering of repayment would be needed over the necessary break period. *The period of loans sanctioned against capitalised interest during the period of construction may also be on the same terms and conditions as are applicable to loans provided for financing the project costs.*

(d) A suitable period of moratorium subject to a maximum of five years from the date of drawal of the loans may be allowed for the repayment of installments of principal, having regard to the nature of the project, the stage of construction etc. The period of moratorium should not, however, extend in any case, beyond two years from the date of project going into production, or in the case of programmes of expansion, beyond two years from the date of expanded project coming into operation.

(B)For meeting working capital requirements:

The undertakings are expected to obtain their cash credit requirements from the State Bank of India/Nationalised Banks by hypothecating their current assets (such as, stock of stores, raw materials, finished goods, work in progress, etc) and where the entire working capital requirements cannot be raised in this manner by seeking a guarantee from Government. Accordingly, *requests from Public Sector Undertakings for funds for meeting working capital requirements should be considered only to the extent the same cannot be had from the State Bank of India/Nationalized Banks.*

8. GENERAL

(A) (i) The period for repayment of loans for all parties other than State Governments should be fixed with due regard to the purpose for which they are advanced and it should be restricted to the minimum possible. Normally no loan should be granted for a period exceeding 10 years. *Where a longer period for repayment is sought, prior concurrence of the Budget Division in this Department will be necessary for fixing the period.*

(ii) The repayment of a loan should normally commence from the first anniversary date of its drawal or on expiry of the period of moratorium, as the case may be. The recovery should ordinarily be effected in annual *equal* instalments of principal.

(iii) The period of repayment of working capital loans should preferably be restricted to two or three years. In no case, however, the period of these loans should exceed 5 years.

(B) Moratorium:- Subject to exceptions made in respect of public sector projects, a suitable period of

moratorium towards repayment might be agreed to in individual cases having regard to the project which the loans are to be utilized. However, no moratorium should ordinarily be allowed in respect of interest payments on loans. Ministries/Departments may with the approval of their Financial Advisers allow moratorium on repayment of principal wherever considered necessary upto a maximum period of 2 years.

(C) (i) Repayment before due date: Any instalment paid before its due date may be taken entirely towards the principal provided it is accompanied towards interest due upto date of actual payment of instalment; if not, the amount of the instalment will first be adjusted towards the interest due for the preceding and current periods and the balance if any, will alone be applied towards the principal. Where the payment of the instalment is in advance of the date by 14 days or less, interest for the full period (half year or full year as the case may be) will be payable. If any State Government repays an instalment of a loan which is consolidated as on 1st October, in advance of the due date by more than 14 days the interest will be payable with reference to the actual date of repayment.

(ii) Pre-payment premium:- Prepayment premium of 0.25% on the loans with residual maturity of less than 10 years and 0.50% for the loans with residual maturity of 10 years and above, shall be charged. The provision does not apply to the loans to State/UT Governments.

(D). Penalty Clause: The loan sanctions/agreements should invariably include a penalty clause providing for levy of a penal rate of interest in the event of default in repayment of instalment(s) of principal and/or interest. The penal rate of interest should *not be less than* 2.50% above the normal rate of interest at which a loan is sanctioned.

(E) Defaults in repayment/Interest payment:

(i) *In the event of a default in repayement of loan/interest payment, the recovery of interest at penal rate may not be waived unless there are special reasons justifying a waiver. However, a decision in the regard will be taken by the Ministry of Finance (Budget Division) on the advice of Financial Adviser. Even in such cases, a minimum of 0.25% should be recovered from the defaulting party as penalty.*

*(ii)*The penal rate of interest is chargeable on the overdue instalments of principal and/or interest from the due date of their payment to the date preceding the date of actual payment.

(iii) Whenever a fresh loan is to be sanctioned to a borrower who has earlier defaulted, the loan sanctioning authority must consider the question of recovery of defaulted dues. All releases to Public Sector Undertakings against budgeted outlays should be made only after adjusting the defaults, if any, pertaining to repayment of loans and interest. If for special and exceptional reasons, such adjustments are not possible, specific orders of Secretary(Expenditure) should be

obtained through Budget Division, before release of fresh loans, in relaxation of extant orders, in conformity with this Division circular No.F.2(190)-B(SD)/91 dated 15.10.1991.

(iv) Any defaults should ab-initio serve as a warning signal to the Ministries/ Departments for which curative action has to be taken immediately.

(v) Ministries/Departments need to critically review the financial position of the borrower, including defaulting CPSUs and wherever possible, should take immediate action to recover the money due to the Government.

(vi) In the case of defaulting CPSUs, there has to be a clear road map for restructuring of these CPSUs, as prolonged approval results in burgeoning of defaults.

(vii) Ministries/Departments are to ensure that these defaults do not become fiscally unsustainable.

(viii) Wherever Ministries/Departments are considering restructuring of a CPSU, it must be ensured that besides equity infusion, funds mobilisation, rescheduling of loans/interest payments, write off of dues, etc. should be formulated holistically.

However, no request for waiver/postponement of instalments on any ground whatsoever will be accepted, except in cases of companies referred to BIFR or in respect of those companies which have incurred cash losses for last three years, in conformity with this Division circular No.F2(165)-B(SD)/94 dated 06.10.1994.

(F)Requests for modification of terms of loans:-

(i) Borrowers are required to adhere strictly to the terms settled for loans made to them and modifications of these terms in their favour can be made subsequently only for very special reasons. Requests for modification of terms may relate to increase in the period of a loan or of an initial moratorium period towards repayment, or waiver of penal interest or reduction in or waiver of normal rate of interest. The procedure of dealing with requests for waiver of penal interest has already been dealt with in paragraph 8. Cases involving other modification in repayment terms should be considered in consultation with the Budget Division in this Ministry. *In referring such cases, the impact of the modifications on the estimates of repayment/interest which have gone into the Budget and Government's resources position should be succinctly brought out by the administrative Ministry.*

(ii) In examining proposals for modification of the period of the loan, the interest rate at which the loan was sanctioned should also be reviewed.

In the case of a loan of which repayment has already commenced the revised rate of interest should be applied ad initio only to the residuary portion of the loan outstanding on the date of extension of its period.

(iii) Requests for waiver of recovery of normal interest (either for a specified period or for the entire period) on a loan which was originally sanctioned at normal rate of interest, will attract the provisions of Rule 223(1) of GFR, 2005, and should be dealt with accordingly.

(G)Loans sanctioned at concessional rates:-

(i) In cases where loans are to be sanctioned at a concessional rate, the instructions contained in GFR 223(1) of GFR, 2005 have to be observed. In such cases, payment of subsidy (to cover the concession viz, differences between normal rate and concessional rate) should be made conditional upon prompt repayment of principal and payment of interest thereon by the

borrower.

(ii) In cases where loans are sanctioned interest free (e.g. loans to technical educational institutions for construction of hostels) prompt repayment should be made a condition for the grant of interest free loans. That is to say, the sanction letter in such cases should provide that in the event of any default in repayment, interest at rates prescribed by Government from time to time will be chargeable on the loans.

(iii) Similarly in the case of interest free loans to departmental canteens where subsidy is also provided to meet running expenses, the sanction letter should stipulate that in the event of any default in repayment, the defaulted due would be recovered out of the subsidy payable.

(H). Miscellaneous: A standard form prescribed for issue of loan sanctions (Appendix-I) should ordinarily be followed.

(i) The date of drawal of loan by the borrower will be date on which he received cash, cheque or bank draft from the Drawing and Disbursing Officer. It should be ensured that the time lag between the date of obtaining the cash/cheque/bank draft and its disbursement/delivery/despatch to the payee is reduced to the minimum. Where the cheque or bank draft is sent through post, the date of posting should be treated as the date of disbursement of the loan. The Drawing and Disbursing Officer should invariably intimate the date of payment to his Accounts Office to enable the latter to make a suitable note in his records.

(ii) In the case of loans sanctioned to parties other than State and Union Territory and Foreign Governments and Government servants, the borrower should tender the amounts due on or before the due date, at the New Delhi Office/Main Office of the public sector bank accredited to the Ministry/Department which sanctions the loan, in cash or by cheque or draft drawn on any scheduled bank in Delhi/New Delhi in favour of the said PSB branch. The payment should be accompanied by a memorandum or challan in duplicate indicating (a) name of the loan sanctioning Ministry/Department; (b) No. and date of the loan sanction letter and the loan amount sanctioned; (c) amount due for payment separately for interest and principal and the head(s) of account to which the dues are to be credited in the Government Accounts; and (d) due date of payment. The borrowers should be asked to tender separate cheque/drafts and challans for payment of principal and interest.

Outstation loanees are required to arrange the dues through their bank ensuring that the memorandum/challan and the cheque/draft reaches the aforesaid PSB branch in New Delhi by the due date.

(iii) Ministries/Departments are required to keep close watch on timely repayments of loans advanced by them and recovery of interest thereon. Rule 220(1) (viii) of GFR 2005 provides for a notice to be given to the borrowers a month in advance of the due date of payment of instalment of the principal and/or interest thereon. Such notices may be sent in the form given in (Appendix II). The borrower should not, however, be given any advantage in the event of non-receipt of such a notice.

Repayments/interest payments due from the loanees should also be reviewed, at least quarterly, and, where any default has occurred, a fresh notice should be served on the borrower to arrange payment with penal/higher rate of interest in the form set out in Appendix III.

(iv) Individual cases relating to terms and conditions of loans need not be referred to the Department of Economic Affairs (Budget Division) unless it is proposed to deviate from those laid down in this Office Memorandum.

This issues with the approval of Finance Minister.

Sd/-
(Vyasaan R)
Deputy Secretary (Budget)
Tel No.: 23092326

To
All Ministries, etc….

APPENDIX-I

FORM OF SANCTION LETTER

To

(In case of State and Union Territory Government to be addressed to

i) Chief Controller of Accounts/Controller of Accounts concerned

ii) Secretary of the Administration Department of the State/UT Government)

(in other cases to be addressed to :

i) The borrower

ii) Controller of Accounts of the Ministry/Department of.....)

Subject:-

Sir,

I am directed to convey the sanction of the President to the payment of loan of Rs.....(in figures).....(in words) to

.....

2. The essential details are given in the Annexure to this letter.

3. (Conditions of fulfilment of which loan is to be sanctioned e.g., those given in Rules 220(3) and 225 of G.F.R. 2005 to be inserted, if necessary).

4. This sanction has been accorded in accordance with the rules/principles laid down with the previous consent of the Ministry of Finance and that the rate of interest on the loan and period of repayment thereof have been fixed in accordance with the existing instruction issued by them.

Yours faithfully,

(….....)

No. ..... dated .....

Copy to the Accountant General concerned (in the case of State and UT Governments only).

Annexure to the Ministry/Department of ..... letter No. ..... dated .....

LOANS AND ADVANCES BY CENTRAL GOVERNMENT

1. Name of the Borrower ....
2. Amount sanctioned (in words & figures)

Rs. .....(in figures)
Rupees .....(in words).

3. Sanction valid upto .....
4. The purpose of loan .....
5. Payable in cash or by adjustment .....
6. Plan/Non-Plan (in the case of Plan, category of Plan) .....
7. Grant & Sub-head under which amount sanctioned is debitable .....
8. Progressive amount of loan sanctioned to the borrower to date in the financial year .....
9. Period of loan .....
10. Moratorium to words repayment, if any .....
11. Date and year from which repayment to commence ....
12. Mode of repayment .....
13. Interest:

(I) For loans to State Government, Union Territory Government & Public sector enterprises:

a) normal rate .....

b) Penal rate of interest in events of defaults in repayment/interest payments .....

c) Mode of recovery of interest .....

(ii) For parties other than State Government, Union Territory Governments and Public Sector Undertakings:

Mode of recovery of interest .....

Signature .....
(Seal of the Sanctioning Authority)

NOTICE

No.----------

OFFICE OF THE CHIEF CONTROLLER OF ACCOUNTS

MINISTRY/DEPARTMENT OF ----------

New Delhi, dated the ----------

To

Subject:- *Repayment of loan and payment of interest thereon.*

Dear Sir,

According to the terms of the loan of Rs.----------sanctioned to you vide Ministry/Department of ----------letter No.----------dated ----------the annual repayment instalment and/or interest their on, detailed below, will become due on ----------

(i) Repayment Rs.---------- (in words and figures)

(ii) Interest Rs.---------- (in words and figures)

2. Please arrange the payment by the due . It should be noted that the amount of interest has been calculated on the assumption that payment will be arranged promptly, otherwise it will be revised upwards in accordance with the terms of the loans.

3. The amount due should be tendered, on or before the due date at the ---------- ---------- (New Delhi head office/main office of the PSB)---------- accredited to the Ministry/ Department) ---------- ---------- in cash or by cheque or draft drawn of any scheduled bank/New Delhi in favour of the aforesaid PSB Branch. The payment should be accompanied by a memorandum or challan, in duplicate, giving the following details;-

(i) Name of the Ministry/Department ---------- (ii) Name of the Borrower ----------

(iii) No. and date of the loan sanction letter with the loan amount sanctioned ----------

(iv) Amount due for payment, separately for interest and repayment ----------

(v) Due date of payment ----------

(vi) The head of the account indicated below, to which the amounts will be adjustable in Government accounts, should, be included in the challan;-

Head of Account

(i) Instalment of Principal

(ii) Interest

4. Separate cheque/draft and challans should be submitted for payment of principal and interest.

5. For outstation loanees, payment of dues together with memorandum/challan is to be arranged through their bank to the aforesaid authorised bank in new Delhi by the due date.

Yours faithfully

Accounts Officer

REGISTERED A.D.

APPENDIX-III

IMPORTANT NOTICE

No.----------

OFFICE OF THE CHIEF CONTROLLER OF ACCOUNTS

MINISTRY/DEPARTMENT----------

New Delhi,

dated…….

To

Subject;- Repayment of loan and payment of interest thereon.

Dear Sir,

I am to state that the payment of Rs.----------and Rs.----------
--(as detailed below) representing principal and interest respectively, which fell due on ---------- in respect of loans mentioned thereagainst, has not so far been arranged by you.

Loan sanction No. & Date

(i) Principal----------

(ii) Interest----------

2. Please arrange to deposit the aforesaid amount to the account of the Government of India within
10 days of the issue of this letter, failing which other measures would be initiated.

3. In case of the payment in question has already been made to the Government, particulars of the cheque/demand draft and the date of deposit at the ……(Name of PSB branch) may be indicated immediately.

Yours faithfully,

Accounts Officer

CHAPTER 11
APPROPRIATION ACCOUNTS (CENTRAL CIVIL)

11.1 CONCEPT AND SCOPE

11.1.1 Appropriation Accounts are the accounts reflecting the Government's expenditure in a financial year compared against the amounts of voted grants and charged appropriations, as specified in the Schedules appended to the Appropriation Act passed by Parliament. These accounts contain information regarding re-appropriation of the sanctioned provision from one unit of appropriation to another, savings and excess of expenditure if any against these appropriations as well as the supplementary grants. The appropriation account is an aid for the Parliament and the Public Accounts Committee to ascertain the performance of Government against the budgeted provisions.

The Appropriation Accounts of the Union Government are submitted to Parliament under the provisions of Article151 of the Constitution, and are intended to disclose-

(a) That the moneys indicated therein as having been disbursed, were legally available for and applicable to the service or purpose to which they had been applied or charged;

(b) That the expenditure conforms to the authority governing it (except those listed in 'Appendix' referred in the certificate mentioned in para 11.3.4(a) below); and

(c) The effects of re-appropriations ordered by the Ministry/Department.

11.1.2 If any expenditure in a financial year is incurred in excess of the amounts of voted grants or charged appropriations, the circumstances leading to it will be disclosed through these accounts. It is disclosed separately under the revenue and capital sections to enable the Parliament to regularize it or take other suitable action. The regularization of excess expenditure for the year is made through 'Additional Grants' submitted to Parliament under Article 115 of the Constitution after receiving the recommendations of the Public Accounts Committee.

Note 1: The Public Accounts Committee of the third Lok Sabha (in the year 1965-66) made an important recommendation in this regard vide paragraph 4.26 of their 45th Report. It has held that excess expenditure over the grant in a year caused exclusively due to an omission to account for such expenditure in an earlier year, does not require regularization by Parliament under Article 115 of the Constitution of India, if the grant/appropriation had actually remained unutilized in that year.

Note 2: Cases of 'New Service' and 'New Instrument of Service' can be regularized only in the ensuing year through the original Demands for Grants presented in the last budget. It cannot be regularized after that year through Supplementary Demands for Grants. For determination of cases of New Service/New Instrument of Service -vide Ministry of Finance, Department of Expenditure O.M. No. F (23)-B (AC)/2005 dated 25.5.2006 given in Annexure "A" to Chapter 4 of this Manual may be referred. For regularization of cases relating to New Service/New Instrument of Service, they shall be submitted in the same manner as explanatory notes for excess.

11.1.3 The Appropriation Act 'Schedule' containing the gross Charged and Voted sums for Revenue and Capital expenditure is based on Part I (Main) of the Demands for Grants presented to Parliament, under Article 113(3) of the Constitution. The Part I itself is built up from the details contained in Part II of the Demands for Grants. The implication being that subsequently, the grant wise and major head wise details of the same Demands for Grants and Detailed Demands for Grants are presented to Parliament for discussion on the Budget. The Union Government Appropriation Accounts (Civil) are a supplement to the Union Government Finance Accounts. Since the Finance Accounts are prepared on net basis reflecting the gross expenditure minus recoveries, the relationship between the two is arranged by below the line recoveries indicated in the form of Note at the time of reconciliation. This Note is shown below Expenditure Budget Volume II, indicating net expenditure and minor head wise details of Major Heads/grants and/or appropriations in Part II of Demands for Grants.

11.2 SIGNING OF THE HEADWISE APPROPRIATION ACCOUNTS BY THE CHIEF ACCOUNTING AUTHORITY

11.2.1 The Secretary of each Ministry/Department acts as the Chief Accounting Authority under the departmentalized system of accounting and is finally responsible to approve and sign the Head wise Appropriation Accounts of the grants/appropriations, administered by his Ministry/Department. The Financial Adviser/Pr. Chief Controller/Chief Controller/Controller assists him in the preparation of these accounts. However, for ministries with independent Secretary for different Departments, each Secretary will function as Chief Accounting Authority for the respective Department. For example, in the Ministry of Industry for (i) Department of Industrial Development and (ii) Department of Industrial Policy and Promotion and in the Ministry of Law and Justice, Secretary (i) Department of Legal Affairs and (ii) Legislative Department, the respective Secretaries will function as the Chief Accounting Authorities.

11.2.2 The following Grants or Appropriations are exceptions in this regard:

Grants or Appropriations relating to	**are prepared by**	**and signed by**
(i) Chandigarh	Accountant General (A&E), Punjab, Chandigarh.	Accountant General (A&E), Punjab, Chandigarh.
(ii) Dadra and Nagar Haveli	Accountant General (A&E), Gujarat, Ahmedabad.	Accountant General (A&E), Gujarat, Ahmedabad.
(iii) Audit	Director General of Audit, Central Revenues, New Delhi.	Dy. Comptroller & Auditor General of India.
(iv) Staff, Household and Allowances of President	PAO, President's Secretariat.	Secretary to the President.
(v) Lok Sabha	PAO, Lok Sabha Secretariat.	Secretary General, Lok Sabha.
(vi) Rajya Sabha	PAO, Rajya Sabha Secretariat.	Secretary General, Rajya Sabha.
(vii) Secretariat of the Vice-President	Pr.AO, M/o Personnel, Public Grievances & Pensions.	Secretary to the Vice-President.
(viii) Union Public Service Commission	Pr.AO, M/o Personnel, Public Grievances & Pensions.	Chairman, UPSC.
(ix) Supreme Court of India	Pr.AO, M/o Law & Justice	Registrar General, Supreme Court of India
(x) Election Commission of India	PAO, Election Commission	Dy.Election Commissioner
(xi) Andaman & Nicobar Islands	Director of Budget & Accounts, Andaman & Nicobar Administration.	Chief Secretary, Andaman & Nicobar Administration
(xii) Daman & Diu	Director of Accounts, Daman & Diu Administration.	Administrator, Daman & Diu Administration.
(xiii) Lakshadweep	Secretary (Pay & Accounts) UT of Lakshadweep.	Administrator, Lakshadweep Administration.

11.3 FORM FOR THE PREPARATION OF HEADWISE APPROPRIATION ACCOUNTS ALONG WITH OTHER ANCILLARY STATEMENTS AND ACCREDITED AUDIT OFFICERS

11.3.1 Each Principal Accounts Office shall prepare Head wise Appropriation Accounts for each grant/appropriation of the Ministry/Department in the prescribed form, strictly in accordance with the given nomenclature/lettering up to sub-head level. That is, it should be prepared in 11 digit codes-comprising of 4 digits for Major Head, 2 digits for Sub-Major Head, 3 digits for Minor Head and 2 digits for sub-head. If there is no Sub-Major Head, "00" is taken as the Sub-Major Head digits for uniformity of coding provisions. A sample has been given for guidance at Annexure-I.
It is based on the budget estimates as per Detailed Demands for Grants and the Supplementary estimates, if any, and prepared in thousands of rupees. The 'Statement of Recoveries' separately supports the account indicating the recoveries adjusted in accounts in reduction of expenditure, as shown in Annexure-II. The Principal Accounts Offices will be required to ensure the following:

1. Major Head totals in the Head wise Appropriation Accounts and the provisions of recoveries shown as reduction of expenditure are strictly in conformity with the Major Head totals shown in the Gross Budget Estimates and the recoveries in the Main Demands for Grants presented to Parliament by Ministry of Finance, respectively. If any discrepancy is observed in the two sets of documents viz. Main Demands for Grants and Detailed Demands for Grants, it should invariably be brought to the notice of Administrative Ministry/Department for issue of necessary corrigendum by Budget Division, Ministry of Finance. Corrections which lead to opening of heads of accounts will require prior approval of Budget Division. Other routine corrections may be made by the administrative Ministries/Departments with the approval of the Financial Adviser of the Ministry.

2. Supplementary Demands for Grants makes provision only up to Major Head level. The distribution up to sub-head level should therefore, be furnished as received from Administrative Ministries/Departments. This is to verify the authenticity of supplementary provisions depicted in the Grant Statement/Head wise Appropriation Accounts.

11.3.2 The Appropriation Accounts are prepared in two stages for expediting audit scrutiny:

Stage - I : Grant Statement of Head wise Appropriation Accounts indicating:

In Col.1

a. Various sub-heads as per Detailed Demands for Grants; and
~~b.~~ The appropriation/provision in respect of each sub head, with Original denoted by letter 'O', Supplementary denoted by letter 'S' and the Surrender or Re-appropriations denoted by letter 'R' for charged/voted appropriations and grants. ~~The Plan and Non-Plan appropriations/grants are shown together.~~.**(deleted vide CS 9)**

In Col.2

a. The figures of total grant or appropriation indicating the net effect of Original, Supplementary & Re-appropriations. As surrendered amounts are accounted under 'R', the surrendered amounts as accepted by Min. of Finance are shown by opening the head "Surrenders/Withdrawals within Grant/Appropriation". This is to ensure that the actual grants including the Original & Supplementary as voted by the Parliament are shown under concerned segment or section.
b. Explanations for the variation denoted by 'R' should also be included in Column1, as per norms given in Para 11.5.1 e.g. saving/excess was mainly due to....."

c. In columns 1 & 2 of the Statement of Recoveries, the original budget estimates and the supplementary estimates, if any, will also be given.

Note: The actual recovery should be shown against the correct head from which the amount has actually been reduced while computing the 'Statements for Central Transactions' (S.C.T.) figures. The nomenclature in Annexure II should be in conformity with those shown in the S.C.T. It may be noted that even if a head does not appear in the Detailed Demands for Grants, it can still be adopted in Annexure II to depict the actual recovery without obtaining formal approval of the Ministry of Finance, Budget Division.

Stage-II - **Head wise Appropriation Accounts indicating:**

In Col.3

The figures of actual expenditure.

In Col.4

The variations of (+) Excess or (-) Savings between the figures of Columns 2 and 3. The reasons for variation in Col.4 will also be given in Column 4, for example, saving/excess was due to .....". In the Statement of Recoveries etc, the actual expenditure will be shown along side the total estimates, as well as indicating the variation (+) More or (-) Less.

After the beginning of the new financial year, each Principal Accounts Office will complete Stage I of the Head wise Appropriation Accounts. This shall be done with the help of that year's Main and Detailed Demands for Grants, Supplementary Demands for Grants, Re-appropriation Orders issued by the Ministry/Department controlling the grant/appropriation, and the Surrender Orders if any issued by them, as accepted by Ministry of Finance. The Budget Wing of the concerned Ministry/Department shall verify the (Stage-I) Grant Statement before it is issued under the signatures of Pr.CCA/CCA/CA etc. The Principal Accounts Office will furnish one copy of this Grant Statement to the Principal Audit Officer i.e. Office of the Director General of Audit, Central Revenues(DGACR), NewDelhi, three copies to the accredited Audit Officer and two copies to CGA, as per the annual time tableissued each year by the Controller General of Accounts.
In case of the following grants/appropriations, the accredited officers are as indicated below-

Grants/appropriations relating to	**The accredited Audit Officer**
(i) Ministry of Defence	Director General of Audit, Defence Services, New Delhi.
(ii) Ministries of Agriculture, Chemicals & Fertilizers, Civil Aviation Commerce Coal Food Food Processing Ind &	Pr.Director of Audit, Economic and Service Ministries, New Delhi.
(iii) Departments of Atomic Energy, Electronics, Space, Ocean Development and Ministries of Environment &	Pr.Director of Audit, Scientific Departments, New Delhi.
(iv) U.T. of Lakshadweep.	A.G.(Audit), Kerala.
(v) Andaman & Nicobar Islands	Pr.Director of Audit, Central, Calcutta.

(v) Andaman & Nicobar Islands	Pr.Director of Audit, Central, Calcutta.
(vi) Daman and Diu	Pr.Director of Audit, Central, Mumbai.
(vii) Other than above all cases	Director General of Audit, Central Revenues, New Delhi (DGACR).

This Grant Statement should be accompanied by the following documents:

(i) Statement indicating the Number, Date and Amount of various Re-appropriation/Surrender Orders taken into account while preparing the Grant Statement, duly certifying that-

(a) the statement is complete and contains all the Re-appropriation/Surrender Orders issued in respect of the particular grant/appropriation during the financial year, and that (b) all Surrender Orders have been accepted by the Ministry of Finance vide its Audit Order No(s)..... dated .....

(ii) Attested copies of all Re-appropriation and Surrender Orders issued during the financial year and taken into account for preparing the Grant Statement.

(iii) Statement of funds re-appropriated to and from different sub-heads through the Form in Appendix 'A'.

(iv) Statement of Recoveries adjusted in reduction of expenditure.

(v) Statement showing the distribution of Supplementary Demands for Grants up to sub-head level-both for Gross and Deduct recoveries, as furnished by the Administrative Ministries/Departments.

(vi) Certificate to the effect that there is no/are case(s) that attract the provisions of 'New Service or New Instrument of Service' in terms of Ministry of Finance, Department of Expenditure O.M. No. F (23)-B (AC)/2005 dated 25.5.2006, Appendix 'A' to Chapter 4 and Para 4.3.2.

(vii) Certificate to the effect that "Increase of budget provision by Rs. five crore and above under a sub-head has been made with the approval of Secretary Expenditure".

(viii) Certificate to the effect that "All savings/excess included in the Appropriation Accounts are covered by valid re-appropriation/surrender orders issued by competent authority under delegated powers and no re-appropriations have been made subsequently to cover the actual expenditure".

Note: A few Demands would encompass provision for more than one Department under a Ministry. In such cases the provision would be made department wise within the Revenue and Capital Section, and thereafter the grand total would be struck under each section. A separate sheet showing major head wise-combined provision of all the departments will be attached after both Revenue and Capital sections.

11.3.4 After complying with all the observations made on the Grant Statement (Stage I) by the accredited Audit Officer, Pr. Audit Officer, the Controller General of Accounts and the Pr. Accounts Office will initiate action for Stage II of the Head wise Appropriation Accounts. The Stage II Appropriation Accounts shall also be rendered to Audit/CGA, as per the timetable issued by the Controller General of Accounts every year.

Each account will be accompanied by the following certificates and statements also:

(a) "Certified to the best of my knowledge and belief that all expenditure included in the Head wise

Appropriation Accounts: Union Government (Civil): for the year .....has been sanctioned by the competent authority (except for the cases mentioned in the Appendix). This certificate shall be recorded at the end of the body of the Account itself.

(b) Statement showing Reconciliation of expenditure figures included in the Head wise Appropriation Accounts and the Statement of Central Transactions (Annexure III). It will be duly certified as under-

(i) Certified that Rs..... (ths.) shown above agree with the expenditure figures shown in the Statement of Central Transactions for the year ..... furnished to Controller General of Accounts.

(ii) Certified that the expenditure figures included in the Head wise Appropriation Accounts stand reconciled and accepted by the concerned Heads of Departments / Controlling Authorities.

Note:- In the case of composite grants and expenditure incurred by agent Ministries/Departments on behalf of functional Ministries, sub-head wise details of expenditure will be furnished on monthly and annual basis by the various accounting agencies viz. PAOs, Accountants General etc. to the Pr. Chief/Chief/Controllers of Accounts responsible for preparing the Head wise Appropriation Accounts of these grants.

(c) Statement showing sub-head wise Reconciliation of figures in the Head wise Appropriation Accounts as well as Statement of Recoveries adjusted in accounts in reduction of expenditure. This will be done up to and Minor Head wise in the Statement of Central Transactions, as shown in Annexure IV.

(d) Statement showing the "Amounts met from Advances out of Contingency Fund of India" (Annexure VI), but remaining un-recouped at the end of the year. If there is no case of any such advance remaining un-recouped, a Nil statement shall be furnished.

(e) Account(s) of Earmarked Fund(s) containing the brief description of the Fund, its accounting operation, the year's receipts and payments along with opening and closing balances.

A certificate in the following form must also be given on a separate sheet to be enclosed with the Head wise Appropriation Accounts:

(i) "Certified that the earmarked funds included in the Union Government (Civil) Appropriation Accounts for the year..... are eligible for inclusion and have the prior concurrence of the C&AG of India".

(ii) "Certified that there is/are no fund(s) which is/are eligible for inclusion in the Union Govt. Appropriation Accounts (Civil) for the year ..... ". (Deleting whichever is not applicable.)

(f) If the expenditure has exceeded the sanctioned provision or appropriation in any segment, viz. Revenue-Voted, Revenue-Charged, Capital-Voted, or Capital-Charged of the grant or appropriation, a certificate shall be furnished to the effect that the expenditure has not exceeded due to misclassification/erroneous adjustment in the accounts, with the actual figures of excess amount in units also shown.

(g) Certified that all the expenditure incurred during ..... relevant to grant/appropriation No..... has been included in the Appropriation Account for the year....., and no amount/amounts pertaining to it has/have been left unadjusted under any suspense/remittance heads for want of paid vouchers etc.

(h) Reasons for variations between figures of total grant or appropriation in Column I (Original +

Supplementary) if any, and actual expenditure in Column 3 under various sub-heads will be obtained by the Pr. Accounts Office from the Budget Wing etc. of the Ministry/Department and incorporated in the Head wise Appropriation Accounts. Such reasons will be obtained in the cases qualifying for comments in view of the principles given in para 11.5.1. The copies of Appropriation Accounts will be sent for audit scrutiny to the accredited Audit Officer, Pr. Audit Officer (DGACR), and the Controller General of Accounts, duly signed by the Pr. Accounts Officer, as indicated below-

a. Accredited Audit Officer, 2 copies;
b. Pr. Audit Officer (DGACR), 2 copies; and
c. Controller General of Accounts, 2 copies.

(i) Statement indicating major head wise /grant wise totals of the Consolidated Fund of India as appearing in SCT.

Note: Pr. Accounts Office would prepare Appropriation Accounts of the expenditure incurred by the Pay & Accounts Offices under its control as well as the expenditure figures reported by the Agent Departments on behalf of the Functional Department, based upon the sanctions issued by the latter. This is in terms of this Office Memorandum No.1(8)(7)/86/TA/1099 dt.30-10-1986.

11.3.5 If any important feature is seen in the Head wise Appropriation Accounts, the Principal Accounts Officer shall bring them to the notice of the Chief Accounting Authority, through the Financial Adviser.

11.4 STAGE-III HEADWISE APPROPRIATION ACCOUNTS: DULY AUDITED, AND APPROVED BY THE CHIEF ACCOUNTING AUTHORITY ON FILE.

11.4.1 After the Appropriation Account of each grant/appropriation pertaining to the Ministry/Department is audited and "No Comments" certificate is issued by the Audit Officer, the finalized Account would be put up on file to the Secretary, for his approval. This shall be put up through the Financial Adviser of the Ministry, bringing to notice any important variations, points or features arising out of the audit scrutiny.

Note: The Audited Head wise Appropriation Accounts has to be submitted within one week of receiving 'No Comments' certificates from Audit. If the 'No Comments' Certificate received is subject to some Audit Observations, the audit observations must be complied with and the accounts finalized at the earliest, without waiting for a clear 'No Comments' Certificate from Audit.

11.4.2 The copies of the finalized Account will be furnished for condensation at this stage as under :

a. To the Accredited Audit Officer, 2 copies;
b. To the Pr.Audit Officer (DGACR), 2 copies; and
c. To the Controller General of Accounts, 2 copies.

11.4.3 The fact that the Chief Accounting Authority has approved the Accounts on file will also be indicated in the forwarding letters sent with the copies.

11.5 NORMS FOR RECORDING REASONS FOR VARIATIONS AND THEIR PRESENTATION

11.5.1 The sub-heads for which reasons for variations of savings and excesses are required to be included in the Head wise Appropriation Accounts, will be selected on the following laid down working principles:

(a) If the variation in a sub-head exceeds Rs.500.00 lakhs*:

This includes all variations irrespective of the percentage under both savings and excesses, against the sanctioned provision of Original or Supplementary grants/appropriations or both taken together.

(b) If the variation in a sub-head does not exceed Rs.500.00 lakhs*:

(i) Where variation is an excess **-** This includes all cases where the excess exceeds either 10% of the total sanctioned provision or Rs.250.00 lakhs*, whichever is higher. The total sanctioned provision in this clause means Original provision if there is no supplementary provision, Supplementary provision ifthere is no Original provision, and the Original and Supplementary provision taken together, if both of them exist.

(ii) Where the variation is a saving - This includes all cases where the savings exceed 10% of the original provision or Rs.250.00 lakhs* whichever is higher, if there is no supplementary provision in that sub-head. If there is a supplementary provision in a sub-head either with or without any original provision, all cases in which the savings exceed 10% of the supplementary provision or Rs.100.00 lakhs*,whichever is higher, will be included.

(c) If the Grant/Appropriation as a whole has been exceeded - This includes all cases where excess has occurred in any of the four segments as a whole viz. Revenue-Voted, Capital-Voted, Revenue- Charged and Capital-Charged.

In such instances only the sub-heads that involve an excess of over Rs.25.00 lakh* each, may be pickedup. If none of the individual sub-heads involve an excess of over Rs.25.00 lakh*, the sub-heads that mainly account for the overall excess may be included. The criteria laid down in (a) and (b)(i) will also be followed for the purpose.

***The revised limits effective for the accounts from the year 2018-19. (Substituted vide CS No.9)**

Note (1): Notwithstanding the working principles mentioned in the preceding para, occasions may arise where it may be considered necessary at any stage of the processing of the Appropriation Accounts, to include any additional sub-heads for the purpose of explaining the variations. This may occur either during Audit, or after the completion of Audit of the Head wise Accounts, or even at the stage of condensation. In such cases, explanations for variations in those sub-heads shall also be included in the Head wise Appropriation Accounts, before they are got signed by the Secretary of the Ministry/Department as the Chief Accounting Authority.

Note (2): For the purpose of this para, variation implies the variations under column 1 (re-appropriation including surrender element only) and column 4 taken together.

11.5.2 The reasons for variations should be brief, lucid and analytical to be mentioned as per their importance. Vague observations like 'due to over estimates', 'based on actual expenditure', 'due to less (or more) expenditure', 'due to less (or more) demands' etc. should be avoided and Ministry/Department shall be requested to elucidate correct and specific reasons.

11.5.3 The Public Accounts Committee (10th Lok Sabha, 1990-91) in its 60th Report vide paras 1.22 and 1.24 had observed that savings of Rs.100.00 crores or above are indicative of defective budgeting as well as shortfall in performance in a Grant or Appropriation. It has therefore been decided by the Public Accounts Committee, that each year a detailed Explanatory Note in respect of savings of Rs.100 crores or above shall be furnished by the respective Ministry/Department, to the Committee.

Note: Explanatory Note for savings of Rs.100.00 crores or more for all excess expenditure may be submitted to audit for vetting, with a copy to the Controller General of Accounts by the concerned Ministries/Departments. It should be submitted along with the Head wise Appropriation Accounts (of this Stage), to enable the Controller General of Accounts to send it along with the condensed accounts. This will facilitate both checking of facts and figures of the Notes as well as prevent delays in submission of the detailed explanatory notes to PAC.

11.6 CORRIGENDUM TO THE HEADWISE APPROPRIATION ACCOUNTS

11.6.1 Corrections necessitated in the Head wise Appropriation Accounts after submission to Audit/CGA whether due to reconciliation of expenditure with departmental authorities or otherwise and carried out in the Statement of Central Transactions through Journal Entries, may be communicated to Audit/CGA in the Format given in Annexure V.

11.7 CONDENSATION OF HEADWISE APPROPRIATION ACCOUNTS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE

11.7.1 (i).The audited Head wise Appropriation Accounts of various grants/appropriations will be condensed by the organization of the Controller General of Accounts in the form in which these are required to be printed and presented to Parliament. This is done in accordance with the recommendations of the Public Accounts Committee on the subject and the changes advised from time to time by the C&AG of India.

(ii). The norms and guidelines for preparation of Condensed Appropriation Accounts as approved by the Public Accounts Committee to be laid in Parliament are given in Appendix 'B'.

(iii). Two copies of the condensed accounts shall be signed by Controller General of Accounts and the balance three copies will be authenticated by the Jt. CGA/Dy.CGA/Asstt. CGA, and furnished to Principal Audit Officer (DGACR, New Delhi), for obtaining final Audit clearance from the Comptroller & Auditor General of India, before it is sent for printing.

(iv). In case the Controller General of Accounts is not in office on account of tour or leave, two copies of Condensed Accounts will be signed by the Addl. Controller General of Accounts. Ex-post-facto approval of the CGA will however be obtained in all such cases.

(v). Ten (diglot) signatory copies bound in Rexine with the Title embossed in Gold will be signed in manuscript by the Controller General of Accounts, countersigned on behalf of the Government by the Secretary to the Govt. of India, Min. of Finance, Department of Expenditure.

(vi). Seven of the signatory (diglot) copies, along with a certificate by the Assistant Director (Official Language) to the effect that Hindi version is the true translation of the English version appended to it, will be furnished to DGACR, New Delhi. DGACR will obtain the signatures of the Comptroller & Auditor General of India on the Audit Certificate, before the C&AG submits it to the President through the Finance Secretary to the Govt. of India.

(vii). The allotted Government of India Press is simultaneously asked to go ahead with the printing of the balance ordinary copies. A certificate will also be recorded in the forwarding letter addressed to DGACR, to the effect that the reconciliation of Grant wise/Major Head wise figures for the purpose of Union Govt. Appropriation Accounts (Civil) has been completed with the Major and Minor Head wise figures of the Union Govt. Finance Accounts.

(viii). As soon as the C&AG of India furnishes three signatory (diglot) copies of the Union Govt. Appropriation Accounts(Civil) to the President, 10 (diglot) copies will be supplied by the organization of Controller General of Accounts to the Budget Division of Ministry of Finance. This is done for advance action towards presentation of the Accounts under Article 151 of the Constitution to Parliament, on receipt of approval from the President.

(ix). When intimation is received regarding the date of presentation of the Accounts on the Table of both the Houses of Parliament, 550 diglot copies will be supplied to Lok Sabha Secretariat and 250

such copies to the Rajya Sabha Secretariat, on the specified date.

(x). When intimation is received by the Controller General of Accounts that the Accounts have been laid on the Tables of Parliament, diglot copies of the Union Govt. Appropriation Accounts(Civil) as per numbers indicated will be supplied to the following authorities.

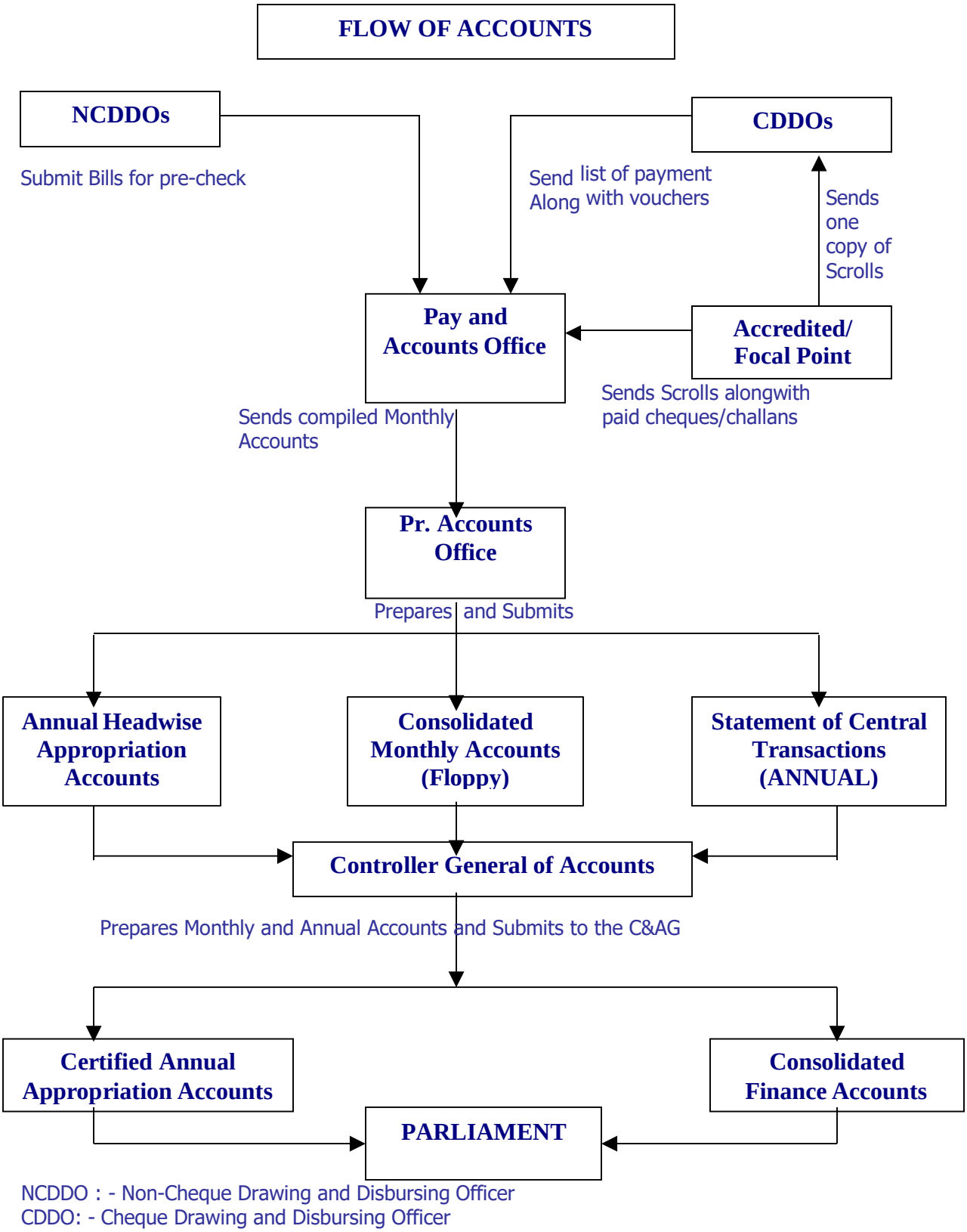
Name of Authority/Organization	Number of Copies
(i) Press Information Bureau	50
(ii) Public Accounts Committee	40
(iii) C&AG of India	60
(iv) Director General of Audit, Central Revenues	88
(v) Pr. Director of Audit, Economic & Service Ministries	10
(vi) Pr. Director of Audit, Scientific Departments	5
(vii) Director General of Audit, Defence Services	5

(xi). The organization of Controller General of Accounts will simultaneously send intimation to the Controller of Publications, Civil Lines, Delhi, to release the remaining copies of the Union Govt. Appropriation Accounts (Civil) to concerned Ministries/Departments/Offices according to the free mailing list already sent to him for the purpose.

11.8 STAGE - IV - HEADWISE APPROPRIATION ACCOUNTS

11.8.1 Principal Chief Controllers/Chief Controllers/Controllers of Accounts etc will carry out the corrections in the Audited Head wise Appropriation Accounts, on receipt of intimation from CGA about any additions or alterations etc made in the Audited Head wise Appropriation Accounts. Such corrections may be based on the Audit Comments and are included in the Condensed Appropriation Accounts, before their final printing and presentation. After carrying out such corrections, three copies of the Head wise Appropriation Accounts including the Statement of Recoveries adjusted in accounts in reduction of expenditure, will be got signed by the Chief Accounting Authority. The Pr. CCA/CCA/CA who functions as the Head of the Organization will sign the enclosures. The final version of the Detailed Appropriation Accounts will be furnished as per the following.

(a) Pr. Audit Officer (DGACR)	5 copies (including one copy signed by Chief Accounting Authority and the rest attested by the Pr. CCA/CCA/CA)
(b) Controller General of Accounts	1 copy (signed by Chief Accounting Authority)


FLOW OF ACCOUNTS
NCDDOs
CDDOs
Submit Bills for pre-check
Send list of payment Along with vouchers
Sends one copy of Scrolls
Pay and Accounts Office
Accredited/ Focal Point
Sends Scrolls alongwith paid cheques/challans
Sends compiled Monthly Accounts
Pr. Accounts Office
Prepares and Submits
Annual Headwise Appropriation Accounts
Consolidated Monthly Accounts (Floppy)
Statement of Central Transactions (ANNUAL)
Controller General of Accounts
Prepares Monthly and Annual Accounts and Submits to the C&AG
Certified Annual Appropriation Accounts
Consolidated Finance Accounts
PARLIAMENT
NCDDO : - Non-Cheque Drawing and Disbursing Officer
CDDO: - Cheque Drawing and Disbursing Officer

ANNEXURE -1
(REFER TO PARA 11.3.1)

HEADWISE APPROPRIATION ACCOUNTS FOR_____

GRANT No. XX – DEPARTMENT OF SUPPLY

Head		Total Grant Or Appropriation	Actual expenditure	Excess + Saving –
1.		2	3.	4.
				(In thousands of rupees)
Revenue Section:				
Major Head '2052'				
Secretariat General Services:				
00.090 – Secretariat				
16 – Department of Supply				
O.	7,00,00			
S.	74,00	7,72,00	7,69,19	- 2,81
R.	- 2,00			
Major Head '2057'				
Supplies and Disposals:				
– Purchase				
O.	8,13,69			
S.	79,00			
Charged		70,00	14,19	- 55,81
Col.4 – Saving was due to ……. (being more than 10% of sanctioned provision and Rs.50,00 lalkhs)				
Voted				
O.	12,41,58			
S.	1,51,00			
R.	- 8,52	13,84,06	13,76,23	- 7.83
Col. 1 & 4 – Saving was mainly due to …….. (being underutitlisation of Supplementary Grant by more than 10% of Supplementary Grant and Rs.5.00 lakhs Col.1 & Col. 4 taken together)				
– Inspection				
R.	- 3,44	8,89,25	8,77,02	- 12,23

Col.1 & 4 – Saving was due to ……..
(being underutilization of Supplementary Grant by more than 10% of Supplementary Grant and Rs.5,00 lalkhs Col.1 & Col.c4 taken together)

- Disposals				
O	4,73			
R.	- 1,04	3,69	3,28	- 41
Total Major Head '2057'				
Charged		70,00	14,19	- 55,81
Voted				
O.	20,60,00			
S.	2,30.00			
R.	-13,00	22,77,00	22,56,53	- 20,47
Major Head '3425'				
Other Scientific Research:				
60 – Others				
101 – National Test House				
O.	6,29,00			
S.	81,00			
R.	-93,00	6,17,00	5,75,16	- 41,84

Col. 1 & 4 – Saving was due to ……
(being more than 10% of sanctioned provision as well as Rs.100.00 lakhs)

Surrenders or withdrawals within appropriation				
R	--	--	--	--
Surrenders withdrawals within grant				
R.	1,08,00	1,08,00	----------	1,08,00
Total Revenue Section				
Charged		70,00	14,19	- 55,81

Voted				
O.	33,89,00			
S.	3,85,00	37,74,00	36,00,88	- 1,73,12

Certified to the best of my knowledge and belief that all expenditure included in the Headwise Appropriation Accounts, Union Government (Civil) for the year …… has been sanctioned by the Competent Authority. (except for cases mentioned in Appendix)

ANNEXURE -II
(REFER TO PARA 11.3.1)

Grant No.6 – DEPARTMENT OF FERTILIZERS FOR 20_____

Details of recoveries adjusted in accounts in reduction of expenditure

Sub head	Total Estimates	Actuals	Actuals compared with total estimates More (+) Less (-)
			(In thousands of rupees)
Revenue Section:			
Major Head "2401" Import of Fertilizers			
O. 7,00,00,00			
S. 3,50,00,00	10,50,00,00	10,51,01,45	(+) 1,01,45
Major Head "2852" Implementation of Voluntary Retirement Scheme in Public Sector Undertakings			
Grants to FCT for Implementation of Voluntary Retirement Scheme	25,00,00	--	(-) 25,00,00
Total Revenue Section			

O.	7,25,00,00			
S.	3,50,00,00	10,75,00,00	10,51,01,45	(+) 24,98,55

*Chief
Controller of Accounts
* Dy.

*Secretary
Ministry/Deptt. of ……

* Strike whichever not applicable

@ Total estimates means the original estimates (if there is no supplementary estimates) supplementary estimates, (if there is no original estimates) and Original and Supplementary estimates taken together if both exists.

ANNEXURE -III
(REFER TO PARA 11.3.4)

Statement showing Reconciliation of Appropriation Accounts figures with the Statement of Central Transaction – (Finance Accounts) figures for the year

	Total Revenue		Total Capital	
	Charged	Voted	Charged	Voted
1. Amount of actual expenditure shown in the Head wise Appropriation Accounts of Grant or Appropriation (vide Annexure I)				
2. Deduct – Amount of recoveries adjusted in accounts in reduction of expenditure (vide Annexure II)				
3. Deduct Amount adjusted in the Statements of Central Transactions of other Accounting Circles but Included in the Headwise Appropriation Accounts (as per details appended indicating name of the accounting organizations, the amount, sub-heads affected etc., and reasons for inclusion)				
4. Add-Amounts adjusted in the Statements of Central Transactions as agent Ministry/Deptt. For inclusion In the Headwise Appropriation Accounts of functional Ministries/Deptt. (as per detailed appended indicating the number and name of Grant of functional Ministries/ Deptt. in which the amounts will be included, sub-heads affected and authorization issued by the latter.)				
5. Net expenditure (1-(2+3)+4) (SCT figures)				

Certificates

1. Certified that Rs…..ths, shown in Sl. No.5 above agrees with the expenditure figures shown in the Statement of Central Transactions of this Grant for the year furnished to Controller General of Accounts separately.

2. Certified that the figures of expenditure included in the Appropriation Accounts stand reconciled and accepted by the Head of Department/Ministry.

*Pr. Chief/Chief/Controller/Dy. Controller of Accounts

- Strike off whichever is not applicable

This takes effect from the year 1995-96

ANNEXURE -IV

Grant No.48 – Department of Ayurveda, Yoga & Nathropathy, Unani, Siddha and Homoeopathy for 2005-06

STATEMENT OF RECONCILIATION

Statement showing reconciliation of figures Sub-head who included in the Headwise Appropriation Accounts and upto Minor headwise in the Statement of of Central Transaction

Heads	Figures as per Headwise App; A/cs	S.C.T.	Difference	Remarks will appear in Headwise App. A/cs	SCT of
(1)	(2)	(3)	(4)	(5)	(6)
Revenue Section					
Major Head "2251"					
2251 – Secretariat Social Services					
22510009015 – Secretariat					
22510009015 – Department of Indian Systems of Medicine and Homeopathy	4,68,94				
Total Secretariat	4,68,94	4,68,41	53		53 M/o I&B
Add. 2251 (Gr. No.47 – Deptt. of Health	16,50,00				
Add 2251 (Gr. No.49 – Deptt. of F.W.	4,09,75				
Total Major Head "2251"		25,28,17			
Major Head "2210" 2210 – Medical and Public Health					
221002 – Urban Health Services - Other Systems of Medicine					
221002001 – Direction and Administration					
22100200103 – Expenditure on International Exchange Programme/ Seminar workshop on ISM & H		1,03,61			
22100200105 – Expenditure on Information, Education and Communication (IEC)		3,31,48			

(1)	(2)	(3)	(4)	(5)	(6)
22100200106 – TKDL & ISM&H					

intellectual property rights		1,50,00
22100200107 – CGHS Expansion in Dispensaries	23,61	
22100200110 – Acquisition and Publication of Text books & Manuscript		24,71
Total: Direction and Administration	8,33,41	

221002101 – Ayurveda

2210020102 – Grants to Central Council of Indian Medicine, New Delhi	87,08
2210020103 Grants for Central Council's Combined Building Complex	1,74,00
2210020107 – Strengthening of Pharmacopoeial Committee on ISM	1,49,34
2210020108 – National Ayurvedic Hospital in Delhi	
2210020109 – CGHS Ayurveda Hospital	

ANNEXURE -V

(Refer to Para 11.6)

STATEMENT SHOWING PARTICULARS OF CORRECTIONS TO THE HEADWISE APPROPRIATION ACCOUNTS

Grant No. and name	Sub-heads of the Appropriation Account	Amount shown to be shown in col.3	Amount of corrections in col.3 More + Less -	Amount shown/to be shown in col.4	Amount of corrections in col.4 More + Less -	Revised explanation	Authority on the basis of which correction proposed
1	2	3	4	5	6	7	8
For Read							

Signature……..
Pr. Chief Controller/ Chief Controller/
Controller of Accounts/Financial
Controller
Ministry……
Department……..

Note:- The Corrigendum will be signed by the officer who has signed the Headwise Appropriation Accounts to corrected.

Note:- (i) The figures to be shown against For against affected head/sub-head would be the same as shown against the head-sub-head in the Appropriation Accounts signed by the Secretary.

(ii) The figures to be shown against Read against head/sub-head would be revised figures after incorporation of the proposed correction.

(iii) The amounts shown in cols.4 and 6 are to be the same.

(iv) Any change/addition or alteration in the notes and comments/explanations should be indicated in col.7 against the relevant sub-head of theAppropriation Accounts.

(v) if the correction affects the Total (Revenue or Capital or both) of the Appropriation Accounts of a particular grant, the same should be shown in the end as follows:-

Total Revenue	Charged Voted

For

Total Capital	Charged Voted

Total Revenue	Charged Voted

Read

Total Capital	Charged

ANNEXURE -VI

(refer to Para 11.3.4)

Contingency Fund Statement

1. The Statement to be appended to the Headwise Appropriation Accounts should be prepared in the proforma indicated below:-

Sl. No.	Head of Account	Amount	Month of sanction/ withdrawal	Amount recouped	Month in which recouped	Balance if, any
						(In thousands of rupees)
1.	'2052' – Secretariat	50.00	October, 97	50.00	March,98	Nil

2. In case where there has been no withdrawal/recoupment from the Contingency Fund during the year, a NIL statement should be given.

Appendix A
(Refer to Para 11.3.3)

Statement of Funds Reappropriated to and from the different sub heads

No. and/or name of the Grant/Appropriation

Sl. No.	No. and date of reappropriation order	Sub Head	Amount reappropriated from (-R) to (+R)		Remarks
1.	2.	3.	4	5.	6
			Rs.	Rs.	
		Total			

(i) Difference of amounts shown in column 4 and 5
(ii) Amount surrendered, if any as accepted by Finance Ministry vide letter No. dated .....

Foot Notes:

1. The Statement should be prepared separately for
(a) Revenue – Charged
(b) Revenue – Voted
(c) Capital – Charged
(d) Capital – Voted

Sections/portions of the Accounts

2. The amount of difference between the amounts shown in Column 4 and 5 should tally with the amount surrendered.

3. The number of reappropriation orders mentioned in column 2 should be verified with the list of such orders obtained from the Budget Section of the Ministry/Department so as to ensure that all these orders issued during the year have actually been taken into account for preparing the Statement/Account.

Appendix 'B'
(Refer to Para 11.7)

Broadly the form and manner of the Condensed Appropriation Accounts is as follows:

1. Nomenclature and number of Grant/Appropriation is given strictly as per the Main Demands for Grants presented to Parliament by the Ministry of Finance.
2. Summary i.e. voted grant (O+S), expenditure, saving/excess (-+) of cash portion i.e. Revenue (voted & charged) Capital (voted & charged) is shown at the start simultaneously showing the surrender in each case. Next the notes and comments and therein first Revenue Section is dealt with by highlighting the following:
   (i) The overall picture of the Grant/Appropriation and also its percentage with reference to the supplementary grant/appropriation and the total sanctioned provisions including supplementary, if any, under each section separately and cases where overall saving in a grant/appropriation exceeded the supplementary grant/appropriation.
   (ii) Cases where the amount surrendered exceeded the overall savings in the Grant/Appropriation.
3. Thereafter the position with reference to the saving/excess is explained major Headwise. The guiding principle of explanation is that if in any head below Major Heads in the Heads in the Headwise (detailed) Appropriation Accounts there are heads under which more than 10 percent of supplementary grant or Rs.100 ~~(5.00)~~ lakhs, whichever is higher, remained unutilized or there is a saving/excessof more than Rs. 500 (~~100.00~~) lakhs only then that Major Head is to be depicted in the Condensed Appropriation Account even though the total saving/excess takentogether of all the heads thereunder is less the required limit of Rs.500 (~~100.00~~) lakhs. Similarly where there is no such head in the Headwise (detailed) Appropriation Accounts where excess/savings is not exceeding Rs.500 ~~(100.00)~~ lakhs then that Major Head will not be depicted even though the excess/saving in the Major Head is more than Rs.500 ~~(100.00)~~ lakhs. The sequence will be as under:

   (i) Specific heads of accounts under which the entire provision remained unutilized.
   (ii) Specific heads of accounts under which the entire supplementary grant remained unutilized.
   (iii) Specific heads of accounts under which more than 10 percent of supplementary grant or Rs.100 ~~(5.00)~~ lakhs, whichever is higher, remainedunutilized.
   (iv) Specific heads of accounts under which the "variation" (savings or excesses) exceeded Rs.500 (~~100.00~~) lakhs irrespective of the percentage which the variation bears to the sanctioned provision.
   (v) Specific heads of accounts in which savings/excesses exceeded Rs.250 ~~(50.00)~~ lakhs or 10 percent of the sanctioned provision, whichever is higher, but did not exceed Rs.500 ~~(100.00)~~ lakhs are clubbed in a single para indicating the number of such heads, the aggregate variation and minimum and maximum percentage of the variations.

4. In cases where is expenditure under individual "Segments" of the grant i.e. Revenue (Charged) Revenue (Voted) Capital (Charged) and Capital (Voted) exceeded the sanctioned provisions/appropriation then the excess in the condensed Appropriation Accounts will be explained first followed by savings. If the excess occurred is less than Rs.500 (~~100.00~~) lakhs then all heads of accounts, which mainly contributed to the overall excess under the individual "segment" are to be explained.

The revised limits effective for the accounts from the year 2018-19.

Authority: OM No.G-25018/CGA-AA/Policy/2018-19/543 dated 22.3.2019. UO No.G25018/CGA-AA/CAM Revision/2018-19/544 dated 3.4.2019

(Substitued the revised limits vide CS No.9)

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CHAPTER 12
GUIDELINES FOR INTERNAL AUDIT OF THE DEPARTMENTAL ACCOUNTS ORGANISATIONS

12.1 INTRODUCTORY

12.1.1 The scheme of departmentalization of Union Government accounts provides for setting up of an efficient internal audit organization to ensure accuracy in accounts and efficiency in the operation of the accounts set up. Internal Audit organizations have accordingly been set up in most of the Ministries/Departments. The scope and function of the internal audit organization will depend on the nature of work, the number of subordinate offices, the strength of establishment, nature and quantum of expenditure etc. Each Ministry/Department therefore, will draw up a Manual of Internal Audit specifying the duties and functions of the organization, with particular reference to the prevailing conditions in the Ministry/Department. The guidelines contained in this chapter will regulate the working of these organizations. These guidelines are however, broad in nature and have to be supplemented by detailed instructions issued by each Ministry/Department.

12.2 SCOPE OF INTERNAL AUDIT

12.2.1 The Internal Audit Unit will work directly under the Pr.CCAs/CCAs/CAs, with overall responsibility remaining with the concerned Financial Adviser and the Secretary of the Ministry/Department. The Principal Accounts Office, the Pay and Accounts Offices as well as the offices of the D.D.Os in Ministries/Departments, Indian Missions and other Govt. of India offices abroad, shall be within the jurisdiction of internal audit. In addition to these offices, internal audit shall be required to audit the implementing agencies for various schemes and programmes of the Ministry/Department.

Internal Audit shall also check the initial accounts maintained in the executive offices to ascertain the extent of following of the rules and regulations, system and procedures in accounting and financial matters. The scrutiny would cover checking of all accounting records including those relating to fund accounts, loans and advances, disposal of confiscated stores (in CBEC), review of the installation and operating efficiency of expensive equipments and machinery and examination of records relating to physical verification of stores, equipments, tools and plant. The accounts of all grantee Institutions or Organizations shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provision of CAG (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the Institution or Organization is called upon to do so and a provision to this effect should invariably be incorporated in all orders sanctioning grant in aid.

12.3 DUTIES OF INTERNAL AUDIT

12.3.1 The duties of the internal audit organization will include the following :

(i) Study of accounting procedures prescribed for the department with a view to ensuring that they are correct, adequate and free from any defects or lacunae;

(ii) Watch over the implementation of the prescribed procedures and the orders issued from time to

time;

(iii) Scrutiny and check of payments and accounting work of the accounting units;

(iv) Investigation of important arrears in accounting and other connected records;

(v) Coordination with other Ministries and C.G.A. regarding internal audit procedures;

(vi) Periodical review of all accounts records;

(vii) Pursuance/settlement of objections taken in test audit notes issued by statutory audit offices and other matters relating to statutory audit;

(viii) To examine and report on points or irregularities brought to its notice by the Principal Accounts Office/P.A.Os; and

(ix) Preparation and submission of 'Annual Review' on performance of internal audit wing to the Controller General of Accounts.

12.3.2 Duties as per New Charter of Chief Controllers of Accounts :

As per the new charter of duties and responsibilities of Chief Controllers of Accounts issued by the Secretary, Department of Expenditure, Ministry of Finance, the following functions will be carried out as per the guidelines issued by the Controller General of Accounts from time to time.

(i). The appraisal, monitoring and evaluation of individual schemes;

(ii). Assessment of adequacy and effectiveness of internal controls in general, and soundness of financial systems and reliability of financial and accounting reports in particular;

(iii). Identification and monitoring of risk factors including those contained in the Outcome Budget;

(iv). Critical assessment of economy, efficiency and effectiveness of service delivery mechanism to ensure value for money; and

(v). Providing an effective monitoring system to facilitate mid course corrections.

12.4 PROCEDURE FOR CONDUCTING INTERNAL AUDIT

12.4.1 The work relating to internal audit should normally be conducted by inspecting various units and offices and "on the-spot" verification of accounts records. The work of the inspection parties may be coordinated through internal audit cell at the headquarters, depending upon the nature, number and size of the internal audit set up.

12.5 QUANTUM OF AUDIT

12.5.1 An internal audit party should conduct a general review of all the accounts records maintained by an office since the last inspection or in case of new units, since the formation of that office. Apart from the general review, it should also conduct a detailed check of accounts records of at least one month in a year, selected by the Controller/Deputy Controller in charge of internal audit. The percentage of bills/vouchers/cases etc. other than the month selected for detailed check will be left to the discretion of the Head of the internal audit unit/team. The extent and nature of checks will include the following:

(a) Detailed scrutiny of accounts records required to be maintained in Pay and Accounts Offices/ DDOs offices;

(b) Verification of payment and accounting procedures in the departmentalized system of accounts including procedures to be followed by cheque drawing DDOs. It will be seen in particular that the scope and extent of pre-check and post-check by PAOs are adequate and that the procedures for maintenance of provident fund accounts, finalization of pension cases etc are duly observed.

(c) Verifying the extent and frequency of controls and checks exercised by head of office to locate any lacunae in the procedures, that may cause frauds or defalcations either individually or in collusion. Wherever necessary, steps to remove such lacunae will be suggested;

(d) Scrutiny of the sanctioning and purchase procedures in the office inspected, so as to ensure that they are free from any defect or lacunae;

(e) Checking the procedures followed for disposal of assets etc to ensure they are as per laid down condemnation and disposal procedures;

(f) Scrutiny of general office management procedures adopted by the heads of offices in areas having financial and accounting implications, so as to suggest measures for tightening up administrative and financial control, savings in expenditure or streamlining of accounting.

12.6 NATURE OF CHECKS TO BE EXERCISED

12.6.1 Internal audit parties will exercise the following checks during inspection of accounts records of various offices:

(A) Pay and Accounts Offices :

(a) All the required accounts records are being maintained in the prescribed forms, compiled accurately and in correct manner;

(b) Payments are made in accordance with the rules and orders governing them with correct arithmetical calculations;

(c) Last claims of government servants are correctly paid and over payments if any, brought to the notice of concerned DDO for appropriate action;

(d) Recoveries and deductions made from the bills are in order;

(e) Pay fixations are correct;

(f) All payments and receipts are duly accounted for;

(g) All transactions are accounted under the correct heads of account and the classification checked by the JAO/AAO/AO/Sr.AO to the extent prescribed. No unauthorized head of account is operated in the Classified Abstract/Consolidated Abstract;

(h) Various Broadsheets, Objection Books and Calendar of Returns are being maintained properly. It will further be seen that the broadsheets are closed regularly on monthly basis, differences between Broadsheets and Ledger figures are analyzed and steps taken for their expeditious clearance;

(i) The balances outstanding under various Debt, Deposit, Suspense and Remittance heads are reviewed at periodical intervals and steps taken to clear them as expeditiously as possible;

(j) Interest wherever required has been correctly calculated and accounted for;

(k) GPF/CPF accounts are being maintained properly and reconciled through the prescribed broadsheets. It will further be checked that no missing debits/credits and un-posted items are kept outstanding for unduly long periods and the closing of annual accounts and issue of statements of account are done by the due dates;

(l) Foreign service contributions wherever necessary are recovered correctly;

(m) Loans, advances and grants-in-aid are paid correctly and over payments if any, are brought to the notice of concerned DDO for appropriate action;

(n) Receipt scrolls/payment scrolls with challans and paid cheques are received in time from the bank branches, checked properly as per laid down instructions and the discrepancies if any, are pointed out promptly;

(o) In the case of payments made by cheque-drawing DDOs, the list of payments accompanied by paid vouchers are received from them every week by the prescribed dates, checked properly and accounted for;

(p) The weekly accounts of receipts realized and remitted by the departmental officers with duplicate copies of challans are being received, and checked properly with the bank scrolls;

(q) The instructions on reconciliation of figures under the heads Public Sector Bank Suspense and RB Deposits are being duly followed;

(r) The instructions regarding reconciliation of expenditure and revenue receipts are being followed; and

(s) To check whether there have been undue delay in the finalization of pension cases, Internal Audit Party will conduct test-checks with reference to the pension papers received from the Heads of Office.

(t) To check whether the contributions towards Defined Contribution Pension Scheme are correctly recovered from the Government servants covered under the Scheme and bills for drawal of Government's Contributions are drawn/submitted alongwith the pay bills. the monthly reports on Defined Contribution Pension Scheme are sent to the Principal Accounts Office on due dates and the records pertaining to Defined Contribution Pension Scheme are properly maintained. All instructions with regard to Defined Contribution Pension Scheme are complied with by PAO's.

(B) Cheque drawing/non-cheque drawing DDOs

(a) All the required accounts records are maintained in the prescribed forms;

(b) Payments made by the Cheque Drawing DDOs are in accordance with the rules and orders governing them, with correct arithmetical calculations and proper recoveries/deductions made from the bills. It will further be checked whether the List of Payments with paid vouchers are sent by them every week to the concerned PAO by the prescribed dates, and as per given instructions;

(c) The instructions for the maintenance of Cash Book, Contingent Register, Stock and Stores Accounts, Log Books and other accounts records are duly observed;

(d) 'Account Payee' cheques issued by PAOs after pre-check of relevant bills to DDOs are not being entered in their own cash book, and that the delivery and acknowledgement of such cheques is being watched through a separate register required to be maintained for the purpose in CAM-12.

(e) Pay fixations are done correctly;

(f) The weekly accounts of receipts with duplicate copies of challans are being sent to the concerned PAO;

(g) Purchases are made as per rules and orders governing them and the reasons recorded for the cases where lowest quotations are not accepted;

(h) All sub-vouchers pertaining to contingent charges/bills that are not required to be sent to the PAO are available in the office, are otherwise in order and properly cancelled;

(i) GPF/CPF accounts of Group `D' employees are maintained properly;

(j) The instructions relating to the processing and submission of pension cases are observed;

(k) Verification through vouchers etc that payment entries are made properly in the Pay Bill Register for the advances drawn, and that the recoveries are being effected regularly from the concerned Government servants. The correctness of entries should also be checked in the monthly abstracts of recoveries, especially those relating to `transfer in' and `transfer out' cases.

(l) Every Personal Deposit Account in the Ministry/Department is alive and in operation.

(m) All instructions relating to Defined Contribution Pension Scheme including maintenance of Pay Bill Register, Pay Bills etc are strictly followed.

The Internal Audit Party shall take an extract from the Register of P.P.Os in the Principal Accounts Office for the P.P.Os routed through it and those sent directly by the P.A.O. A test check of these cases as well as those paid by the originating Pay & Accounts Office itself will be carried out in the PAO, with reference to the pension papers received from the concerned Head of Office.

12.7 CHECKING OF RECEIPTS

12.7.1 The Departmental authorities are primarily responsible to ensure that all revenues or dues to Government are correctly and properly assessed, realized and credited to Government account. Internal Audit shall conduct mandatory checks to see whether the Department has prescribed adequate regulations and procedures for effective check on collection and accounting of all revenue receipts and refunds, and that they are followed correctly. The nature of checks exercised by the Departmental authorities for the following shall also be ascertained. This includes checks for ensuring prompt detection and investigation of irregularities, leakage or loss due to double refunds, refunds with reference to fraudulent and forged vouchers/challans and other types of omissions or commissions in the process of levy/collection of taxes or their refunds.

12.7.2 In the audit relating to revenue receipts, the Internal Audit Party should ensure the following by such test checks as may be considered necessary:

(a) That the demands are raised promptly in the manner required by the Law or Act of Parliament and that no amount due to Government is left outstanding in its books without sufficient reasons;

(b) That the collection and refunds are accounted for regularly and properly under the appropriate heads of account and that no sums are credited to Government by debit to any suspense head. The credit must follow and not precede actual realization;

(c) That proper safeguards exist against willful omission or negligence in the levy or collection or

taxes and in arranging refunds, wherever due;

(d) That double refunds, fraudulent or forged refund orders or other revenue losses through fraud, default or mistake are promptly brought to light and investigated; and

(e) That all revenue receipts collected by departmental officers are promptly remitted to the bank or the PAO as the case may be, and that reconciliation between their books of records and those booked in Government accounts based on receipted challans are carried out, in accordance with the procedure laid down in Chapter 1 of this Manual.

12.8 PROGRAMME FOR INTERNAL INSPECTION

12.8.1 The internal inspection programme for each party will be chalked out by the internal audit organization with the approval of the Chief Controller/Controller/Deputy Controller in charge of Internal Audit Wing. Timely intimation of the proposed visit of inspection party will be sent to all the officers concerned. A copy of the programme will also be forwarded to the concerned PAO.

12.9 RECORDS, DOCUMENTS TO BE MADE AVAILABLE TO THE INTERNAL AUDIT PARTIES

12.9.1 The Heads of the Offices that are to be inspected will be advised of the dates of inspection well in advance. A list of records proposed to be examined during internal audit shall also be prepared and sent to him along with the notice of inspection, so that these are kept ready before the arrival ofthe audit party.

12.9.2 The accounts records maintained will be made available promptly to the internal audit parties, by the offices visited.

Note 1 : The payments made by a cheque drawing DDO during the selected month(s) will be verified by the internal audit party with reference to the counterfoils of cheques, copies of bank scrolls, Pay Bill Register and the office copies of the paid vouchers available with the DDO. It will not be necessary for the inspection party to obtain original paid vouchers etc from the PAO. However, for payments relating to long term loans/advances etc for which bills are presented to PAO for pre-check and payment, the Internal Audit Party shall obtain the list of payments made during the month(s) selected for audit from the PAO. This is for the purpose of checking that the cheques/bank drafts marked `Account Payee' had been made over to the correct payees and their acknowledgements were obtained and for the cheques/bank drafts issued in favour of the cheque-drawing DDO for arranging payment in cash, they had been entered in the cash book maintained by him.

Note 2: In the case of DDOs without cheque drawing powers, the Internal Audit Parties will check the original paid vouchers for the month(s) selected for audit, and may be obtained from the concerned PAO.

Note 3: The lists of payments and paid vouchers will be furnished by the PAO to the inspection party promptly, on receipt of necessary requisitions. The PAOs will also furnish a list showing particulars of discrepancies/defects or other irregularities if any, noticed during the course of scrutiny of bank scrolls with reference to the related paid vouchers and cheques remaining unsettled. Any other important issue requiring investigation may also be included in the list and furnished to the Internal audit parties for `on the spot' examination and report.

Note 4: In the case of Divisional Offices working on the Public Works system, the paid vouchers and other original records pertaining to the month(s) selected for audit shall be similarly sent by the PAO to the Internal Audit Party. A record of paid vouchers furnished to/received back from internal audit will

be maintained by the PAO in a register in the form given in Annexure `A'. This register will be reviewed on monthly basis and necessary action shall be taken if the paid vouchers are not received back. It will be the Inspecting Officer's responsibility to return the vouchers immediately after completing the internal audit of the concerned office.

12.10 FREQUENCY OF INTERNAL AUDIT

12.10.1 While the frequency of internal audit is largely dependent upon the staff strength of Internal Audit Organization as well as the number of units falling under its purview, judicious planning and prioritization is required to optimize the outputs. The number of days for inspection and their frequency may be decided upon the nature of transactions, amount of allocation, arrears in relation to last audit, and the general health of accounts of each unit. It would however be desirable to conduct internal audit of at least the important offices every year.

12.11 DRAFTING AND PROCEDURE FOR SUBMISSION OF INSPECTIONREPORTS

12.11.1 The inspection reports should be written in polite and dispassionate language pointing out the irregularities, rather than sounding accusatory. Offensive and strong words, sarcastic languageetc. should not figure in the report on any account. At the same time suppositions, assumptions or allegations should be avoided in the reports. Further, the facts recorded in the reports should be based upon the available documents and records and only inevitable conclusions should be drawn. There should be no reference to judgemental inferences, for example fixing of responsibility for any irregularity, as it is for the administrative authorities to take action in the matter. The inspection report should be in two parts, Part-I comprising of Introductory Report and Part-II comprising the irregularities noticed during current audit.
Internal Audit Party should take up all the outstanding paras pertaining to an office during subsequent audit and settle them on the spot on verification of compliance. Where settlement is not possible, outstanding paras with their latest position should be taken as part of the new report and the old report(s) should be considered as settled.

12.11.2 Routine errors of omissions or commissions noticed during the course of inspection may be got rectified on the spot. Inspection reports should also be invariably discussed with the Heads of Offices inspected, and their comments if any, should be suitably incorporated in the report. Inspection reports should be issued only after they have been vetted at the headquarters, with one copy each issued to the Head of Office inspected and the Pr. Chief Controller/Chief Controller/Controller of Accounts. Important points arising out of the internal audit should also be brought to the notice of FA and the Secretary through the head of the accounting organization by the Internal Audit Wing. The assessment of procedural risks that may be noticed or any suggestions that may arise on account of internal audit should be incorporated in the report as an aid to the auditee for improving the process under review. Also, any major systemic deficiency, which requires urgent action should be clearly brought out and reported to the higher authorities. The Controller of Accounts/Deputy Controller of Accounts in charge of Internal Audit Wing should watch the progress on settlement of points raised by Internal Audit as well as CGA’s Inspection Unit. Internal Audit Party should also review all the outstanding points at the time of next inspection.

12.12 PURSUANCE OF TEST AUDIT NOTES ISSUED BY STATUTORY AUDIT

12.12.1 In order to keep a watch over the settlement of audit objections included in the Test Audit Notes issued by Statutory Audit, the Internal Audit Wing will maintain a register in the form given in Annexure 'B', with separate folios for each DDO. The progress made towards the settlement of outstanding objections should be reviewed on quarterly basis and appropriate action taken to ensure speedy settlement. The compliance of internal audit observations reported by the DDOs should be verified during the next audit of that office. Whenever asked for, the register will also be furnished to the Statutory Audit Parties to verify the settlement of objections.

ANNEXURE A
[Referred to in Note 4 below para 12.9.2]

REGISTER SHOWING PARTICULARS OF PAID VOUCHERS FURNISHED TO INTERNAL/STATUTORY AUDIT PARTIES

Sl. No.	Particulars of office to be audited	No. & date of requisition	No. & date of letter with which sent	Particulars of inspecting officer to whom sent	Month(s) to which the vouchers required pertain	No. of vouchers furnished	No. & date of letters with which vouchers received back	No. of vouchers received back	No. & date of reminders, if any, issued	Remarks
1	2	3	4	5	6	7	8	9	10	11

Note - Separate register will be maintained for recording particulars of vouchers supplied to the internal and statutory audit parties.

ANNEXURE -B
[referred to in para 12.12]

Register of watching Settlement of Audit Objections included in the Test Audit Notes Issued by Statutory Audit

Name of the office ……..
Particulars of Audit Office …….

Sl.No.	Letter No. & Date with which Test Audit Note received	Period of accounts covered by Audit	No. of objections raised	No. of objections settled (quote S.No. of paras settled)	Paras outstanding	Action taken	Remarks
1	2	3	4	5	6	7	8

CHAPTER 13

BANK RECONCILIATION - EXPENDITURE ACCOUNTS TRANSACTIONS

13.1 General

With the departmentalization of accounts, the monetary transactions of the various Central Government offices take place either at the branches of the R.B.I. or the authorized Banks, instead of treasuries. The various receipt and expenditure transactions including revenue transactions of CBEC and CBDT are finally included in the Government accounts, through the existing accounting channels. At the same time, the effect of these transactions on the cash balance of the Government of India is reflected at the Reserve Bank of India, Central Accounts Section (CAS), Nagpur, through the banking channels. The reconciliation of the cash balance of Government of India is done through the accounting information worked out by the office of Controller General of Accounts on the one side, and the cash balance of Government worked out by the RBI with reference to information received from the various banks including its own branches, on the other.

This reconciliation is necessary for the following reasons:

(i) The reconciliation will bring out any mistake committed by the accounting authorities or by the banks in working out the cash balance;

(ii) To ensure that the payments by the R.B.I. and authorized Banks on account of Government of India, are authorized and correct;

(iii) To ensure similarly that every item of receipt accounted for by the branches of the R.B.I. and authorized Banks are duly accounted for and the amount credited by the bank is correct with reference to the amount shown in the challans; and

(iv) The settlement effected by the authorized Banks with R.B.I. through Put Through is done within permitted time limits, is for the correct amount and includes only the actual transactions of Government for both payments and receipts arising at the banks, and that double/excess or less adjustment do not take place for these transactions.

13.2 Categories of transactions

The transactions passing through the banking channels and reported to the accounts organisation of Ministries/Departments of Government of India, can be broadly divided into the following two categories:

(i) Expenditure and Receipt transactions other than those relating to Direct and Indirect Taxes; and

(ii) Revenue Account transactions pertaining to collection and accounting of tax receipts and refunds there from administered by CBEC and CBDT.

13.3 Revised scheme of Reporting Government Transactions

The procedure of payment and reporting of expenditure transactions of Ministries/Departments

introduced at the time of departmentalization of accounts in April, 1976, has undergone a change with the introduction of Focal Point System.

13.4 REVISED SCHEME OF REPORTING, ACCOUNTING AND RECONCILIATION OF EXPENDITURE ACCOUNTS AS INTRODUCED FROM 1-5-1989.

(i) All PAOs/Cheque Drawing DDOs continue to be in account with the branches of bank(s) accredited to the Ministry/Department;

(ii) Payment/receipt scrolls are to be prepared on daily basis in quadruplicate by the dealing branch of the bank, separately for each Ministry/Department in the prescribed form. It will be prepared separately for each Account holder whether it is a PAO or cheque drawing DDO etc, giving the daily scrolls a running serial number for each accounting year from 1st April, to 31st March. These numbers on the scrolls shall bear the prefix DMA(E) for 'Payments' and DMA(R) for 'Receipts'. The serial number of each entry in the respective scrolls will be recorded on the corresponding cheque/challan for the purpose of identification;

(iii) The dealing bank branch will send two copies of Receipt/Payment scrolls to the designated Focal Point branch of the bank on daily basis, along with the paid cheques/challans. In case of CDDOs third copy of the scroll without paid cheques/challans will be sent to cheque drawing DDO, while the fourth copy will be retained by the branch for its own record. In case of PAOs the dealing branch will not send any copy of scroll directly to the PAO and retain 2 copies themselves;

(iv) The Focal Point branch may also act as a dealing branch in addition to being the Focal Point branch. As a focal point branch, It will check the accuracy of the scrolls/paid cheques/challans rendered to it by the dealing branches linked to it. The Focal Point branch will prepare PAO wise Main Scroll in triplicate, as per Annexure 1 in case of State Bank of India and as per Annexure 1A in case of Reserve Bank of India and other Public/Private Sector Banks. It will be prepared separately for each Ministry/Department on a daily basis. The Focal Point branch will send two copies of the Main Scroll along with original copy of the scroll with relative instruments received from various dealing branches, including its own, to the PAO on a daily basis. The scrolls of dealing branches along with documents attached to the original Main Scroll should be in the same order, in which entries are listed in the Main Scroll. The Focal Point branch will stitch and retain the duplicate copy of scrolls for its record without the instrument, received from dealing branches. After verification, the PAO will certify and return the second copy of Main Scroll (without documents) to the Focal Point branch, within 24 hours of its receipt.

Procedure for submission of certificates in lieu of challans/paid cheques or duplicate copy of scrolls lost/misplaced in transit :

(a) Since the challans/paid cheques are important documents of evidence for receipt/payments from Government account, dealing/Focal Point Branch should take utmost care to ensure these are not lost or misplaced during the handling of documents. However, in the event of loss or misplacement of documents during transit, the Focal Point branch should obtain certificate from the dealing branch against such challan/paid cheques in Annexure 8 & 9 respectively, and attach it with the scroll. These certificates should also be serially numbered and indicated against the entry in the relevant scroll. Such scrolls of the dealing branch should not be included in the Main scroll unless a certificate as mentioned above supports it.

(b) Similarly, in the event of loss/misplacement of scroll along with the documents during transit, the Focal Point branch should obtain duplicate copy of the scroll along with Certificates in lieu of challans/paid cheques and include them in the Main Scrolls.

(c) If the lost/misplaced challans/paid cheques/scrolls are recovered subsequently, they should be sent to the Accounting Authority through a covering letter giving reference to the corresponding certificates/scrolls. The scroll/documents should be marked "for record and not for accounting" in order to avoid double accounting.

(v) In case of State Bank of India, the Focal Point branches will report the total of transactions as per daily Main Scroll to Govt. Accounts Department (GAD), Mumbai for monetary settlement with R.B.I., CAS, Nagpur and the adjustment in the accounts of the concerned Ministry/Department. The Focal Point branches of other Banks will report to their respective Link Cells at Nagpur for monetary settlement with RBI, Central Accounts Section, Nagpur. While reporting these transactions, the Focal Point branches will furnish a certificate to GAD/Link Cells that necessary scrolls/paid cheques/challans etc have already been submitted to the concerned Pay & Accounts Office. Similar certificate will be given by GAD/Link Cells while settling transactions with RBI, CAS, Nagpur.

(vi) After the close of the month, the Focal Point branches will prepare the Date wise Monthly Statement (DMS) in quintuplicate as per Annexure 2 in case of SBI and as per Annexure 2A in respect of Reserve Bank of India and other authorized Banks. It will be prepared PAO wise for each Ministry/Department based on the daily Main Scrolls already sent to PAO. Four copies of DMS will be sent to PAO for verification by 3rd of the succeeding month. Two copies of the duly verified statement will be returned by the PAO to the Focal Point branch within three days of receiving it, while one copy of the duly verified statement will be sent to his Principal Accounts Office by 8th of following month. The fourth copy will be retained by the PAO for his record.

(vii) The Focal Point branch will be responsible for reconciliation of accounts with the respective PAOs and rectification of discrepancies pointed out by the PAO. The Focal Point branch will carry this out through a separate 'Error Scroll' and report it to PAO/Link Cell for necessary action.

Methodology for adjustment of wrong debit/credit :

The mistakes and discrepancies caused by erroneous debit/credit entry in the scroll will be rectified by withdrawal of the erroneous debit/credit by minus debit or minus credit, as the case may be. Rectification should not be done by passing of contra credit/debit adjustment by the banks. The methodology for adjustment carried out through error scroll is illustrated below :

a. The Focal Point branch will incorporate the Receipt and Payment figures of the dealing branches from the branch scroll and carry out minus or plus entry as required, in the main scroll. The aggregate receipt and payment figure arrived at in the Main Scroll after carrying out minus or plus entry should be reported to RBI, CAS for settlement.
b. For the purpose of inter-branch settlement, the minus "Receipt" will be treated as "Payment" and minus "Payment as "Receipt", and the branch account will be debited or credited accordingly.
c. If the overall position arrived in the Main Scroll after carrying out all the Receipt and Payment transactions reveals a minus figure, it should be reported as such. However, for the purpose of inter-branch adjustment/settlement, the minus Receipt will imply Payment while minus Payment would mean Receipt.

An illustration of the minus adjustments is furnished below :

Illustration: A particular bank branch had effected Receipt transactions of Rs.1,54,000 and Payment transactions of Rs.2,60,000 on 5th March in respect of PAO "B". These transactions had been wrongly reported as 5,14,000 & 6,20,000 as receipt and payment respectively. The bank carried out corrections on 9th March, 2007. The Receipt and Payment transactions of PAO "B" at that branch on that date were Rs. 48,00,000 (R) and Rs. 78,00,000(P).

Adjustment entries would appear in the scroll as under:

PARTICULARS IN THE ERROR SCROLL

	R	P
Correct transactions of 5th March, 2007	1,54,000	2,60,000
Withdrawal of wrong figures reported earlier	(-)5,14,000	(-)6,20,000
Total	**(-)3,60,000**	**(-)3,60,000**

These minus figures will be adjusted in the day's scrolls (Receipts or Payments as the case may be) on 9th March, 2007 as follows :

	R	P
Total transactions of 9th March,2007 (as shown in the respective Scrolls)	48,00,000	78,00,000
Adjustment of errors as shown in error scrolls	(-) 3,60,000	(-)3,60,000
Total	**(+)44,40,000**	**(+)74,40,000**

(viii) In case of SBI, GAD Mumbai will prepare four copies of Monthly Settlement Statement as per Annexure 3 and forward three of these copies before 5th of the succeeding month to RBI, CAS, Nagpur for verification. After verification, RBI will forward one copy along with the Monthly Closing Balance Statement (CAS-122) to the Principal Accounts Office of Ministry/Department, by the 15th of the following month;

(Ix) In the case of SBI, GAD, Mumbai will also prepare four copies of Monthly Settlement Statement. It will be prepared PAO wise, indicating the dates of settlement and dates of transactions as per Annexure 4. The original copy will be forwarded to the Principal Accounts Office while the second and third copies will be sent to the concerned PAO and Focal Point branch respectively. The fourth copy will be retained by the GAD, SBI, Mumbai for their record;

(x) GAD, SBI Mumbai will prepare duplicate copies of another Monthly Settlement Statement as per Annexure 5, and forward one copy to Principal Accounts Office of the Ministry/Department concerned.

For all other banks (other than State Bank of India), RBI (CAS) Nagpur will generate quadruplicate copies of PAO wise and Date wise monthly settlement referred as DMA-I, as per Annexure-6. Three copies of the statement will be sent to Link Cell of Public/Private Sector Bank. The Link Cell will forward one copy each to the concerned Pr. AO and PAO by the 5th of the following month. RBI (CAS) Nagpur will also generate triplicate copies of Ministry wise statement (PAO wise) as per Annexure -7, referred to as DMA-2. One of these will be sent to the Link Cell and another to the Pr. Accounts Office.

13.5 In some cases, RBI handles the transactions of Ministries/Departments accredited to them either exclusively or along with SBI in the usual manner. In such cases the RBI offices follow the procedure applicable to dealing branches as well as 'Focal Point' branches since they function bothas 'dealing branch' and Focal Point branch in respect of those Ministries/Departments. Each office of the Bank acts independently and renders account to Pay and Accounts Officer. The transactions for accredited Ministries/Departments effected by them are accounted for in their books, and the

balances in the Ministries Accounts are reported to CAS, Nagpur through Daily position by telegram/telex/fax. The RBI offices render daily scrolls to the PAO/DDO, submit DMS to PAO for verification/ certification and attend to reconciliation work as per the normal procedure. RBI offices also send telex/fax messages regarding the PAO wise monthly receipt and payment position of each Ministry/Department to CAS, Nagpur. This is done immediately after the month end transfer of balances and is followed by detailed statement.

13.6 ACTION IN PAY AND ACCOUNTS OFFICE

(i) When a cheque is issued the PAO/CDDO, the amount is booked by debiting the concerned head of account and crediting the suspense head "8670 - Cheques & Bills". After the cheque is cleared, daily scroll is sent by the branch of the bank on which the cheque is issued, to the Focal Point branch. The daily scrolls show the details of transactions that have taken place at the bank on that day, reflecting every item of payment by the paid bank supported by the cheques issued by the PAO/cheque drawing DDO. Similarly, the Receipt scroll shows every item of receipt supported by challans for all credits in favour of the PAO. PAO receives these scrolls of dealing branches along with the Main Scroll from the Focal Point branch, supported by paid cheques/receipted challans.

(ii) On receiving the original copy of Main Scroll, along with other documents, the PAO should exercise the following checks:

a. that the paid cheque is genuine and was issued by the PAO/cheque drawing DDO under his control and it was not time barred on the date of payment;
b. that the amount of paid cheque matches with the amount entered in the dealing branch scroll;
c. that the totals of the payment/receipt scrolls of dealing branches are correct;
d. that the amount in the receipt scroll correctly pertains to the PAO or the cheque drawing DDO rendering account to the PAO, as per copy of challan attached to the scroll;
e. that the amount shown in the challan agrees with the amount shown in the scroll;
f. that for every item of payment/receipt not supported by the paid cheque/challan, there is a prescribed payment/receipt certificate for the correct amount in the scroll of dealing branch, showing details of cheque number and date of payment or details of receipt;
g. that the total of the main scroll is correct with reference to the accompanying documents; and
h. that the running serial numbers of the branch Scrolls and Daily Main Scrolls are in consecutive order.

(iii) After carrying out above checks, the PAO should record a certificate of verification on the Main Scroll and return the duly verified duplicate copy to the Focal Point branch within 24 hours of its receipt.

(iv) If any paid cheques/challans/scrolls not relating to the PAO has been included in the Main Scroll, it should be returned to Focal Point branch for amendment in the Main Scroll, by personal contact. The PAO may however, accept the payment/receipt certificate issued by the bank against the missing paid cheque or challan. Any item that is not supported by a paid cheque/challan or the certificate mentioned above should be got deleted from the Main Scroll, but they can be included in the subsequent Main Scroll on getting the relevant challan/paid cheque/certificate of payments/receipts. Any discrepancy observed has to be got immediately rectified by the PAO from the Focal Point branch, by personal contact.

(v) Every item of receipt including refunds of unspent amount that is accounted as reduction of expenditure, should be adjusted by crediting/minus debiting the challan amount to the relevant receipt/functional expenditure head of account. This will be done by affording contra debit to "PSB Suspense" head below Major Head 8658 Suspense Account. Similarly, total of all the accepted payment items should be adjusted by minus credit to the head "8670 - Cheques and Bills" - PAO Cheques/Departmental cheques as the case may be, by contra credit to the head "PSB Suspense".

In the case of the transactions handled by RBI office as dealing branch, PAO will directly operate the head '8675 - Deposits with Reserve Bank-Central Civil (HQ)'.

The PAO shall maintain a register of "Public/Private Sector Bank Suspense" in Form CAM - 17 and post each day's receipts and payments in it, as per the daily Main scrolls of Receipt/Payment received from the Focal Point branch. Separate folios in this Register may be opened for entering scrolls pertaining to PAO and each cheque drawing DDO. One page in the register may be used for compiling the aggregate monthly transactions reported by the 'Focal Point' branch. The PAO should tally the monthly gross receipts/payments worked out in this Register with the gross amount shown in the Date wise Monthly Statement of receipts/payments (DMS) sent by the Focal Point branch, and record a certificate in the Register.

(vi) PAO should see that four copies of the Date wise Monthly Statement showing the daily total of payments and receipts in respect of his office and the cheque drawing DDOs are received from the Focal Point branch, by 3rd of the following month. If the DMS is not received by the stipulated time, it should be obtained by the PAO through personal contact. The figures of daily totals in the DMS should be checked with the corresponding totals in the Daily Main Scrolls, to ensure:

a. that the amount shown by the bank against a particular date agrees with the amount shown in Daily Main Scroll sent earlier to the PAO;
b. that in case an item not pertaining to the PAO is included in the monthly statement, the same is got deleted from it by personal contact with Focal Point branch. In case an amount appearing in DMS was not included in the Main Scroll, the Focal Point branch should be contacted to provide the scroll with supporting documents for the transaction, otherwise, the item may be got deleted;
c. that any item appearing in the Main Scroll but omitted from DMS, should be got included by personal contact; and
d. that the total amount of the DMS has been worked out correctly.

(vii) After carrying out the above checks, the PAO should record his certificate of verification on it. Two copies of duly verified DMS should be returned by PAO to the Focal Point Branch within 3 days of its receipt. Out of two verified copies, one will be sent to Principal Accounts Office to reach him by 8th of the following month. Original copy of DMS with the recorded verification should be retained by the PAO.

(viii) The PAO should see that the monthly Put through Statements in the prescribed form as per Annexure 4 in case of SBI and Annexure 6 in case of other authorized Banks is received. They should be received by the end of the first week of the following month from SBI (GAD), Mumbai or the Link Cell of the concerned Bank as the case may be. These statements contain the dates of transactions and the dates of Put Through of receipts and disbursements with RBI, CAS, Nagpur. On receipt of this statement from the SBI, GAD, Mumbai/Link Cell at Nagpur, the PAO should link the Put Through items in this statement with the items shown in the DMS, that was reconciled earlier with the Daily Main Scrolls received from the Focal Point branch. The discrepancies may be noticed by the PAO in the following categories:

a. Amount shown in the DMS on a particular date/s have not been Put Through by the Bank as per Put through Statement in Annexure 4 or 6;
b. Amount Put Through by the Bank as per Put through Statements in Annexure 4 or 6 does not appear in the DMS;
c. The amount of a transaction as shown in Put Through Statement differs from that shown that shown in the DMS;
d. Minus expenditure/ receipts appearing against the transactions of some dates in the 'Put Through Statement denote reversal of erroneous amounts put through earlier; The dates of erroneous settlement will be indicated in the Put Through statements to link the same.

(ix) After verifying the Put Through figures with the DMS as stated against (viii) above, the PAO will take up the reconciliation work by preparing a "Monthly Reconciliation Analysis" in Form CAM- 68. PAO shall be responsible for reconciliation of any difference appearing in part 'A' of the analysis. For other discrepancies as indicated in part C(vi)(b) of the analysis, and transactions other than those pertaining to last few days of a month appearing in part C(vi)(a) of analysis, the PAO should immediately contact the Focal Point branch to ensure rectification. After the rectifications have been carried out, the Focal Point branch should positively put through these items through GAD or the Link Cell, in the second month.

The grand total of the columns C (vi) (a) and (b) should be tallied with the closing balance shown against column C (v) of the Analysis.

(x) The PAO should maintain "Register of Amounts Put through - Part I" in Form CAM- 69, separately for Receipts and Payments. Amounts 'Put Through' as per the revised procedure will be entered in this Register. Normally all the amounts except those relating to the last 3-4 days of the month will be 'Put through' in the same month. The transactions of last 3-4 days of the month are expected to be 'Put Through' in the first few days of the subsequent month. In case the PAO finds some of these items outstanding while closing the Register for the subsequent month, he should immediately contact the 'Focal Point' branch for remedial action without further delay.

(xi) After preparation of Part -I of the "Register of Amounts Put Through" in CAM -69, the PAO should prepare part II of the Register of Amounts Put Through in Form CAM -70, showing the monthly progressive position. The balance on the introduction of the revised procedure from 01.05.1989 has been kept separately for clearance.

(xii) The PAO should prepare a statement of monthly reconciliation between DMS amounts and the amounts booked under "8658 - Suspense Accounts-PSB/Private Sector Banks Suspense" in Form CAM- 71. The statement will also give proper explanation or reasons for any difference with reference to DMS, along with the action taken for the clearance of difference. The PAO should ensure the submission of monthly reconciliation statement along with the monthly accounts, to the Principal Account Office.

(xiii) The PAO should also maintain separate Broadsheet of "PSB/Private Sector Banks Suspense" in Form CAM- 72 for Receipts (Debit) and Payments (Credit)], with the opening balance under the revised system taken as NIL. Balances relating to the period prior to introduction of Revised System from 1.5.1989 (1.11.87 in case of CBEC) will be kept separate for clearance. The clearance under the head 'PSB/Private Sector Bank Suspense' will be made by the Principal Accounts Office on the basis of DMA-2 Statement or the Monthly Balance Statement (CAS - 122) received from the RBI, CAS, Nagpur, in terms of para 7(ii). Every month, the Principal Accounts Office should intimate the figures for the column "Amount of clearance of PSB Suspense/Private Sector Bank Suspense in the month" to the PAO, and the PAO on their part should keep a strict watch over the clearance of the balance amount under this head.

Note : (i) In case a PAO deals with two different banks, the 'PSB/Private Sector Bank Suspense' figures of each bank shall be kept separately, the broadsheet folios will also be kept separately.

(xiv) In order to have age wise analysis of balances under "PSB/Private Sector Bank Suspense", the PAO should keep a record in the form prescribed for Abstract of objections in Form CAM-26.

(xv) Verification of the amounts "Put through" indicated in DMA-I statement with reference to the Date wise Monthly Statement (DMS), and the preparation of "Monthly Reconciliation Analysis" will throw light on the amounts of excess/double reimbursements obtained by the bank, if any. For such excess/double reimbursements of Rs.10 lakhs and above, interest will be claimed from the bank. PAO should prepare the following reports in this regard :

a. A monthly statement in CAM - 73 for cases of Rs.10 lakhs and above on which levy of

interest on Excess/Double Reimbursement claimed by the bank is to be levied;

b. Quarterly reports by the 15th April/July/October/January respectively in CAM- 74, indicating cases of Excess/Double Reimbursement attracting penal interest; and
c. Quarterly reports in CAM-75 by the 15th April, July, Oct. & Jan respectively, indicating the cases of Excess/Double Reimbursement that do not attract penal interest.

While in the case of (a) above, PAO should initiate action with FPB for recovery of penal interest, the reports mentioned at (b) & (c) above should be sent by the PAO to the Pr. AO, for consolidation and onward transmission to the office of Controller General of Accounts.

(xvi) Sub-Agency Arrangements: At the centers where the accredited bank does not have its own branch, the work of Ministry/Department, may be undertaken by some other bank as sub-agent of the accredited bank. This is done through an agreement entered into by the accredited bank for sub-agency arrangement with such bank at that centre. The role of the sub-agent bank for the reporting and accounting of the transactions of the Ministry/Department is same as that of the accredited bank branch. As such, the sub-agent bank branch will follow the same procedure as applicable to the dealing branch of the accredited bank. The sub-agent bank branch will forward the scrolls/documents to the designated focal point branch of the accredited bank. The Focal Point Branch will include the transactions of the sub-agent bank branch in its main scroll. The transactions of all the dealing branches including the sub-agent bank branch and the Focal Point branch will be reported to the Pay & Accounts Office/Link Cell (GAD in case of State Bank of India) in the usual manner. The Focal Point Branch will also be responsible to arrange for the settlement/reimbursement of the claims of the sub-agent bank. This settlement will be done through a branch of the sub-agent bank at the same centre where the Focal Point branch is located, and on the same day when the transactions are accounted in the books of the Focal Point Branch.

13.7 ACTION IN PRINCIPAL ACCOUNTS OFFICE

(i) The Principal Accounts Office receives monthly statements of put through in the form prescribed in Annexure 4 & 5 in case of SBI and Annexure 6 & 7 (DMA-1 & DMA-2 Statement) in case of other Banks. The Principal Accounts Office should check these statements to ensure:

a. That the totals under every Annexure 4 matches with the total amount settled by SBI against respective PAO, as shown in Annexure 5;
b. That the total of Annexure 5 matches with the total amount settled, as shown in Annexure 3; and
c. That in the case of other Banks, the total of each Annexure 6 agrees with the total amount shown in Annexure 7.

(ii) On the basis of Put through statement in DMA-2 or Monthly Closing Balance statement supported by amounts put through in form CAS- 122, whichever is received earlier, the Principal Accounts Office should carry out adjustment for clearing the 'PSB Suspense' head. It will be done by minus credit/minus debit of PSB Suspense head and affording credit/debit under the head "8675-Deposits with Reserve Bank-101-Central Civil-Reserve Bank (PSB)". In case the adjustment carried out is based on DMA-2, the correctness of amounts adjusted shall be confirmed from CAS-122. Details of the adjustments so carried out should be intimated every month to the concerned PAO, for the preparation of Broadsheet of "PSB Suspense". In monthly accounts also, the effect of the Reserve Bank Deposits should be taken separately for credit & debit figures under this head.

(iii) The Principal Accounts Office should maintain a Month wise and PAO wise "Register of Amounts Put Through" in part I. It will be maintained separately for Receipts and Disbursements in Form CAM- 69, with the "Name of PAO" substituting for the column of "Month". Similarly part II of the

Register will be maintained PAO wise separately for Receipts and Disbursements in Form CAM- 70. In this case, the column “Names of PAO” should be added at the beginning.

(iv) Principal Accounts Office should also maintain PAO wise Broadsheet of PSB Suspense” in Form CAM -72, separately for Debits and Credits, except that the first column "Month” will be substituted by “Names of PAO”. The Principal Accounts Office will also work out age wise analysis of outstanding balances under ‘PSB Suspense’ in the prescribed Abstract in Form CAM -26.

(v) The Principal Accounts Office should prepare “Monthly Reconciliation Analysis” in Form CAM-68 for all the PAOs, and take immediate action for put through of old outstanding items by the Focal Point Branches through GAD/Link Cell, positively in the second month.

(vi) The Principal Accounts Office should keep close watch for receiving the statement of Monthly Reconciliation in Form CAM- 71 from the PAOs, to enable the analysis and clearance of outstanding balance under ‘PSB Suspense’.

(vii) The RBD Section in the office of Controller General of Accounts will also closely monitor the clearance of balances under PSB Suspense.

13.8 RESIDUAL TRANSACTIONS FOR THE MONTH OF MARCH

To the extent possible, the transactions of a financial year are required to be adjusted in the accounts of that year itself. As such, the transactions effected during the month of March should be expeditiously advised/reported by the dealing branches to the Focal Point branches to enable the latter to report the same to RBI, CAS, Nagpur. The transactions taking place between the 15th of March and end of that month should particularly be reported by telex/telegram by the Focal Point branch to their Link Cell/ GAD Mumbai in case of SBI. For the residual March transactions that could not be reported to RBI during the concerned financial year, the ‘Focal Point’ branch should, segregate all transactions pertaining to the previous year from 1st April, and prepare separate Main Scrolls for :

(a) The residual transactions effected at the dealing branches in March or even previous months in the earlier financial year; and

(b) Transactions in the current financial year effected from 1st April onwards. The Main Scroll for March transactions prepared from 1st April to 15th April should be distinctly marked as March Residual-1, March Residual ……. and so on, up to March Residual 15. The Focal Point Branch should report these transactions to Link Cell/GAD Mumbai in case of SBI, in separate Daily Memo for adjustment with RBI, CAS, Nagpur i.e. one for the month of March and other for April transactions. The Focal Point branches should furnish two separate monthly statements. One statement will pertain to ‘March Residual Account’ clearly marked as such and covering the transactions relating to the period up to 31st March, but reported during 1st to 15th April. The other statement will cover the April transactions that may include the transactions of the previous month(s) reported after 15th April, as usual. The monthly statement of ‘March Residual Account’ should be sent latest by the 30th April to the concerned PAO. The statement for the month of April should be sent in the normal course, latest by the 3rd of the following month.

Annexure 1
[Vide Para 13.4(iv)]

STATE BANK OF INDIA
DAILY MAIN SCROLL - UMEA EXPENDITURE ACCOUNTS
FOCAL POINT_____BRANCH (CODE NO._____)

NAME & CODE NUMBER OF THE MINISTRY _____
RUNNING SR. NO. _____
DATE _____
SPECIAL ACCOUNT CODE NO. OF PAO _____

Sr. No.	Name of receiving branch	Branch Code No.	Date of transactions at receiving branch	A/c Code No. at receiving Branch (DDO NO.)	Receipts		Payment		Remarks
					Rs.	P.	Rs.	P.	
SUB-TOTAL TRANSACTIONS OF FOCAL POINT BRANCH									
GRAND TOTAL									

1. To be prepared in triplicate.
2. Two copies - original with scrolls and paid cheques receipted challans and duplicate without documents to be submitted to PAO on day to-day basis.
3. Duplicate copy duly verified by PAO, to be obtained from him on a day-to-day basis.
4. Third copy to be retained as office copy.
5. Scrolls of Receiving Branches with documents to be attached to Original Main Scroll should be in the same order in which entries are listed in this Main Scroll.
6. The Grand Total of receipts and payments should be reported to GAD in the form/10(a) against

Special Code No. : _____
Branch Seal

Branch Manager

Annexure 1-A
Vide Para 13.4.(iv)

MAIN SCROLL - UNION MINISTRIES' EXPENDITURE ACCOUNTS

Name of Focal Point Branch : ……. ……. Code No. ……
Name of PAO : …… Code No…… …….. Running Sr. No. ..... Name of Ministry/Dept…….. Code No. …….. date : ……

Sr. No.	Name of Dealing Branch	Date of Transaction at dealing branch	Receipts Rs.	Payment Rs.	Remarks
Sub-Total					
Transactions of Focal Point Branch					
Grand Total					

1. To be prepared in triplicate.
2. Two copies - original with scrolls and paid cheques/receipted challans and duplicate without documents to be submitted to PAO on a day-to-day basis.
3. Duplicate copy duly verified by PAO, to be obtained by the Focal point branch on a day-to-day basis.
4. Third copy to be retained as office copy.
5. Scrolls of Dealing Branches with documents to be attached to original Main Scrolls should be in the same order in which entries are listed in this Main Scroll.
6. The Grand Total of receipts and payments should be reported to Link Cell. Nagpur on a day-to-day basis.

Branch Seal

Branch Manager

Annexure 2
[vide para 13.4(VI)]

CARE : To be compiled and handed over to PAO by 3rd of each month

STATE BANK OF INDIA

....

(BRANCH NAME) (CODE NO.)

EXPENDITURE TRANSACTIONS OF MINISTRY /DEPTT. OF_____

MONTHLY STATEMENT OF RECEIPTS & DISBURSEMENT FOR THE MONTH OF _____ 20_____.

SPECIAL ACCOUNTS CODE NO._____

DATE	RECEIPTS		DISBURSEMENTS		INITIAL OF SUPV. OFFICIAL
	Rs.	P.	Rs.	P.	
TOTAL					

_____ 20 _____

BRANCH MANAGER

Instructions for completing the form :

i. To be prepared in Quintuplicate
ii. Four copies to be sent to pay & Accounts Office concerned and fifth copy to be retained at the Branch.
iii. 2 Copies will be received back from PAO duly certified . One copy should be forwarded to GAD, Bombay . the other copy be filed.

Annexure 2-A
[Vide Para 13.4(vi)]

Union Ministries Expenditure Accounts - Monthly Statement of Receipts & Disbursements for the Month of …….. 20……..

Name of Bank Code No.

Name of Focal Point Branch Code No.

Name of PAO Code No.

Name of Ministry/Deptt Code No.

Date	Receipts Rs.	Disbursements Rs.	Initials of Supy. Official
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			

22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.			
30.			
31.			
Total			

…… 20……

Branch Manager

Annexure 3
[Vide Para 13.4.(vii)]

Settlements made by State Bank of India on account of Expenditure A/c transactions handled by all the Focal Point Branches of State Bank of India for the month of _____
(Consolidated for all the PAOs)

Name of the Ministry_____Code _____

Date of Settlement	AMOUNT SETTLED					
	RECEIPT		PAYMENT		NET	
	Rs.	P.	Rs.	P.	Rs.	P.

Annexure 4
[Vide Para 13.4.(ix)]

Settlements made by State Bank of India on account of Expenditure Account transactions PAO-wise, datewise for the month of_____.

Name of the Ministry /Deptt ._____.Code No. _____.

PAO Code No._____.

Name of the Focal Point Branch_____. Br. Code No._____ _____.

Date of settlement	Date of Transaction	AMOUNT SETTLED			
		Receipt		Payment	
		Rs.	P.	Rs.	P.

Annexure 5
[(Vide Para 13.4.(X)]

MONTHLY SETTLEMENT MADE BY STATE BANK OF INDIA PAO - WISE FOR THE MONTH OF _____

NAME OF THE MINISTRY / DEPTT._____CODE NO. _____

Special Account Code No.	AMOUNT SETTLED			
	Receipt		Payment	
	Rs.	P.	Rs.	P.

Annexure 6
[Vide Para 13.4(XI)]

Settlements made by.....(Name of Bank) on account of Union Ministries' Expenditure Account transactions PAO-wise, date-wise for the month of ……

Name of Ministry /Dept :……Code No. : .....

Name of Focal Point Branch : ……. Code No. : .....

Name of P.A.O. . : …… Code No.: .....

Date of transactions	Date of settlement with RBI, CAS, Nagpur	Receipts Rs.	Amount settled Payments Rs.

Annexure 7
[Vide Para 13.4(XI)]

Statement showing monthly settlements made by

……

(Name of Bank)

PAO-wise, of the Ministry of …….. Deptt. of .....for the month of ……..

PAO	Code No.	Name of Focal Point Branch	Code No.	Amount Settled	
				Receipts Rs.	Payment Rs.

ANNEXURE - 8
[Ref. Para 13.4 (iv)]

CERTIFICATE IN LIEU OF LOST/MISPLACED CHALLAN

Certified that a sum of Rs……..…….…… (Rupees……..only) was received from …… (Name of the Party) On account of ..... for credit to Central Government account under the head…… by ……. ……branch. The amount has been included in the scroll dated ……..at Sr. No……..

Agent / Authorised Officer

Date
Bank
Focal Point Branch

ANNEXURE - 9
[Ref. Para 13.4(iv)]

CERTIFICATE IN LIEU OF LOST/MISPLACED PAID CHEQUES

Certified that a sum of Rs…..... 7
…….. (Rupees… ..... only) was paid to
……(Name of the party) on..... by debit to drawing account maintained in the name of..... (Name of DDO) on behalf of Ministry of …….. as per Cheque No……dated……at….....branch. The amount has been included in the scroll dated ……at Sr. No…….

Agent /Authorised Officer

Date
Bank
Focal Point Branch

CHAPTER-14

BANK RECONCILIATION - REVENUE ACCOUNTS OF C.B.E.C.

14.1 System of Collection of revenue in C.B.E.C.

14.1.1 The system of collection of revenue receipts/refunds under the Major Heads relating to CBEC (other than customs revenue and other dues at the Major Customs Houses) introduced on 1st April, 1977, after departmentalisation of revenue accounts of CBEC, was revised w.e.f. 1st April, 1986 by the "Working Group on Government Account" set up by Reserve Bank of India consisting of representatives of RBI, senior officers of the Government and Banks. Under the revised system only one Public Sector Bank having an extensive network of branches in particular Commissionerate has been nominated to collect the revenues of CBEC for that Commissionerate. This was the scheme of "One Bank-One Commissionerate**"**.

14.1.2 The "Multi Banking Scheme**"** came into existence after recommendations of a Committee constituted by Finance Secretary with the Pr.CCA, CBEC as the Chairperson, in a phased manner from the year 2003. Under this scheme multiple banks can be authorized in a commissionerate for Excise and Service Tax collection subject to a maximum of five banks in a commissionerate. This authorization of multiple banks is to be done considering the workload of banks, assessee convenience as well as the consideration of administrative agencies and their requirements.

14.1.3 Further under this scheme due to technological capabilities, full computerization, faster remittance of funds to Govt. Accounts and other value added services a few Private Sector Banks have also been authorized for collection of Central Excise and Service Tax. At present 154 Focal Point Branches and more than 7500 authorized branches of 28 nominated banks are collecting revenues for CBEC.

14.1.4 In addition to the conventional methods offered by the banks to the taxpayers for payment of Central Excise and Service Tax , the online tax payment to the banks (e-Payment) was introduced in the year 2005. A number of Public Sector Banks and all authorized Private Sector Banks are now offering this facility to the Tax payers of CBEC.

14.1.5 Under the conventional system of payments**,** different colours of challans have been prescribed for making payment of different duties/ taxes, and to facilitate proper / easy segregation of these challans.

0037 - Customs – Buff
0038 - Union Central Excise - White
0044 - Service Tax – Yellow
0045 - Other Taxes and Duties - Pink
0047 - Other Fiscal Service - Green
0875 - Other Industries- Blue

Colour of the challan generated through computerized process and systems as approved by competent authorities, shall be white in colour to be submitted as per the prescribed format.

14.2 Accounting Procedure relating to Electronic Accounting System in Excise and Service tax

14.2.1 Procedure for acceptance of taxes at the receiving branches of authorised banks.

A taxpayer can pay Excise Duty & Service Tax at any authorized branch of the nominated bank either in cash, direct debit to his account, or by a cheque/draft drawn on the same bank or another bank/branch at the same centre where the payment is made. The payment of tax by outstation cheques/drafts can also be made at any authorized bank, or through an electronic means of remittance to the authorized bank/ branch. The cheques/drafts will be drawn in favour of the Pay and Accounts Officer, and for every payment there should be a challan in the prescribed format (GAR-7). The challan format is a single copy challan with the main challan at the top and the taxpayer's counterfoil at the bottom. (Specimen given at Annexure - I & Annexure - I (a)).

14.2.2 At the counter of Receiving Bank Branch.

The bank official of the receiving branch will have to verify the following points while accepting the payment:-

a. Whether main portion of the challan and the taxpayer's counterfoil has been filled in properly and the amount and the reduced account code (8 digit) together with the description of 'duty type' to which the amount is to be accounted is correctly recorded therein. Description of Duty i.e. Basic Excise Duty, Additional Excise Duty in lieu of Sales tax, Auxiliary Duty, Education Cess etc. in case of Central Excise and Tax on Telephone billing, Tax on General Insurance Premium, Tax on Stock Brokerage Commission etc. in case of Service Tax must be furnished by the Assessee

b. Whether the Assessee Code (15 digit PAN based), name and address of the taxpayer, details of Commissionerate, Division and Range and type of payment are properly filled in.

c. Whether the amount has been written correctly both in words and figures.

d. Validation of Assessee Code, Reduced Account Code and Location Code is to be ensured by bank. Directories of these codes have been provided to bank for this purpose. Incremental updates will also be provided to the banks by M/s NSDL on a weekly basis. If the Assessee does not furnish Assessee Code the bank should insist upon mentioning the same and in case it has not been allotted to the taxpayer, or the code as mentioned on the challan does not match with any of the codes available with the bank's system, the Bank should ensure :-

   i. To capture full name and address along with Pin Code and telephone number of the taxpayer and

   ii. To capture the Commissionerate Code, Division Code, and Range Code. If this information is not available on the challan, it is mandatory for the banks to capture the Comissionerate Code. Banks must identify the two digits Commissionerate Code from the name of the Commissionerate provided by the Assessee.

If either of the above two requirements is not fulfilled, the challan and the payment should not be accepted.

e. The main portion of the challan and the counterfoil through which a cheque/Demand Draft/ Banker's cheque is deposited will have two different dates for date of tender and date of realization. In case of challan tendered with cash or cheque drawn on the same branch the 'Date of Tender' and 'Date of Realization' will be the same.

14.2.3 After scrutinizing the challan and satisfying himself that the amount of cash, cheque or draft

tendered agrees with the amount shown in the challan, and also that the cheque is valid and not post dated, the receiving official of the branch will affix stamp prescribed for Receiving Branch by RBI (Annexure II) both on the main portion of the challan and the taxpayer's counterfoil of the challan at the appropriate space provided for it. Care must be taken to ensure that the impression of the receipt stamp is clear and legible and do not disfigure the contents of the challan. Further the branch will capture the challan data in to the bank's computer system. The challan number generated by the bank's computer system should immediately be entered on the main portion and the tear off counterfoil at the appropriate space provided for it. Maximum care should be taken while endorsing the challan number of the physical document to avoid mistake. In case the challan is tendered with cheque or draft drawn on other bank, the paper token to be issued to the tenderer and the tear off counterfoil receipt will be issued only on realization of the amount of the cheque or draft and hence the paper token should bear the date on which the same will be available. The collecting bank will not issue receipt in any other format.

Note: - The procedure set out herein is for the introduction of ELECTRONIC ACCOUNTING SYSTEM IN EXCISE AND SERVICE TAX (EASIEST). Unless otherwise specifically mentioned, the instructions contained in the Revised Memorandum of Instructions for Collection and Accounting of Central Excise, Customs and Other dues and Payment of Refunds, Rebate and Drawbacks etc by the Branches of Banks (Effective from 01/4/86) issued by Reserve Bank of India (RBI) shall remain valid.

14.2.4 Challans tendered with Cash

If a challan is tendered with cash and found in order after scrutiny, bank should affix stamp prescribed for Receiving Branch by RBI (Annexure II) both on the main portion of the challan and the taxpayer's counterfoil of the challan at the appropriate space provided for it. Care must be taken to ensure that the impression of the receipt stamp is clear and legible and do not disfigure the contents of the challan. Further bank will capture the challan data in to the bank's computer system. The challan number generated by the bank's computer system should immediately be entered on the main portion and the tear off counterfoil at the appropriate space provided for it. Ultimate care should be taken by the Bank while endorsing the challan number on the physical document to avoid mistake.

An authorized official of the branch will sign in full the taxpayer's counterfoil and the main copy of the challan having received the amount. The receipted taxpayer's tear off portion counterfoil will be returned to the tenderer and the main copy will thereafter be passed on for scrolling in the Receipt Scroll after entering the challan number, amount received and date of realistion on the stamp affixed on both the main portion of challan and tear off counterfoil. In the case of challan tendered with cash, the date of tender and date of realization will be the day on which the challan is tendered.

14.2.5 Challans tendered with Cheque/Demand Draft/Banker's cheque

If a challan is tendered with cheque/Demand draft/Banker's Cheque, and is found in order after security, bank will affix stamp prescribed for Receiving Branch by RBI (Annexure II) both on the main portion of the challan and the taxpayer's counterfoil of the challan at the appropriate space provided for it. Care must be taken to ensure that the impression of the receipt stamp is clear and legible and do not disfigure the contents of the challan.

The cheque/Demand Draft/Banker's Cheque will thereafter be detached and sent for realization. Subsequently, on realization of the cheque/Demand draft\Bankers Cheque, the date of realization will be indicated on the stamp affixed on the main portion of the challan as well as tear off counterfoil. After signing the challan and counterfoil for having received the amount, the taxpayer's counterfoil will be returned to the tenderer against the surrender of the paper token. The challan number, amount realized and date of realization should be clearly indicated on the stamp affixed on the main portion challan and the tear off counterfoil at the appropriate place before returning the counterfoil to the tenderer.

NB: cheque/DDs etc. drawn on the same branch, the date of tender and date of realization are one and the same as the customer's account is debited on the day of tender.

14.2.6 Generation of Challan number:

Collecting bank branch will capture challan details to its computer system at the time of receipt of the challan irrespective of their being cash or clearing cheques. The bank's computer system should instantly generate the challan number. This system-generated number could be a continuous number (initialized to one on the start of each day) irrespective of Commissionerate/Department/Major Head etc. The bank code, date of receipt of challan and the challan number generated by the banks system in combination will make it unique for a challan in the electronic format. Banks may use prefix to the challan number field or add another field in the file structure to identify different tellers at different counters if so required. However, this adjustment should be limited within the bank and the file uploaded to NSDL should invariably be in the structure and format prescribed for Record type RT-51 (Annexure IV)

14.2.7 Preparation of Scrolls by the Collecting Branch

At the end of Customer banking hours, bank branch should identify all those challans against which payments have been received in cash for the day or for which payments by cheque/draft have been realized. As the details of all these challans are already in bank's computer system, the branch should generate daily scrolls commissionerate-wise and Major Head-wise. While generating the scroll, each challan record will be given a running serial number as mentioned in the scroll. The item number of the challan in a scroll will be included in the electronic data. The file containing all the challan data for which payments have been realized for that day will be transmitted it to its Focal Point Branch for onward transmission to the NSDL through banks' Link Cell. However, the non-computerized/non-networked authorized branches should ensure that data is transmitted through it's nearest computerized/networked branch to the Focal Point Branch. While doing so it should be ensured that the BSR code of the bank branch that gets uploaded is of the collecting branch and not of the branch through which the data is transmitted in the case of non computerized/non-networked branches. It should be ensured that no challan for which payment has been realized on that day is left out. A running scroll serial number extending through a financial year (1st April to 31st March) will be given to the records relating to each Commissionerate and Major head which are transmitted on a particular day**.** The receiving branch will also generate daily scrolls Commissionerate-wise and Major Head-wise from the consolidated electronic data (Annexure III). The hard copy of the daily scrolls so generated together with the underlying physical challans will be arranged in the same order as in the scroll and sent to the Focal Point Branch for onward transmission to the concerned PAO.

14.2.8 Bank branches may use a file validation utility before sending the electronic challan data to its Focal Point Branch in its own interest to improve accuracy of data and to avoid file rejection.

14.2.9 Treatment of Clearing Returns

The collecting branch should also identify all those challans against which instruments were returned unpaid. Such instruments along with related challans should be kept separately in bank for taking further necessary action as deemed fit.

14.3 Procedure for payment of Refunds

Payments of Refunds are not proposed to be brought under electronic system at this stage and hence the existing manual procedure will continue.

14.4 Loss of Counterfoil by the taxpayer

In the event of loss of receipted challan counterfoil by the depositors, bank branches may, on receipt

of a specific request in writing to issue a certificate of credit, issue the same to the depositor based on their record after satisfying themselves about the bonafides of the applicant in each case and may also charge a nominal fee at its discretion. The certificate should mention the challan details i.e. amount, bank branch name, BSR code, Date of Deposit of cheque/cash, major head, challan number, date of realisation of cheque, and collecting branch scroll number and date.

14.5 Functions of Focal Point Branch

14.5.1 Focal Point Branch will be responsible for the prompt and accurate transmission, accounting of the collections reported to it daily by all the receiving branches under its jurisdiction (including its own receipts). It will also be responsible for prompt remittance of the collections of all the receiving branches linked to it (including its own collections) to the Government Account at RBI, CAS, Nagpur, through its Link Cell at Nagpur. It will also be responsible for reconciliation of figures with the Pay and Accounts Officers (PAO).

14.5.2 On receipt of on-line data regarding the challans realized for a particular day from the Collecting Branches, the Focal Point Branch will take the following action on day-to-day basis:

a. It will collate the challan data on its computer system based on the physical scrolls received from collecting branches for generation of Main Scroll. The data so consolidated for preparing the Main Scroll will include only such data for which physical scrolls and challans are received from the receiving branches. In addition to checking the correctness and completeness of the physical documents, it will also ensure that the electronic string received from the receiving branches including its own tallies with the corresponding physical scrolls and challans. A running scroll serial number extending through a financial year (1st April to 31st March) will be given to the records relating to each Commissionerate and Major head which are transmitted on a particular day. The Focal Point Branch will also generate the main scrolls Commissionerate-wise and Major Head-wise from the consolidated electronic data (Annexure VIII). The hard copy of the main scrolls so generated together with the relative daily scrolls and challans arranged chronologically as they appear on the Main Scroll will then be sent to the concerned PAO.

The consolidated file containing all the challan data that have been scrolled on the day will be transmitted to the Bank's Link Cell for making fund settlement with RBI and onward transmission to NSDL on the same day.

During the first 15 days in April every year, the Focal Point Branches will transmit and prepare two separate sets of scrolls

(i) One scroll pertaining to March transactions (which means scrolls of cheque/Demand Drafts/refund cheques tendered and cleared up to 31st March by receiving branches and sent to the Focal Point Branch subsequent to 31st March but before 15th April) – these will be scrolled by Focal Point Branch as "March Residual Account"

(ii) Another scroll for April Transactions prominently indicating the month of account. Any cheque/Demand Draft tendered on or before 31st March and realized on or after 1st April will be treated as part of the April transactions.

However, in the light of the instruction that data for all challans for which payment has been ealized on a given day should be transmitted online to NSDL on the same day, separate March esidual scroll should only be needed in exceptional cases. The specific procedure to be followed for March Residual accounting each year will be communicated to banks by RBI in the month of February ach year.

Focal Point Branches may use a file validation utility before sending the electronic challan data to its Link Cell in its own interest to improve accuracy of data and to avoid file rejection.

Focal Point Branches will also generate a Date-wise Monthly Statement (DMS) from the computer system based on the Main Scrolls prepared by it on a monthly basis Commissionerate-wise and Major head-wise at the end of every month for submission to the concerned PAO. **(**Annexure VII).

The Focal Point Branches of banks will carry out monthly reconciliation with PAOs of the amount settled by them with their Link Cell at Nagpur. On the basis of their records the PAOs will verify the statements received from the Focal Point Branches both Major head-wise and Commssionerate-wise. In case of any discrepancy, the Focal Point Branch will carry out the corrections immediately and adjust the difference in the amount already credited/debited to the CBEC's account through its Link Cell at Nagpur through error rectification procedure.

14.6 Functions of Link Cell

The Link Cell of banks at Nagpur will consolidate the challan data received from the Focal Point Branches for transmission to NSDL and will also monitor the daily receipts and check the accuracy of the daily memos received from the Focal Point Branches. The Link Cell will then transmit the daily memos to CAS, RBI, Nagpur.

14.7. Central Accounts Section (CAS) RBI Nagpur

For the purpose of final reconciliation of the transactions with PAOs and the Link Cell, the CAS, RBI, Nagpur will generate a monthly statement showing the Bank-wise, Commissionerate-wise and Major Head-wise break up rendering of accounts and furnish the same to PAO and the Link Cell of bank. RBI, CAS, Nagpur will furnish by 20th of the following month, a monthly analysis indicating major head-wise receipts/refunds etc. to the Principal Chief Controller of Accounts, CBEC.

14.8 Rectification of errors in "EASIEST" challan data uploaded by banks – Procedure.

Banks upload challan details with respect to tax payment by taxpayers to NSDL central system on a day-to-day basis in electronic files. These files are prepared in the format specified as Record Type RT-51. Focal Point Branches consolidate details with respect to the challans from each of the collecting branches under its jurisdiction and they also forward corresponding physical scrolls and underlying challans to the Pay and Accounts Officer (PAO). In this process, the following errors can occur:-

i) There is error in the challan details captured by the bank and uploaded to NSDL.
ii) Banks capture and include challan details that do not pertain to CBEC.
iii) Banks do not upload electronic data pertaining to a single challan or the entire batch.

14.9 Rectification of Errors by Banks

14.9.1 If banks identify any error in any challan data uploaded by them using RT-51, they can upload details of the same to NSDL system using record type RT-58 (Annexure VIII).

14.9.2 If the RT-58 generated by the bank entails changes in the amount of a previous day's scroll, the same would be adjusted through the Main Scroll of the day for fund settlement with RBI. However, the physical Scroll of the day that is sent to the PAO will give details of such adjustments in the following manner illustrated below :-

"Branch "A" of a bank had effected receipt transactions of Rs.1,54,000/- on 18th January, 2007. This transaction had been wrongly reported as Rs.5,14,000/-. The bank carried out corrections on 20th January, 2007 through RT-58. The receipt transaction of the branch for the day (20/1/07) was Rs.48,00,000/-." The adjustment entries would appear in the scroll of branch "A" dated 20/01/07 as under:-

• Correct receipt transaction of 18/1/07		1,54,000/-
• Withdrawal of wrong figures reported	(-)	5,14,000/-
• Total	(-)	3,60,000/-
• Total transactions of the day		***48,00,000/-***
• Adjustment of errors relating to 18/1/07	(-)	3,60,000/-
• Total	**(+)**	**44,40,000/-**

*"Branch "B" also reported a receipt transaction of **Rs.5, 00,000**/- on the same day (20/01/07) to the Focal Point Branch."*

14.9.3 The Main Scroll generated by Focal Point Branch for PAO will show the details of such adjustments made by the receiving branches in the following manner:-

• Total of the receipt transactions (with out incorporating adjustments) of the receiving branches	(48,00,000 plus 5,00,000)		53,00,000/-
• Adjustment of errors relating to Branch "A"		(-)	3,60,000/-
• **Total amount credited to Govt. Account**		**(+)**	**49,40,000**

14.9.4 Rectification of errors by PAO

(i) The details of RT-58, which are uploaded by banks, will be made available to PAO for view and download by NSDL.

(ii) PAO will download the electronic challan data Focal Point Bank Scroll wise for incorporation in the revenue accounting software (e-REVACT**)** from NIC/NSDL and ensure verification of data challan-wise against the physical challans and scrolls. The PAO will modify/rectify the errors in the Electronic Data. The computer system of PAO will generate a separate file in the file format (Record type RT-58) for the rectification made on the electronic data uploaded by the banks.

14.9.5 PAO will also verify whether the errors identified by banks have already been rectified by the PAO. If there are any errors that have not been uploaded by PAO to NSDL after rectification, it will rectify these errors after investigation/verification.

(i) The RT-58 generated by PAO and Banks will be parked at NSDL to match them. Matched RT-58 will be removed and a weekly report of the unmatched RT-58s will be generated by NSDL system for view and download by PAO/banks/CBEC. Focal Point Branch would be responsible to sort out the differences in consultation with PAO/CBEC.

(ii) PAOs may also add challan data by entering the physical challan information in to its computer system in case of non-availability of electronic data from the banks for which the physical challans and scrolls have been received. In case Challan number is not mentioned on the physical challan, the bank will be responsible to provide the same to the PAO. If the bank's system generated challan numbers are not mentioned on the physical Challan, such additions will also become a part of the record type RT-58 generated by the PAO's computer system.

(iii) PAOs may also nullify a challan by entering null amounts for the challans that are not related to CBEC (Central Excise and Service Tax) and will send back the physical copy of the Challan to Bank.

(iv) If the rectification made by PAO entails changes in the amount of Main Scroll, the

difference will be booked under the head Receipt Awaiting Transfer (RAT) below the relevant Receipt head in the accounts of the PAO. The amounts booked under RAT (whether + or -) relating to each Main Scroll will be entered in the separate register maintained for the purpose. As and when the rectification the errors are received from the bank (Para 8.3.2 refers) the amounts booked under 'RAT' earlier will be reversed in the accounts and would be cleared the entry in the register.

14.10 Redressal of Public grievances

Each authorized bank should have an effective procedure for dealing with Public complaints at the branches rendering service to Government Departments or members of the public as prescribed, from time to time. In case bank detects a mistake in reporting of a tax payment or the major head of tax payment, either suo-moto or being brought to its notice by the taxpayer, bank will promptly transmit the error record.

14.11 Customs Duty Collection

There are various types of Custom locations across the country Like Air Cargo, Land Custom Stations (LCS), Inland Container Depot (ICD), Custom Houses etc. where custom duties are collected. Every Importer/ Exporter needs to declare his goods/ items in detail through Bill of entry at the Custom Location or at ICEGATE (a web portal hosting various services for Custom houses) if that custom location is having EDI (Electronic Data Interchange) system. If custom location doesn't have EDI system then whole process of filling Bill of Entry, duty assessment, Challan generation, duty payment and delivery of goods is under manual process flow. In place of message exchanges there will be physical paper movement at each level similar to the process mentioned below at EDI location.

14.11.1 Manual Payment System under EDI locations:

In the Customs, under the existing Electronic Data Interchange (EDI) the challans are generated by the system after the assessment is done by the customs officials, based upon the Bill of Entry filed by the importer/taxpayer either electronically or manually. The challan details so generated by EDI are provided to the bank through electronic means. Taxpayer makes the payment at the bank counter; get back two copies of receipted challan and the payment confirmation flows back to the EDI, which enables the release of goods. The distribution and usage of challan is as under:

Challan copy.	To whom	Purpose/Use
One	Concerned Pay and Accounts Office (along with the daily scroll)	Detailed accounting of receipts & Reconciliation
Two	Importer	Release of goods & for record
One	EDI in electronic format along with payment confirmation	Reconciliation & Release of goods

14.11.2 Accounting Procedure for Customs duty Collection

At the end of the Day (EOD) the bank branch exclusively authorized for e-Payment collection collates all the challan details pertaining to the particular EDI for which successful transactions were completed through internet banking system. In case the branch is authorized for physical collection as well, it will collate all physical transactions and all successful e-transactions. In the case of e-transaction, one copy each of the challans is

printed at the bank's end to include amongst the physical challane for preparation of daily scrolls. The scroll along with the underlying challans is physically sent to the Focal Point Branch (FPB) for preparation of Main Scroll. FPB after preparation of Main Scroll sends the Main Scroll along with daily scrolls and underlying challans to their concerned PAO. The collection details are further passed to the bank's link cell through bank's internal system.

Bank's link cell at Nagpur consolidates the collection of its Focal Point Branches Commissionarate wise, Major Head Wise and remits the collection with Reserve Bank of India. Matching of challans with scrolls and scrolls with Date wise Monthly Statement (DMS) and DMS against the Put through statement of RBI completes the accounting reconciliation.

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ANNEXURES TO CHAPTER - 14

ANNEXURE I
(Ref. Para 14.3)

Name of the Bank | Code No. | Station: | Serial No. _____/____

Branch: | Code No. | Date:

Receipt Scroll : Central Excise & Customs | Major Head of Account.

PAO _____ | Collectorate | PAO Code No. _____

Sr. No.	Name of the assessee	Cash		Clearing		Transfer		Total		Initials	Remarks
		Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.		

ANNEXURE 1-A
(Ref. Para 14.4)

Date……

By Registered Post

To
The Manager
……
(Focal Point Branch)
(Accounting Cell)
……..

D/Sir,

We forward herewith ……scrolls and the supporting challans /paid cheques in respect the transactions of the …….. Collectorate, for credit/debit of a sum of Rs…..(net) to the a/c of CBEC as detailed below :

Major Head of A/c.	Receipts		Payments		Net	
	Rs.	P.	Rs.	P.	Rs.	P.
0037						
0038						
0044						
0045						
0047						
TOTAL						

Please acknowledge receipt by returning the perforated slip attached.

Yours faithfully

Encls: Scrolls…Challans

Cheques Manager

ACKNOWLEDGEMENT
(To be returned to the receiving branch)

Received the documents mentioned in letter dated……. for the net amount of Rs… ..... for credit /debit to the CBEC account.

To
The Manager

_____
_____ (receiving branch)

Stamp of the Focal Point Branch

ANNEXURE I-B
[Ref. Para 14.5(vi)]

Name of the Bank	Code No.	Station:	Serial No. _____/_____
	Focal Point Branch:	Code No.	Date:
Receipt Scroll (Main): CBEC	Collectorate		Major Head of Account.
PAO _____			Code No. _____

Sr. No.	Name of the Receiving Branch	Code No.	Date of Receiving branch scroll	Amount		Initials	Remarks
				Rs.	P.		
	A B C .. .. Focal Point Branch's (own collection)						
	TOTAL						

ANNEXURE I-C
[Ref. Para 14.5(vi)]

Name of the Bank Code No. Station: Serial No._____/_____

Focal Point Branch: Code No. Date:

Payment Scroll (Main): CBEC Collectorate Major Head of Account.

PAO _____ Code No. _____

Sr. No.	Name of the Paying Branch	Code No.	Date of Paying branch scroll	Amount		Initials	Remarks
				Rs.	P.		
	A B C .. .. Focal Point Branch's (own Payment)						
	TOTAL						

ANNEXURE I-D
[Ref. Para 14.5(vi)]

Name of the Bank .....

Code No. .....

Station: .....

Serial No. _____/_____

Branch:

Date:

Receipt Scroll:Central Excise & Customs

Major Head of Account.

PAO _____

Code No. _____

Sr. No.	Cheque No.	Name of assessee	Cash		Clearing		Transfer		Total		Initials	Remarks
			Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.		

ANNEXURE II
(Vide Para 14.10)

Name of Branch Code No. _____

ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF EXCISE AND CUSTOMS FOR THE MONTH OF …….. PAO ……..
……..Collectorate

RECEIPTS

PAO Code No……..

Major Heads of Account						
Date	**0037 Customs**	**0038 Union Excise Duties**	**0045 Other Taxes and Duties on Commodities & Services - Foreign Travel Tax**	**0047 Other Fiscal Services**	**0875 Other Industries -Sale Proceeds of opium, alkaloids & other miscellaneous charges**	**Total**
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
Total						

Note: 1. A statement in this form should be prepared in quintuplicate

2. The original copy should be sent to the Link Cell at Nagpur, three copies to the local Pay and Accounts Officer, Central Excise & Customs Collectorate and fifth copy retained as office copy.

Date _____ BRANCH MANAGER _____

ANNEXURE III
(Vide Para 14.10)

Name of Branch Code No. _____

ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF EXCISE AND CUSTOMS FOR THE MONTH OF …….. PAO ……..
……..Collectorate

PAYMENTS PAO

Code No.……

Major Heads of Account						
Date	**0037 Customs**	**0038 Union Excise Duties**	**0045 Other Taxes and Duties on Commodities & Services - Foreign Travel Tax**	**0047 Other Fiscal Services**	**0875 Other Industries -Sale Proceeds of opium, alkaloids & other miscellaneous charges**	**Total**
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
Total						

Note: 1. A statement in this form should be prepared in quintuplicate
2. The original copy should be sent to the Link Cell at Nagpur, three copies to the local Pay and Accounts Officer, Central Excise & Customs Collectorate and fifth copy retained as office copy.

Date _____ BRANCH MANAGER _____

ANNEXURE IV
(Vide Para 14.11)

Name of Branch Code No. _____

ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF EXCISE AND CUSTOMS REPORTED DURING THE MONTH OF ……. PAO ……..
……..Collectorate

PAO Code No…….

RECEIPTS

Major Heads of Account						
Date	**0037 Customs**	**0038 Union Excise Duties**	**0045 Other Taxes and Duties on Commodities & Services - Foreign Travel Tax**	**0047 Other Fiscal Services**	**0875 Other Industries -**	**Total**
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
Total						

Note: 1. A statement in this form should be prepared in quintuplicate.
2. The original copy should be sent to the Link Cell at Nagpur, three copies to the local Pay and Accounts Officer, Central Excise & Customs Collectorate and fifth copy retained as office copy.

Date _____ BRANCH MANAGER _____

ANNEXURE V
(Vide Para 14.11)

Name of Bank Bank Code No. _____

ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF EXCISE AND CUSTOMS REPORTED DURING THE MONTH OF ……. PAO ……..
……..Collectorate

PAO Code No…….

PAYMENTS

Major Heads of Account						
Date	**0037 Customs**	**0038 Union Excise Duties**	**0045 Other Taxes and Duties on Commodities & Services - Foreign Travel Tax**	**0047 Other Fiscal Services**	**0875 Other Industries -**	**Total**
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
Total						

Note: 1. A statement in this form should be prepared in quintuplicate.

2. The original copy should be sent to the Link Cell at Nagpur, three copies to the local Pay and Accounts Officer, Central Excise & Customs Collectorate and fifth copy retained as office copy.

Date _____ BRANCH MANAGER _____

ANNEXURE VI
(Vide Para 14.11)

MONTHLY SUMMARY OF RECEIPTS PUT THROUGH BY THE LINK CELL OF AUTHORISED BANK…….. DURING THE MONTH OF..... WITH RESERVE BANK OF INDIA , C.A.S., NAGPUR

Major Heads of Account						
Collectorate	**0037**	**0038**	**0045**	**0047**	**0875**	**Total**
AHMEDABAD BARODA …….. ……. …….						
TOTAL						

ANNEXURE VII
(Vide Para 14.11)

MONTHLY SUMMARY OF PAYMENTS PUT THROUGH BY THE LINK CELL OF AUTHORISED BANK …….. DURING THE MONTH OF..... WITH RESERVE BANK OF INDIA, C.A.S., NAGPUR

Major Heads of Account						
Collectorate	**0037**	**0038**	**0045**	**0047**	**0875**	**Total**
BARODA AHMEDABAD …….. ……. …….						
TOTAL						

ANNEXURE VIII
[Vide Para 14.18.1(b)]

Name of the Bank……

Explanatory Memorandum to the adjustments made during ……							
Actual date of transaction	**Particulars**	**0037**	**0038**	**Total**	**0037**	**0038**	**Total**
4.5.98	Receipt of Rs.1,00,371/- taken as Rs.10,371/- under 0038		90,000	90,000			
6.7.98	Amount wrongly advised under 0038 instead of under 0037	10,000	(-)10,000				
7.7.98	Refunds under 0038 adjusted wrongly in reduction		32,240	32,240		32,240	32,240
7.7.98	Excess credited Rs.101 instead of Rs.100 under 0037	(-) 1		(-) 1			
	Total adjustment	**9,999**	**1,12,240**	**1,22,239**		**32,240**	**32,240**

CHAPTER-15

BANK RECONCILIATION- REVENUE TRANSACTIONS OF CBDT.

15.1 System of Collection of Tax in C.B. D.T.

The Departmentalisation of the accounts of the revenue transactions of the CBDT came into effect from 1st April, 1977. The operation of the scheme for collection and accounting of Direct Taxes introduced from 1st April, 1977 however had certain shortcomings such as : (i) considerable delay on part of the banks in transferring direct tax collection to Govt. account at RBI, CAS, Nagpur, (ii) delay in transmission of scrolls/challans to the Zonal Accounts Offices (ZAO) and the Income Tax Department and (iii) delay in reconciliation of direct tax collections made at the Banks with the figures accounted for by the ZAOs and in the final reconciliation between the figures of the CCA, CBDT and those reported by the RBI, CAS, Nagpur. The procedure of collection and accounting of direct taxes was, therefore, reviewed and a revised scheme introduced from 1st October, 1988.

15.2 The basic feature of the revised scheme introduced w.e.f. 1.10.88 was that in order to expedite transmission of documents to ZAO & I.T. Department and remittance of the direct Tax collections to Govt. account, several intermediary stages between the Receiving branch and the RBI, CAS, Nagpur namely the link branch, Focal Point branch, SBI, UMALO, New Delhi and RBI New Delhi existing before 1.10.88 were eliminated. Each of the authorized public sector banks was to have a Nodal branch at the ZAO centre which would function as a Focal Point branch for all the authorized receiving branches of that bank at that centre. The Nodal branch in addition to acting as a pooling point would also function as a receiving branch. In the zones where a bank has less than 5 branches, no Nodal branch of that bank needs to be set up at ZAO Centre. In such cases the branches will function as sub-agent to SBI for reporting, remittance and reconciliation of direct taxes. The receiving branches of a bank in a particular zone would report the transactions and also submit the sets of documents (scrolls/challans) meant for ZAO and the Designated Officer in-charge of the Computer Centre/CTU of Income Tax Department directly to their respective Nodal branch at the concerned ZAO centre.

15.3 Online Tax Accounting System (OLTAS)

15.3.1 OLTAS i.e. Online Tax Accounting System was implemented with effect from 1.6.2004. The Basic Premise was Capture of all information at the very first interface with the Tax payer (the Receiving Branch) & subsequent transfer of this information online to the Tax Information Network to allagencies of the Receipt Operation Cycle.

15.3.2 Main Features of OLTAS are a single Copy Challan, fully computerised and networked branchesand accuracy and timeliness of information flow

15.4 Procedure for acceptance of taxes at the receiving branches

15.4.1 A taxpayer can pay direct taxes at a nominated branch of an authorized bank either in cash, direct debit to account or by a cheque/draft drawn on the same bank or another bank/branch at the same centre where the payment is made. The payment of tax by outstation cheques/drafts can also be made at any authorized bank, or through an electronic means of remittance to the authorized bank / branch. For every payment there should be a challan in the prescribed format. The challan consists of two parts - the main challan at the top and the taxpayer's counterfoil at the bottom.

15.4.2 According to the instructions issued to the authorized banks by the Reserve Bank of India, the receiving clerk/ teller of the receiving branch shall check the following points while accepting the payment: -

(a) Whether the main portion of the challan and the taxpayer's counterfoil form have been filled in properly and the amount and major head of account to which the amount is to be credited is correctly recorded therein;
(b) Whether details such as the name and address of the taxpayer, assessment year and nature and type of payment are properly filled in. The amount should be written correctly both in words and figures.

(c) Whether the details of the Permanent Account Number (PAN) / Tax Deduction Account number (TAN) have been quoted in the challan at the prescribed place. U/s 139 A (5) (b) of the Income Tax Act, quoting of PAN is mandatory. Similarly, u/s 203A of the Act, quoting of TAN is mandatory. This number, as quoted by the taxpayer should be validated (checked to see whether it is in conformity with the valid PAN/TAN structure) and the designated banks accepting tax payment should ensure that the challans for payment are accepted only when a valid PAN is quoted in the challan. However, where the taxpayer indicates that he has already applied for allotment of PAN or TAN but has not yet been allotted the same, the tax payment challans may be accepted by the bank provided the tax payer indicates PAN/TAN application number in the challan. In such cases it should invariably be ensured that the full address of the taxpayer has been mentioned in the challan.

15.4.3 After scrutinizing the challan and satisfying himself that the amount of cash, cheque or draft tendered agrees with the amount shown in the challan, and also that the cheque is valid and not post dated the receiving teller or counter-clerk of the branch will issue a paper token to the tenderer to facilitate delivery of the counterfoil receipt to him. In the case of challans deposited with cheque or draft, the counterfoil receipt will be issued only on realization of the amount of the cheque or draft and hence the counter-clerk will indicate on the token, the date on which the same will be available.

15.4.3.1 A challan tendered with cash, if found in order after scrutiny, will be stamped 'CASH RECEIVED'. The bank will also stamp both the main portion and the taxpayer's counterfoil of the challan with a stamp mentioning the name of the bank & branch, the BSR code the branch (7 digits), date of deposit (DDMMYY) of the amount and unique serial number of the challan (5 digits). The stamp will be impressed on both the main portion as well as the taxpayer's counterfoil of the challan. Care must be taken to ensure that the impression of the receipt stamp is clear and legible.

An authorized official of the branch will sign in full the taxpayer's counterfoil of the challan and initial the main copy of the challan having received the amount. In the taxpayer's counterfoil, the amount received will be indicated in both words and figures. The receipted taxpayer's counterfoil will be returned to the tenderer and the main copy will thereafter be passed on for scrolling in the Receipt scroll.

15.4.3.2 A challan tendered with cheque/ draft will be branded with a 'double date stamp' to indicate the date of tender of the instrument as well as the date of realization. It is possible that some branches might be following the practice of branding the challans with an inward date stamp as soon as the challans are tendered over the counter. In that case the double date stamp may not be necessary. However, it must be ensured that the inward date stamp is invariably branded on both the main copy and the taxpayer's counterfoil of the challan.

The checking official will initially ensure that there is no difference between the amount of cheque/ draft and the amount recorded in the challan by the tenderer. The cheque/ draft will thereafter be sent for realization. Subsequently, on realization of the cheque/draft, the date of realization will be indicated on the double date stamp or in the space in the challan as the case may be. The bank will also stamp both the main and the taxpayer's counterfoil of the single copy challan with a stamp mentioning the name of the bank & branch, the BSR code the branch (7 digits) date of deposit (DDMMYY) of the amount and unique serial number of the challan (5 digits). After signing the challan for having received the amount, the taxpayer's counterfoil will be returned to the tenderer against the surrender of the token.

15.4.3.3 A Running serial number will be given to all the challans (both paid by cash and by cheque) for each day. It must be ensured that the serial number on each challan issued on a particular day should be unique, so that it can be traced subsequently. The bank must therefore ensure that the serial numbers given to the challans deposited with cash do not overlap with the serial numbers given to the challans against which cheques have been realized on that day.

Counterfoil of the challans tendered along with cash/ cheque/ draft payable at the same branch will be returned to the tenderer duly receipted at the counter. The challans tendered with cheques/ drafts drawn on a different branch of the same bank or any other bank situated at the same center, will be returned duly, receipted only after realization of the instrument but not later than the working day following the day fixed under the rules of 'Local Bankers House' for return of unpaid instruments of any day's clearing.

15.4.4.1 In case of challans tendered with cheque/ draft, the date of realization of the cheque will also be stamped on the main portion of the challan, which will be retained at the bank for onward transmission to ZAO along with the Receipt Scroll. Although as per the Income Tax Act the date of presentation of cheque/ Demand Draft will be treated as date of payment of tax, the cheque/ Demand Draft will be scrolled only after its realization.

15.4.4.2 The main portion of the challan through which a cheque/ draft is deposited will, therefore, have two dates as under:

i) Date of tender: DDMMYY (in the rubber stamp acknowledgement)

ii) Date of realization: DDMMYY (at the place indicated in the challan)

In case of cash tender the 'Date of tender' and 'Date of realization' will be the same.

15.4.4.3. The collecting bank will not issue receipt in any other format.

15.5 Preparation of Scrolls by the Collecting Branch

15.5.1 A running serial number will be given to all the challans received at a bank branch counter on each day against which cash payments have been made or cheques/ drafts have been realizedon that date.

15.5.2 All the challan fields such as name and PAN, the serial number, date of deposit and BSR code of the branch are required to be captured when the challan is deposited by the tax payer at the bank counter. The data structure of the fields of the challan for which data has to be captured and transmitted will be as informed to the banks by the Income-tax Department. Permanent Account Number (PAN) and the name of the taxpayer will invariably be incorporated in the Receipt & Payment Scroll.

15.5.3 At the end of customer banking hours, the bank branch should identify all those challans against which payment has been received in cash for the day or for which payments by cheque/draft have been realised for the day. As the details of all these challans are already in the bank's computer system, the bank should generate a file containing all the challan data for which payments have been realised for that day and transmit it to its Nodal Branch for onward transmission to the Income Tax Department's Tax Information Network (TIN) through the banks' Link Cell. These electronic challans are further segregated at the National Computer Centre of the I.T. Department into the various Regional computer Centres. However, the non- computerized/ non- networked authorized branches should ensure that data is transmitted from its nearest computerized/ networked branch to the Nodal Branch. It should be ensured that no challan for which payment has been realised on that day is left out. A running scroll serial number extending through a financial year (1st April to 31st March) will be given to the records relating to each type of tax (major head) which are transmitted on a particular day. The complete data structure of records and the file which are to be transmitted by the bank to the Department will be in the format prescribed by the Income-tax Department. The collecting branch will in no case alter the online data file at its end after it has been transmitted to the Income Tax Department.

15.5.4 The collecting branch should also identify all those challans against which instruments were returned unpaid. Such instruments along with the related challans should be kept separately in the bank for taking further necessary action as deemed fit.

15.5.5 The collecting branch will also generate separate printouts of the scrolls as in annexure and summary in Form in Annexure 3 based on the type of tax (major head-wise) on a daily basis from the challan data on its computer, which has been transmitted to the Income-tax Department. The same running serial number extending through a financial year (1st April to 31st March), which was given to the scrolls transmitted for the relevant day, prefixed by the appropriate abbreviation of the type of tax (major head) concerned, will be printed on the scroll. The collecting branch will in no case generate any printed scrolls or summary from data, which is changed in any manner from the data earlier transmitted to the Department. Thus the scrolls generated by the branch will exactly match the scrolls generated by the RCC from the data transmitted to the Department's TIN on-line by the bank. Thereafter, the branch will prepare a set of computer printed summary and receipts scrolls and attach with each scroll the physical challans arranged in the same serial order in which they are entered in the scrolls. At the beginning of the next working day, the receiving branch will forward the same to the Nodal Branch for onward transmission to the ZAO.

15.5.6 In case of any error by the collecting bank branch in reporting the amount of payment made bya taxpayer or major head of payment, the bank will transmit the corrected information on-line to TIN through an error record, the format for which will be as prescribed by the Income-tax Department. Rectification of the errors in the amount and the head of account will also be reported to ZAO through 'Error Scroll" to be sent through Nodal branch. Only the amount of tax payment as reported by the bank to the TIN will be accepted by the Income-tax Department as the payment made by the taxpayer.

15.6 Procedure for payment of Income Tax Refund Orders (ITROs)/ECS

15.6.1 Direct tax refunds can also be credited directly to the taxpayer's bank account through Electronic Clearance Service (ECS) of RBI. The detailed scheme of ECS has been issued by RBIIn order to avail of this facility, the taxpayer gives a mandate by mentioning the type of his bank account (Savings or Current), account number and bank branch code (9 digit) in his Return of Income. After processing of the taxpayer's Returns and determination of the refund by the Assessing Officer, all taxpayers' refunds (in which credit through ECS has been sought) in the jurisdiction of an RCC are automatically consolidated on the computer system at the RCC. All this refund data is downloaded, encrypted and copied onto a magnetic media (floppy or rewriteable CD) or transmitted electronically**.** This is sent by the RCC to the RBI/SBI, as the case may be, and another one will be sent to local ZAO.After validating the data in the file, the bank will forward two copies of the file in floppy / CD to RBI (NCC) for processing and the third copy will be sent to ZAO for their record.

The RBI (National Clearing Cell) will decrypt the file, based on secured keys as determined in consultation with the Department. After validating the data, the RBI will debit the account of Sponsor Bank and credit the accounts of the Destination banks for crediting the amounts to the accounts of tax assessees.

A single debit to the Department's account appears in the payment (refund) data transmitted by the bank to the Income Tax Department for that day. Separate Payment Scrolls will be prepared for refunds made through ECS. In case any of these credits to the taxpayer's accounts are not effected due to reasons like closing of the account etc., the same is later accounted for by a separate minus entry in the Payment Scroll marked as 'ECS Return'. The files in the electronic media (floppy or rewriteable CD etc.) are returned along with the computer printed payment (refund) scroll to the ZAO while the same data is transmitted online by the bank to the Income Tax Department through the Income Tax Department's Tax Information Network (TIN).

The uncredited items will be separately reported to the Income Tax Department and the Assessing Officer will issue cheques for these in favour of the assesses under the manual system.

15.7 Preparation of Payment (Refund) Scrolls

15.7.1 The procedure for preparation of payment scrolls will be the same as the procedure applicable to Receipts scrolls.

15.7.2 The scrolls will be made into set similar to that relating to receipts except that instead of the challans, the paid Refund Orders will accompany the scrolls. The entire data regarding the paid refund vouchers will be transmitted electronically by the paying bank to the Link Cell for onward transmission to the Department's TIN while the physical scrolls with the paid Refund Order will be forwarded to the ZAO through the Nodal Branch. In the cases of ECS, no instrumrnts will be received with Payment scroll. If the Nodal Branch is not locally situated, all the above documents (receipt/payment scrolls etc.) should invariably be sent by Registered Post.

15.7.3 In the case of ECS Refunds, the data will be transmitted online to the Link Cell and subsequently to the Income Tax Department while the same ECS detail on electronic media will be sent to the local ZAO by Paying Bank through the Nodal branch

15.8 Loss of Counterfoil by the taxpayer

15.8.1 In the event of loss of the receipted challan counterfoil by the depositor, the bank branches may issue a certificate of credit to the depositor, on receipt of a specific request in writing from the assessee. The bank may do this after satisfying themselves about the bona fides of the applicant in each case and may charge a nominal fee at its discretion. The certificate should mention the challan details i.e. amount, bank name and branch, BSR Code and Date of Deposit of cheque/cash major head, challan serial number, date of realization of cheque /date of deposit of cash and Collecting branch scroll number and date on which details of tax payment have been transmitted earlier.

15.9 Functions of Nodal Branch

15.9.1 The Nodal Branch will be responsible for the prompt and accurate transmission of the collections/refunds reported to it daily by all the receiving branches under its jurisdiction (including its own receipts). It will further be responsible for prompt remittance of the collections of all the receiving branches (including its own collections) linked to the Government account at RBI, CAS, Nagpur. It will also be responsible for reconciliation of figures with the ZAO.

15.9.2 On receipt of the on-line data regarding all the challans realized for a particular day from the

Collecting Branches, the Nodal Branch will take the following action on day-to-day basis:

a. It will collate the challan data on its computer system and transmit the data in the format prescribed by the Income Tax Department to its Link Cell for onward transmission to the Tax Information Network of the I.T. Department on the same day after giving a common Nodal Branch scroll number and date to all the challan records being transmitted on that day.

b. It will also generate a copy of the summary and main scroll based on the computer data in a floppy or other media (as informed by ZAO) and transmit it to the ZAO on the next working day.

c. On receipt of the hard copy of the computer-generated Branch scrolls from the collecting branch, the Nodal branch will validate that these computer-generated branch scrolls exactly match the data transmitted earlier by the collecting branches. It will consolidate these computer printed Branch scrolls (with challans) received from all the branches including its own along with the main scroll by stitching the scrolls together Major head-wise. It will also generate a computer printout of the Major head-wise Main scroll and Summary. It will then forward these (with the challans) to the ZAO concerned on a daily basis.

d. A Second set of scrolls prepared in the same manner without challans as discussed at (c) above will be retained by the Nodal branch for its record.

e. The Nodal branch will also similarly generate computer printed separate main scrolls for payments (i.e. refunds), and forward them along with the paid ITROs to the ZAO. It will also forward ECS refund details on electronic media to the local ZAO. The refund data (in respect of paper ITROs and ECS refund) will be transmitted on-line by the Nodal Branch to TIN through the Link Cell. It will retain the advice/advices of the paid ITROs.

f. During the first 15 days in April every year, the nodal branches will transmit and prepare two separate sets of scrolls – one normal scroll pertaining to April transactions and the other one pertaining to March transactions (which means scrolls of cheques / drafts / ITROs tendered and cleared up to 31st March by receiving branches and sent to the nodal branch subsequent to 31st March but before 15th April) - these will be scrolled by nodal branch as March residual account. The nodal branches will intimate the link cell at Nagpur for inclusion of these transactions as March transactions. The nodal branches will send another scroll for April transactions prominently indicating the month of account. Any cheque/draft tendered on or before 31st March and realized on or after 1st April will be treated as part of the April transactions. However, in light of the instruction that data for all challans for which payment has been realized on a given day should be transmitted online to the Income Tax Department on the same day, separate March residual scroll should only be needed in exceptional cases.

g. The nodal branch will pass on the consolidated amount accounted by it to its Link Cell on day-to-day basis.

15.10 Crediting the tax collection to Government Account

15.10.1 The nodal branch acts as a pooling centre for all the receiving branches coming under its control and it is responsible for reporting of the transactions (along with all the related documents i.e. Challans and scrolls) to the ZAO. It is also responsible for transmitting the challan data for all these

transactions to its link cell at Nagpur for onward online transmission to the Income Tax Department as well as for crediting the amount collected to RBI (Central Accounts Section or CAS), Nagpur.

15.10.2 The Nodal Branch will prepare a daily memo and send it on a daily basis to its Link Cell at Nagpur (GAD, Mumbai in case of SBI) which in turn will make a daily settlement with RBI, CAS, and Nagpur.

15.10.3 The Link Cell of the bank at Nagpur will consolidate the challan data received from the Nodal Branch for transmission to the Department's Tax Information Network (TIN) and will also monitor the daily receipts and check the accuracy of the daily memos received from the Nodal Branches. The Link Cell will then transmit the daily memos to CAS, RBI, and Nagpur.

15.10.4 The Nodal Branches of the banks will carry out monthly reconciliation with ZAOs of the amount settled by them with their Link Cell at Nagpur. On the basis of their records the ZAOs will verify the statements received from the Nodal Branches both major head-wise and Nodal Bank-wise. In case of any discrepancy, the Nodal Branch will carry out the corrections immediately and adjust the difference in the amount already credited / debited to the CBDT's account through its Link Cell at Nagpur under information to the ZAO.

15.10.5 For the purpose of final reconciliation of the transactions with ZAOs and the Link Cell, the CAS, RBI, Nagpur will generate a monthly statement and furnish the same to ZAO and the Link Cell of the banks. RBI, CAS, Nagpur will furnish by 20th of the following month, a monthly analysis indicating major head-wise receipts / refunds etc. to the CCA, CBDT.

15.11 ELECTRONIC PAYMENT OF DIRECT TAXES

15.11.1 Payment of direct taxes through internet is the latest value addition to the existing method of paying direct taxes at the counters of the designated banks. The procedure for paying Direct Taxes through the Internet is outlined as follows:

15.11.2 The Income-tax Department through the Tax Information Network (TIN) will provide a screen at its website for the taxpayers to fill up electronic challan in the prescribed proforma. It will be mandatory for the taxpayers to quote PAN/TAN, Name and address of the taxpayers, Assessment year, Major Head, Minor Head, and Type of Payment. The system will validate the PAN/TAN against the database of PANs/TANs and also ensure that other particulars are filled up properly with valid codes. Once the data is validated, a drop down menu will appear indicating the names of various banks iauthrised to collect taxes through Internet and the payee will have to choose a bank in which he has an internet account. A link will transfer the data to the web site of the selected bank. The taxpayers will complete the transaction using the internet username and password allotted to him by his bank.

15.11.3 Procedure for reporting transactions

On the basis of PAN Database , NSDL will stamp ZAO name/ Code on the challan format and the Central Server of the bank would segregate the Challan data ZAO wise and send to the respective Nodal branch of the bank situated at the 24 stations. CIN would be allotted by Internet Collecting Branch and the BSR Code of Internet Collection Branch would also be used in generating this. Once challan is downloaded at Focal Point Branch, it would send the challan and scroll to concerned ZAOs and funds would be settled by the bank for normal challan as well as e-challans with RBI through its Link Cell.

15.11.4 On completion of the transaction, the taxpayer will have an option to download the counterfoil from the website of the bank. This will contain all details available that re usually given in the hard copy of the counterfoil including Challan, Identification Number (CIN).

15.12 Role of banks

Participating banks having net banking facilities will allocate one particular branch as the

Internet Collection Branch for receiving/accounting tax payments made though internet. The website of participating banks will display the PAN/TAN details, Name, Major/Minor head etc. of the challan form in non-modifiable format and allow only entry of payment details by the taxpayer at their website in a secure mode. They will also ensure that an completion of the transaction, the taxpayer is allotted a unique Challan Identification Number(CIN) comprising of BSR code of the Internet Collection branch, the date of receipt and serial number of the electronic challan in that branch on that day. The Banks will also print details of CIN in the customer's bank account statement/pass book so that the taxpayer will have a permanent record of CIN details. The black out period, during which the facility for tax payment over bank's website is disabled will depend upon the bank's operational policies and will be bank specific. Such black out timings will be displayed on the bak's site for the information of the taxpayer.

15.13 ACTION TO BE TAKEN BY ZONAL ACCOUNTS OFFICE

15.13.1 The Daily Main Scrolls are entered Designated Office-wise or Regional Computer Centre (RCC) wise in a Register being opened for each Nodal branch, separately for receipts and refunds (in the form given in CAM 86). Every month, separate folios are allotted to each Designated Officer and posting is done major head-wise. One page is allotted each month for recording date-wise and major head-wise figures consolidated for all the Designated Officers who are linked to the ZAO. This page is called the 'Monthly Abstract Page'. The entries in the Abstract page should tally with the major head- wise totals of the Daily Summary of Receipts/Refunds (Annexure 6) received along with the Daily Main Scrolls from the Nodal branch. This register has one fixed page and one perforated page alternately. The posting in the register is done by using carbon paper so that carbon entry appears on theperforated page. At the end of the month the totals thereof are struck and cross tallied with the totals of the Monthly Abstract page, by the 3rd working day of the following month. The perforated pages are thereafter detached from the register and sent to the Designated Officer concerned, for necessary verification. In response, the Designated Officer sends to the ZAO a letter of observations in the prescribed from as given in CAM 85 within 5 days or receipt of the statement. The ZAO keeps a watch on the receipt of this letter from the Designated Officer.

15.13.2 After the totals of various pages of the register in CAM 86 are struck and cross tallied with the totals of the Monthly Abstract page, a Designated Officer-wise monthly summary is prepared in a separate register in the form given in CAM 87. In this monthly summary, the monthly major head-wise figures of receipts and refunds of the various Nodal branches for each Designated Officer (available in the Register in CAM 85) are clubbed to enable the ZAO to arrive at the amounts major head-wise for which detailed accounts are to be furnished by each Designated Officer.

15.13.3 The consolidated monthly figures available in Register (CAM 86), Nodal branch wise, are taken to the Classified Abstract, for preparation of the major head wise account. The amounts are initially booked under the minor head 'Receipts Awaiting Transfer to other minor head etc.' (RAT) under the relevant revenue major head by contra debit to the head 'PSB Suspense', when they relate to Nodal branches of the PS Banks including SBI and to '8675- Deposits with Reserve Bank ' Central Civil-Reserve Bank (H.Q) when they relate to RBI's Nodal branch. This PSB Suspense head is cleared by adjustment under the head '8675 Deposits with Reserve Bank' on receipt of Monthly Closing Balance Statement (CAS 121 and 122) or Monthly Settlement Statement (DMA II) from the RBI, CAS, Nagpur in CCAs Office. The head 'RAT' is cleared by the ZAO by minus credit to the extent of Detailed Account is received, from the Designated Officer and by credit to the relevant minor/sub-heads etc. The ZAO keeps a close watch over the receipt of these Detailed Accounts from the Designated Officers.

15.13.4 The daily main scrolls and the daily summary of receipts and payments, received from the Nodal branch should be checked on day to day basis before they are posted in the Register (CAM 86).This checking should be done to see that

(a) The serial numbers of the main scrolls and those of the receiving branches are in

consecutive order for the financial year;

(b) The entries in the scrolls tally with the amounts of the challans/refund orders of the prescribed certificate (s)of the Bank, and no challan/refund order or prescribed certificate of the nodal branch is missing;

(c) The totals of the daily scrolls of all the receiving branches attached to the daily main scrolls are correct;

(d) The total of the daily scrolls of the receiving branch, has been correctly carried over to the daily main scroll prepared Designated Officer-wise by the Nodal branch;

(e) The total of the daily main scrolls is correct;

(f) The total of the daily main scrolls is correctly carried over to the daily summary of receipts and payments; and

(g) The total of the daily summary of receipts and payments is correct.

15.14 Whenever error/omission/discrepancy is noticed, it should be taken up with the Nodal branches through personal contacts, on a day to day basis, for necessary rectification. Whenever the requisite rectification is not done, or is not found to be feasible for some unavoidable reasons (which should be rare), the matter should be taken up through correspondence and followed up with the Nodal branch.

15.15 On receipt of three copies of the Analysis of the Transactions relating to CBDT, separately for 'Receipts and 'Refunds' commonly known as Date wise Monthly Statement of DMS- from the Nodal branches (as mentioned earlier in Para8.5), the ZAO takes action as under:-

(a) Compares the figures appearing in the DMS with the figures compiled in the Monthly Abstract page of the Register (CAM 86).

(b) In case no discrepancy is noticed, the ZAO verifies the DMS over his signatures recording the total of the DMS in words and figures and indicates, against each entry the month of adjustment in the account. One copy of the DMS, duly verified, is returned to the Nodal branch within two weeks of its receipt. The second copy is deposited with the JAO/AAO (Receipts) for safe custody, and the third copy is utilised as a working office copy.

(c) In the case of any discrepancy noticed in the DMS, the ZAO takes up the matter with the Nodal branch, by personal contact, within two weeks of its receipt. In the rare event of the discrepancy not being settled by personal contact, the matter is taken up through correspondence and meetings.

15.16 If the discrepancy is not settled within 2 months of the receipts of the DMS in question, it is returned to the Nodal branch concerned immediately on the expiry of two months, in the following manner:-

(a) In the DMS for refunds the figures which are not acceptable to the ZAO are encircled and correct acceptable figures are written over them in red ink. The revised totals of the DMS are worked out and shown in red, and verification recorded for the correct acceptable amount. The DMS is thereafter dealt with as stated above in (b) 10.6.

(b) In the case of DMS relating to 'Receipts' if the amount as per Main scrolls is more than the one shown in the DMS, it will be dealt with in the manner indicated at (a) above in DMS for Refunds.

(c) In case the amount as per DMS is more than the total compiled by the ZAO from the Main Scrolls, the DMS is dealt with as stated in (b) above and the difference is adjusted/credited under the minor head 'RAT' below the relevant receipt head by contra debit under the head 'PSB Suspense', if the DMS pertains to a Public Sector bank including SBI Nodal branch and under the head '8675-Deposit with Reserve Bank ' Central Civil - Reserve Bank (HQ), if the DMS pertains to RBI's Nodal branch. The matter is pursued with the Nodal branch for the receipt scrolls, until it is finalised as under:-

(i) If the scroll dully supported by challans, is furnished by the bank, the head ' RAT' is cleared by a minus entry and by credit under "RAT" under the relevant major head, pending transfer to the relevant minor head on receipt of the detailed account from the Designated Officer.

(ii) If the difference does not relate to CBDT and is withdrawn by the Bank, the amounts already credited/debited to the heads 'Challans/Vouchers Suspense' and 'PSB Suspense' or Reserve Bank Deposits are reversed.

Note (1) The DMS should be verified and returned within two weeks of its receipt. In case of discrepancies however, two months is the maximum period within which the DMS should be verified and returned as stated above.

Note (2) The ZAO should take into account the observation of the Designated Officer, sent in the prescribed letter form (CAM 85) .

Note (3) In case the Nodal branch does not send the DMS in the first week of the following month, the matter should be taken up with Bank through personal contacts. In case personal contacts do not yield the desired results, the matter should be taken up through correspondence and meetings. If the DMS is not received by the end of the month following the month to which it pertains, the matter should be taken up at a higher level.

15.17 The Z.A.O. gets a computerised 'put through' statement Nodal branch-wise, major head of account wise, and transaction date wise (Statement No. 1 in the form given in Annexure 10) from the RBI, CAS, Nagpur for the purpose of reconciliation of the transactions settled in respect of each Nodal branch. The ZAO compares the items in this statement with the copy of the verified DMS of the nodal branch available in his office. Discrepancies, if any, in the remittances etc., are settled by the ZAO with the Nodal branch through personal contacts. In case the personal contacts do not prove fruitful, the matter should be taken up through correspondence and meetings with the Banks. In case of any difficulty, the matter may be reported to the concerned Deputy Controller of Accounts for taking up the case at a higher level with the concerned bank . If still success is not achieved within a reasonable time, the matter may be reported to Headquarters(Principal CCA's Office) for taking up the matter with the Head Office of the Bank.

15.18 ZAO should prepare a monthly Bank Reconciliation Report immediately on receipt of a copy of RBI's statement No. 2 (Annexure 11) from Principal Accounts Office, showing therein the nodal branch-wise figures as per RBI's Statement No. 2 and those accounted for by the ZAO in the accounts and difference (for the month and the progressive difference) in the form as per CAM 88. Bank wise and date wise break-up of the progressive difference should be given in this report indicating also the action taken to settle this difference. This Reconciliation Report is to be prepared separately for receipts and refunds and sent to the Principal Accounts Office within 3 days of the receipt of the copy of RBI's Statement No. 2.

15.19 The ZAO should maintain the Broadsheet of 'Public / Private Sector Suspense with the amount booked as per the accounts. The amount as per copy of the 'Monthly Put Through Statement' received from CCA's office, is shown as clearance, and the closing balance/balance outstanding is worked out. Prompt action should be taken by the ZAO for getting the old outstanding amounts settled by the Nodal branch. Transactions which have remained outstanding under the 'PSB Suspense' for more than two months may be considered as old outstanding items. The ZAO will also maintain an age-wise analysis of balance outstanding under 'PSB Suspense' in the form prescribed for Abstract in form CAM 26.

15.20 PAYMENT OF INTEREST ON DELAYED REMITTANCES

15.20.1 The tax collections effected by the designated branches of the authorized banks have to be credited to the Government Account, promptly on day-to-day basis. The maximum number of days allowed for crediting tax collections to Government Account at CAS, Nagpur are as under : -

		No. of days
	Public Sector banks	T+3 days (excluding Sunday and Holidays i.e. RBI working days)
	Private Sector Banks	T+3 days (including Sundays and holidays)

15.20.2 All challans should be scrutinized to detect cases of delays in the remittance beyondmaximum period. These delays should be investigated to ascertain whether these have occurred at the receiving branch or the Nodal Branch of the Bank. A record of all such cases of delayed remittance should be kept in the Zonal Accounts Office in a register in the prescribed form. The Matter should be taken up with the Bank for suitable remedial action to prevent such delays in future. The period i.e. 'T' isthe date of Transaction and for the above purpose will be counted form the date of receipt in case of cash payment and date of realization in case of cheques/ drafts at the receiving branch till the date prior to settlement with RBI, CAS, Nagpur for credit to Government Account through the bank's link cell at Nagpur. ZAOs will identify such cases and impose the penal interest on Banks at their level itself and make efforts to recover penal interest. Monthly reports, as may be prescribed by the Pr. Accounts Office, will be sent by the ZAO to the Pr. Accounts Office by prescribed date for further monitoring and taking up the matter with the higher authorities of the banks wherever necessary. However, cases of Rs. One crore and above will be processed by the Pr. Accounts Office and taken up with the banks for recovery of penal interest. ZAOs should report all such cases to Pr. Accounts Office.

15.20.3 The rate of interest to be charged is Bank Rate as prevailing (which is generally notified biannually on May 1 and November 1) plus 2% or as decided by Reserve Bank in consultation with CGA from time to time

15.21 ACTION TO BE TAKEN BY PRINCIPAL ACCOUNTS OFFICE

15.21.1 The RBI, CAS, Nagpur sends every month the following four computerised 'put through statements' to the C.C.A. C.B.D.T.:

(a) Statement No. 2 Major headwise summary of transactions (Receipts, Refunds net for the month separately for each ZAO (2 copies) in the form given in Annexure 11).

(b) Statement No. 3 Nodal branchwise, Head of account wise (with sub-totals at Nodal branch level) and grand total for the ZAO separately for each Z.A.O. one copy in the form as per Annexure 12).

(c) Statement NO. 4 Bankwise and Head of Account wise with grand total for CBDT (one copy) in the form as per Annexure 13.

(d) Statement No. 5 Head of Account-wise summary of transactions for CBDT as a whole (one copy) in the form as per Annexure 14.

15.21.2 The grand total of statement No. 5 is tallied with the grand total of the Bank-wise Statement No. 4. The grand total of Statement No. 3 of all the ZAO is worked out and tallied with the total of Statement No. 4. Totals of Statement No. 2 are tallied with those of Statement No. 3.

15.21.3 The total receipt is adjusted as minus debit to the head PSB Suspense and total refunds as minus credit to 'PSB Suspense' and by debit/credit to '8675 Deposits with Reserve Bank ' Central Civil Reserve Bank (PSB). This Transfer Entry is included in the Monthly accounts of the ZAO, New Delhi.

15.21.4 The head 'PSB Suspense' will continue to be cleared in the CCA's office, on the basis of monthly computerised 'put through statement' received from RBI, CAS, Nagpur. A copy/extract of the put through statement (ZAO wise, head of account wise) received from CAS, Nagpur is sent to the ZAO by the CCA's office, for checking/verification and settling discrepancies, if any, with the Nodal branch.

15.21.5 The Pr. CCA, CBDT will submit a consolidated quarterly report of delayed remittances to C.G.A. The penal interest will be worked on the basis of the rates communicated by CGA in consultation with Reserve Bank of India.

15.22 PERSONAL DEPOSIT ACCOUNTS

Under the Income Tax Rules, Personal Deposit Accounts are maintained with specified branches of the SBI or the RBI offices, for depositing money seized from persons suspected of Tax Evasion. The Tax amount in the P.D. Account is transferred to the RBI, CAS, Nagpur on a daily basis for credit to the Government Account and the balance in these accounts is only a notional balance. The delay in transferring the amounts under the Personal Deposit Account to the Government account attracts penal interest at the same rate as in case of delayed remittance of direct tax collections to Govt. account. Repayments are also made from this account by the P.D. Account holder by issuing cheques which are supplied by the ZAO. Separate receipt and payment scrolls are prepared and sent to the ZAO (along with paid cheques/challans). Copies of the scrolls are sent to the account holder. The bank maintaining the P.D. Account, prepares, at the end of every month, a monthly statement showing (i) Opening balance; (ii) total receipts; (iii) total payments; and (iv) Closing balance. Three copies of the statements are sent to the ZAO and one copy is sent to the Account holder by the 5th of the following month. (No copy of the scroll/statement is sent to the Designated Officers). The ZAO verifies the statement with reference to the receipts and payments scrolls and returns one copy to the Bank (after recording the certificate of verification thereon over his signature). The receipts and payments as per scrolls are booked by the ZAO under the head '8443-Civil Deposits-Personal Deposits' by contra debit/credit to the head '8658 Suspense Accounts-108-Public Sector Bank Suspense / 138- Other Nominated (Private Sector) Bank Suspense'. In the case of transactions arising at RBI Offices the contra adjustments are made under the head '8675-Deposits with Reserve Bank'. The head PSB Suspense is cleared on receipt of the monthly account from the RBI, CAS, Nagpur, by the office of the C.C.A., by per contra adjustment under the major head '8675-Deposits with Reserve Bank'. However, only the net effect under '8675-Deposits with Reserve Bank' will be posted as debit/minus debit in the Revenue Account (depending upon whether the net receipts are more or less than the refunds).

15.23 Accounting of "March" transactions (OLTAS)

15.23.1 Reserve Bank, Central Office, Mumbai will issue in the month of February each year special instructions to all banks collecting direct taxes regarding the procedure to be adopted in accounting the March transactions.

15.23.2 The Nodal banks will be receiving scrolls relating to March of the previous Financial Year in April. In order to account for the entire collections of March in the same financial year the Nodal banks have to follow the following procedure during the month of April:

15.23.3 The nodal banks have to prepare two sets of separate scrolls - one pertaining to March residual collections (payments realized from taxpayer's account before 31st March) and another for April transactions during the first 15 days in April. They should ensure that all tax collections made by the receiving branches upto 31st March are accounted as "March Residual Transactions" and should not be mixed up with the transactions of April. The main scrolls for March transactions prepared from 1st to 15th April are to be distinctly marked as "March Residual".

15.23.4 While reporting to their Link Cell in Nagpur, the Nodal banks should send two sets of figures distinctly showing March Residual and April Transactions separately upto 15th April.

15.23.5 The date-wise monthly statements should also be prepared in two sets, one pertaining to March Residual Transactions and another relating to April Transactions.

****

ANNEXURES TO CHAPTER - 15

ANNXURE 1
(Vide Para 15.3)

RECEIPT SCROLL, INCOME & OTHER DIRECT TAXES

Name of the Bank

Code No.

Station:

Serial No. _____/_____

Code No.

Date:

Major Head of Account.

ZAO_____ZAO Co de No.

D.O. _____

D.O. Code No._____

Sr. No.	Name of the assessee	Cash		Clg.		Transfer		Total		Initials	Remark
		Rs.	P.	Rs	P.	Rs	P.	Rs	P.		
Total											

ANNEXURE 2
(Vide Para 15.5)

PAYMENT SCROLL - INCOME AND DIRECT TAXES

Name of the Bank	Code No.	.....	Station:	Serial No. _____/_____
	Branch		Code No.	Date: .....
	DO		DO CODE NO._____	
ZAO _____	ZAO Code No.	_____ _		Major Head of Account.

Sr. No.	I.T.R.O. No.	Name of the assessee	Cash		Clg.		Transfer		Total		Initials	Remark
			Rs.	P.	Rs.	P.	Rs.	p.	Rs.	P		
Total												

SCROLL TO BE PREPARED BY EACH PAYING BRANCH

ANNEXURE 3
(Vide para 15.3)

DAILY SUMMARY

Name of the Zonal Accounts Officer …….. Code No. .....

Name of the Designated Officer…… Code No.....

Date :

Major Head of Account	Receipt Rs.	Payment Rs.
0020		
0021		
0024		
0028		
0031		
0032		
0033		
Total		

Note: i) To be prepared by paying branch separately for each Designated Officer
ii) If there is no payment under any head of account 'NIL' may be recorded against that item.

ANNEXURE 4
(Vide Para 15.8)

RECEIPT SCROLL (MAIN)

Name of the Bank	Code No.	Station:	Serial No. _____/_____
	Nodal Branch:.....	Code No.....	Date:.....
DO	DO CODE NO.		Major Head of Account.
ZAO_____		ZAO CODE NO. _____	

Sr.No.	Name of Receiving Branch	Code No.	Date of Receiving Branch Scroll	Amount Rs.	Initials	Remarks
	A B C .. .. Nodal Branch's Own Collections					
	Total					

ANNEXURE 5
(Vide Para 15.8)

PAYMENT SCROLL (MAIN)

Name of the Bank .....

Code No. .....

Station: .....

Serial No. _____/_____

Nodal Branch:.....

Code No. .....

Date: .....

DO .....

DO CODE NO. .....

Major Head of Account.

ZAO _____

ZAO CODE NO. _____

Sr.No.	Name of Receiving Branch	Code No.	Date of Paying Branch Scroll	Amount Rs. P.	Initials	Remarks
	A B C .. .. Nodal Branch's Own Payments					
	Total					

ANNEXURE 6
(Vide Para 15.11 & 15.13)

DAILY SUMMARY OF RECEIPTS AND PAYMENTS ADJUSTED BY THE NODAL BRANCH IN GOVERNMENT ACCOUNT

ZAO ……

ZAO Code No._____-

Date …….. Major Heads of Account.

Name of D.Os	0020			0021			0024			0028			0031			0032			0033			Total		
	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments	Net
1	2			3			4			5			6			7			8			9		
1																								
2																								
3																								
4																								
5																								
6																								
Total																								

Note : The register will be maintained in perforate form.
Two copies of the Daily Summary Sheets to be furnished to ZAO.

ANNEXURE 7
(Vide Para 15.12)

ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF DIRECT TAXES FOR THE MONTH OF _____

Name of Nodal Branch Code No. …… Code No. .....

ZAO…… Code No. .....

RECEIPTS

Major Heads of Accounts								
Date	**0020 Corpn. Tax**	**0021 Taxes on Income Other than Corpn Tax**	**0024 Interest Tax**	**0028 Other Taxes on Income and Expenditure**	**0031 Estate Duty**	**0032 Taxes on Wealth**	**0033 Gift Tax**	**Total**
1								
2								
3								
4								
5								
6								
..								
..								
31								
Total								

Note: 1. A statement in this form should be prepared in four copies.
2. Three copies should be furnished to the Zonal Accounts Officer, Central Board of Direct Taxes and the fourth copy retained as office copy.

Date …….. BRANCH MANAGER

ANNEXURE 8
(Vide Para 15.12)

ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF DIRECT TAXES FOR THE MONTH OF _____

Name of Nodal Branch ……. Code No. .....

ZAO…… Code No. .....

REFUNDS

Major Heads of Accounts								
Date	**0020 Corpn Tax**	**0021 Taxes on Income Other than Corpn Tax**	**0024 Interest Tax**	**0028 Other Taxes on Income and Expenditure**	**0031 Estate Duty**	**0032 Taxes on Wealth**	**0033 Gift Tax**	**Total**
1								
2								
3								
4								
5								
6								
..								
..								
31								
Total								

Note: 1. A statement in this form should be prepared in four copies.
2. Three copies should be furnished to the Zonal Accounts Officer, Central Board of Direct Taxes and the fourth copy retained as office copy.

Date …….. BRANCH MANAGER

ANNEXURE 9
(Vide Para 15.13)

TRANSACTIONS ON ACCOUNT OF CBDT
AMENDMENT STATEMENT
RECEIPTS(O)/DISBURSEMENTS(1)

STMT NO.. ..... STATMENT DATE ..... BANK CODE .....

Please amend the entries as under:

Sr. No	Name of Branch	Branch Code	ZAO Code	Transaction date (DD/MM/YY)	Month of Account* (M M/ Y Y)	Head of Account		Original Amount		Amended amount	
						Name	Code	Rs.	P.	Rs.	P.

Note : Separate statements should be used for Receipt and Disbursements.

* Applicable for residual March transaction only.

Signature

1) Nodal Branch Manager
2) Officer-in-Charge of Link Cell

ANNEXURE 10
(Vide Para 15.18.2)

RESERVE BANK OF INDIA
CENTRAL ACCOUNTS SECTION

C.B.D.T. - MONTHLY CLOSING STATEMENT FOR THE MONTH OF _____

Z.A.O.	**Account (Name of Tax)**	**Bank** _____	
Transaction Date	**Receipt**	**Refund**	**Net Dr/Cr**
Total			
Bank Total			
Z.A.O. Total			

Note : 1. Separate statements for each Major Head of Account.
2. Separate statements for each Nodal Branch.

ANNEXURE 11
[Vide Para 15.19.9and 15.20.1(a)]

RESERVE BANK OF INDIA,CENTRAL ACCOUNTS SECTION,NAGPUR

C.B.D.T. STATEMENT No.2

SUMMARY OF TRANSACTIONS FOR THE MONTH OF _____

ZAO _____

Account	Receipt	Refund	Net Dr/Cr
Corporation Tax			
Income Tax excl. Corpn. Tax			
Estate Duty			
Taxes on Wealth			
Gift Tax			
Total			

ANNEXURE 12
[Vide Para 15.20.1(b)]

RESERVE BANK OF INDIA,CENTRAL ACCOUNTS SECTION,NAGPUR

C.B.D.T. STATEMENT No.3

SUMMARY OF TRANSACTIONS FOR THE MONTH OF _____

ZAO _____

Bank Name	Account Name	Receipt	Refund	Net Dr/Cr
Allahabad Bank	Corporation Tax Income Tax Taxes on Wealth Gift Tax			
Bank Total				
Punjab National Bank	Corporation Tax Income Tax ….			
Bank Total				
State Bank of India	Corporation Tax Income Tax ….			
Bank Total				
ZAO TOTAL				

ANNEXURE 13
[Vide Para 15.20.1(c)]

RESERVE BANK OF INDIA,CENTRAL ACCOUNTS SECTION,NAGPUR

C.B.D.T. STATEMENT No.4

Bank-wise Summary of transactions for the month of _____

Bank Name	Account Name	Receipt	Refund	Net Dr/Cr
Allahabad Bank	Corporation Tax Income Tax Taxes on Wealth Gift Tax			
Bank Total				
Bank of Baroda	Corporation Tax Income Tax			

	…			
Bank Total				
Bank of India	Corporation Tax Income Tax ….			
Bank Total				
Bank of Maharastra	Corporation Tax ..			
GRAND TOTAL				

ANNEXURE 14
[Vide Para 15.20 (i) (d)]

RESERVE BANK OF INDIA, CENTRAL ACCOUNTS SECTION, NAGPUR
C.B.D.T. STATEMENT No.5

Summary of transaction for the month of _____

Account Detail	Receipt	Refund	Net Dr/Cr
0020-Corporation Tax 0021-Income Tax (Excl.Corpn.Tax) 0024-Interest Tax 0028-Other Taxes on I&E 0031-Estate Duty 0032-Taxes on Wealth 0033-Gift Tax			
Grand Total			

CHAPTER 16
FINANCE ACCOUNTS

16.1 FINANCE ACCOUNTS OF UNION GOVERNMENT

The Finance Accounts of the Central Government comprises of the accounts of the Central Government as a whole and includes transactions of Civil Ministries/Departments, Ministries of Defence and Railways and the Departments of Posts & Telecommunication. It presents the accounts of receipts and outflows of the Central Government for the year together with the financial results disclosed by different acounts and other data coming under examination. These accounts include the Revenue and Capital Account, Public Debt account and other liabilities and assets worked out from the balances in the accounts. It is supplemented by the accounts separately presented in the form of Appropriation Accounts for Grants and charged Appropriations. The Finance Accounts is an Auditor's presentation of the general accounts of the Government to Parliament.

16.2 FORM OF FINANCE ACCOUNTS

16.2.1 The Finance Accounts comprises of two parts-Part I and Part II. Part I presents the summarized statements in respect of Revenue, Capital, Debt, Deposit, Suspense and Remittances transactions and Contingency Fund, while Part II has detailed statements in respect of these transactions, along with other related statements. Part II of the Finance Accounts is further sub-divided into two sections `A' & `B'. While section `A' comprises of detailed accounts and statements relating to Receipts and Expenditure on Revenue and Capital accounts, section "B' has detailed accounts and statements relating to Debt, Deposit, Suspense & Remittances transactions and Contingency Fund.

16.2.2 The basic inputs for compilation of Finance Accounts are as follows:-
(1) Statement of Central Transactions;
(2) Journal Entries;
(3) Prior Periods Adjustments;
(4) Proforma Adjustments; and
(5) Progressive figures upto the end of the previous year.

While the first four inputs mentioned above are received from the various accounting authorities , progressive figures upto the end of previous year are available in the records of Finance Accounts Section.

16.3 Material for Finance accounts

The Finance Accounts Section in the office of Controller General of Accounts issues a circular by the end of March every year, prescribing the time schedule for closing of Union Government accounts. Circulars are also issued by this section detailing guidelines relating to the preparation of Statement of Central Transactions and other materials for the Finance Accounts.

16.3.1 The Finance Accounts is prepared on the basis of materials indicated in the Table below, including the Statements of Central Transactions that constitute the base material, and furnished by the authorities indicated against each to the Controller General of Accounts.

(a) Statements of Finance Accounts, Statement of Central Transactions (SCTs) and other materials.	Pr Accounts Offices relating to Ministries / Departments, Accountants General and separated Accounts Organizations of Union Territory Administrations/Governments.
(b) SCTs and other material.	Dy. Director General, Postal Accounts.
(c) SCTs and other material.	Dy. Director General, Telecommunications.
(d) SCTs and other material.	Controller General of Defence Accounts.
(e) SCTs and other material.	Railway Board.

16.3.2 The following instructions shall be followed with regard to the preparation and submission of the Statement of Central Transactions to the Controller General of Accounts.

16.3.3 The updated copy of Statement of Central Transactions, duly reconciled with the figures of detailed Appropriation Accounts shall be submitted to the Controller General of Accounts, in the prescribed form. In some cases expenditure may have been booked under a minor head, without a corresponding/equivalent sub-head in Part II or Part III of a Demand for Grants passed by Parliament. In such cases, the specific approval of Budget Division in the Ministry of Finance shall be obtained for opening the head, giving the specific lettering, name and nomenclature to be adopted in the Appropriation Accounts.

16.3.4 The Statement of Central Transactions should include the progressive figures up to March (Supplementary) accounts and correcting entries made after that, until the date of submission to the Controller General of Accounts. After its submission to the Controller General of Accounts, any further correction to the Statement of Central Transactions that becomes necessary, will be carried out by proposing a Journal Entry after obtaining the approval of Controller General of Accounts. The proposal for Journal Entries shall be sent to the Controller General of Accounts up to the time limit specified in the yearly circular of Time Schedule and Annual closing of Accounts, along with the justifications for the corrections. These proposals should be supported by Journal Entries in Form CAM-34, duly signed by the concerned Head of Accounting Organization viz. C.C.A./C.A/A.G as the case may be, and a detailed list of correction to the Statement of Central Transactions seeking the approval of CGA for including them in the Accounts. Finally, an abstract in Form CAM-36 shall also be sent to the CGA, incorporating the effect of all Journal Entries accepted for incorporation. The figures in the Statement of Central Transaction are to be indicated in 'thousands of rupees'

16.3.5 Material for Statement No.13 comprising of figures of receipts/disbursements during the year and opening/closing balances under various Debt heads under the Consolidated Fund, Reserve Funds, Deposits and Advances, Suspense and Remittance heads and those under the Public Account shall be furnished in the following format:

(In Thousands of Rupees)

Head of account (Major & Minor head of account)	**Opening balance as on 1st April**	**Balances adopted through proforma from As.G./ Pr.A.Os during the course of year (AG-wise details and the particulars of communications returning certified proforma 'B' should be given separately in an Annexure)**	**Revised opening balance as on 1st April (Col. 2-3)**	**Receipt during the year**	**Disbursement during the year**	**Closing balances as on 31st March**
1	**2**	**3**	**4**	**5**	**6**	**7**

Note:- Proforma corrections in respect of Statement No.13 of Finance Accounts etc. will be carried out in terms of para 5.15.2 and reflected distinctly under a separate line named "Prior Period Adjustment Account" below the relevant major/minor head. The closing balance under the head will be worked out after taking into account the effect of "Prior Period Adjustment Account".

16.3.6 The following points should be further kept in view while furnishing material for Statement No.13 and other subsidiary statements like Statement No.14 and 15:

(i) The minor heads of account indicated under each major head are strictly in accordance with the revised List of major and Minor Heads of Account.

(ii) The 'Receipts' and 'Disbursements' against each major/minor head of account during the year matches with the correspoinding figures shown in the Statement of Central Transactions.

(iii) The figures appearing under Disbursement (column 6) and Closing balance (col.7) under the following suspense heads below major head -8658-Suspense Accounts indicates that certain items/transactions remain outstanding. This may be on account of non-clearance or adjustment to the final expenditure head in the Appropriation Accounts of the concerned Demand for grants.

(a) Suspense Account (Civil)
(b) Pay and Accounts office Suspense; and
(c) Cash Settlement Suspense Account.

No Outstanding balance should normally remain under any of these minor heads at the end of a year, and the same should be ensured. The exception in this regard is the sub-head 'Outstation pay Bills for march' below Suspense Account (Civil), representing payment by by bank draft for outstation pay bills of march. This will be cleared in the Accounts of April- vide note below para 5.1.4.

(iv) If there are debit balances under the heads against which there should normally be credit balances or vice versa, the reasons for the Adverse Balances should be explained fully through footnotes. The action taken for liquidation of the adverse balances should also be indicated.

(v) Normally, there should be no minus figures under the columns relating to receipts/disbursements for the year. In case there are any such minus figures, the full reasons are required to be indicated.

(vi) The opening balances under Debt, Deposit, Suspense and Remittance heads should match with the respective closing balances in the preceding year's statement.

In some cases rectifications may be required on being detected due to reconciliation of balances, or otherwise. In such cases, the rectification of misclassification relating to earlier years will be carried out through regular account, in the manner prescribed in para 5.3.4. Corrections to balances are now made through Prior Period Adjustments as envisaged in para 5.14.3, unlike earlier when it was carried out through proforma, without any actual accounting adjustment.

(vii) If any footnote in the Statement of Finance Accounts during earlier year was in the form of promise for further action/probe/remedial step, it should be ensured that such action is actually taken in the subsequent year and, and if it was not done the reasons for the same should be indicated.

(viii) The totalling will be done for each sector/sub-sector/major head at every stage, with the grand total being recorded at the end.

16.4 COMPONENTS OF FINANCE ACCOUNTS

Apart from the certificates to be recorded in the Finance Accounts and introductory portion, Finance Accounts contains 17 Statements in all. These Statements, in brief are discussed below .

Part I of Finance Accounts contain five summarised statements (Statements No. 1 to 5).

16.4.1 Part-I Statement No.1 – Summary of Transactions

This statement is prepared in crores of Rupees upto two decimal places. It shows a summary of all transactions of the Union Government for the current and the previous year, with the Receipts and Expenditure transactions shown separately. Grand Total Receipts should be equal to Grand Total Disbursements. After the Summary of Transactions, there is an Annexure which contains major headwise details of Taxes and Duties assigned to States during the year.

The total Revenue Receipts and Expenditure for the current year are compared with those of the previous year. The increase in respect of Defence, Railways and Posts is shown as a single figure, while the reasons for increase in civil departments are explained for those major heads where the increase is marked.

At the end of the Statement, transactions of Ministry of Railways are analyzed, showing their Revenue Receipts and Revenue Expenditure, the net surplus and the distribution of net revenue into dividend for General Revenues and Appropriation to the respective Reserve Funds. This write up is vetted by the Ministry of Railways before incorporating in the Statement.

16.4.2 Statement No.2 – Summary of Debt Position

This statement is prepared in crores of Rupees upto two decimals. It has three parts-

(i) <u>Statement of Borrowings</u>

This part contains the debt position at the commencement of the year, Receipts and Repayments during the year, the debt position at the end of the year and the net increase during the year. This part of the statement includes heads under Public Debt and Small Savings, Provident Funds, etc. With the components of Market Loans raised during the year are also being indicated. ***<u>A new para depicting the correct position of outstanding liability of the Central Government has been inserted from the year 2004-05.</u>***

(ii) Other Obligations

This part of the statement includes similar information as mentioned in (i) above in respect of Reserve Funds and Deposits (bearing interest and not bearing interest) seperately.

(iii) Service of Debt

In this part of the statement, transactions of the current year and the previous year are compared in relation to total interest paid by the Government indicating the interest on (a) Public Debt and Small Savings and Provident Funds, (b) Reserve Funds and (c) other obligations.

A footnote showing the amount of Dividend received on investments in the commercial undertakings is also incorporated.

16.4.3 Statement No.3 – Loans and Advances by the Union Government

This statement contains the following details: -

(i) The balance of loans at the commencement of the year, amount of loans paid and repaid during the year, balance of loans at the end of the year and net addition/decrease during the year;
(ii) The loans granted to State and UT Governments to cover gap in resources;
(iii) Loans to State Governments written off in terms of recommendations of Finance Commission;
(iv) The amount of loan paid as Ways and Means Advances to State Governments for clearance/avoidance of overdrafts from RBI and also the repayments made during the year;
(v) Details of loans sanctioned by the Government where the terms and conditions of the loans were not settled;
(vi) Ministry wise and State/UT Government wise information on loans other than rehabilitation loans in which repayment of loans and/or payment of interest was defaulted;
(vii) Ministry wise details where fresh loans were sanctioned for payment of arrears of principal and interest; and
(viii) Ministry wise information on loans in which repayment of loans and /or payment of interest was defaulted by a loanee other than State/UT Government.

16.4.4 Statement No. 4 Guarantees Given by the Union Governments

As per requirements of the FRBM Rules, a new format for disclosing guarantees given by the Government has been introduced in the Finance Accounts for the year 2004-05. This statement is prepared in crores of Rupees upto two decimals. At the outset, the purposes for which Government stands guarantee are stated. The maximum amount of guarantee for which Government had entered into agreements and sums guaranteed outstanding at the end of the year are mentioned in crores of Rupees. The Ministry/ Department-wise details of guarantees under different categories (6 categories) are given.

16.4.5 Statement No. 5-Summary of Balances

Under the Indian Government Accounts book-keeping system, the amounts booked under Receipts and Expenditure heads in Revenue and Capital Account and those under major heads `7810 Inter-State Settlement',`7999- Appropriation to the Contingency Fund' and `8680 Miscellaneous Government Account', are closed to a single head with the nomenclature `Government Account'. The balances under this head represent the cumulative result of all such transactions. The closing cash balance at the end of the year can be worked out and proved by adding the balances under 'Government Account' and those under Debt, Deposit, Suspense and Remittance heads and the Contingency Fund. This statement is prepared in thousands of Rupees having three parts, and shows the balances as at the end of the year under various sectors of account, with the total debit balances being equal to the credit balances. The other information available in this statement, in brief, is as

follows: -

(i) The sector-wise details of Prior Period Adjustments made in the account, alongwith the debit and credit totals of the PPAs;
(ii)(ii) The significance of "Government Account" head and the closing balance under it;
(iii)(iii) The debit or credit balance (as on 31st March of the year) for each sector of the account.

16.5 PART – II Detailed Accounts and Other Statements

A – Receipts and Expenditure

This part contains seven statements; Statements 6 to 12

16.5.1 Statement No. 6-Statement showing Percentage Distribution of Revenue Receipts and Revenue Expenditure for the year.

This statement is prepared in crores of rupees upto two decimal places. The information is furnished in three columns. In the first half of the statement, the total Revenue Receipts is depicted component wise alongwith the percentage against the total Revenue Receipts. In the second half the various components of Revenue Expenditure are similarly depicted.

16.5.2 Statement No. 7- Statement showing the distribution between Charged and Voted Expenditure.

This statement is prepared in thousands of Rupees and contaiins the following information it depicts, in a nutshell, the distribution of total expenditure under (F) between Charged and Voted expenditure: -

(i) The distribution of the expenditure under the Consolidated Fund
(ii) Breakup of disbursement under Public Debt, Loans and Advances, Inter-State Settlement and Transfer to Contingency Fund

16.5.3 Statement No. 8-Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads.

This statement shows the following details of Revenue and Capital Receipts minor headwise. (a) The totals at the Sub-Major, Major head, and Sector levels as also the, (b) Total Revenue Receipts, (c) Capital Receipts and (d) The total of Revenue and Capital Receipts. The reasons for minus transactions at Minor head levels except those under deduct heads are recorded as footnotes at relevant pages.

16.5.4 Statement No. 9 Detailed Account of Revenue Expenditure by Minor Head and Capital Expenditure by Major Head.

This statement depicts the details of Revenue expenditure by minor heads and Capital expenditure by major heads. The breakup, if any, of expenditure into Charged and Voted components is also shown, with the charged expenditure shown in italics. The reasons for minus expenditure except those under deduct heads are recorded as footnotes at the relevant pages.

16.5.5 Statement No.-10 Statement of Expenditure on Capital Account during and to the end of the year.

The expenditure on Capital Account during and to the end of the year, is depicted minor headwise in this statement. However, due to non – availability of progressive figures at minor head levels, the figures are shown at sub – major head level for major head 4076 and at the major head levels for major heads 5002 and 5003. An appendix is added indicating the minor head – wise details of expenditure incurred during the year under the Major Heads 4076, 5002 and 5003. The reasons for minus expenditure except those under deduct heads are recorded as footnotes at relevant pages.

16.5.6 Statement No.11-Statement showing the Investments of the Union Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies, etc., upto end of the year

This statement, it contains full details of investments made by the Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies, etc., upto the end of the year. Those enterprises which are under construction/expansion are included in Part I of the statement while the enterprises already in operation are covered in Part II of the statement. Dividend received during the year is mentioned in column (9) of the statement, and if no dividend is received, the reasons thereof are recorded in the remarks column. Any PPA that affects the investment is suitably explained in the footnote.

16.5.7 Statement No. 12 - Statement showing Capital and Other expenditure (outside the Revenue Account) to end of the year and the principal sources from which funds were provided for that expenditure

The figures depicted in this statement are shown in two parts. The first part indicates the expenditure on Capital account and on Loans and Advances while the second part indicates the sources of funds for that expenditure. The net provision of funds for the current year should be equal to the total capital and loan expenditure during the current year. Figures in respect of investment heads are shown separately and are not included in the concerned sectors.

16.6 B – Debt, Deposit, Remittances and Contingency Fund

This part contains five statements i.e.Statement Nos. 13, 14, 14A, 15 & 16.

16.6.1 Statement No. 13-Statement of Receipts, Disbursements and Balances under heads of account relating to Debt, Deposits, Remittances and Contingency Fund

This statement contains the following: -

(i) Details of Consolidated Fund at the beginning of the statement, with the Receipts and Disbursements under Revenue and Capital account are shown in respective columns. As these heads close to Government Account, there are no opening and closing balances of these heads;
(ii) The balances against Major Head 8000 – Contingency Fund of India;
(iii) The details of transactions and balances under Public Account, with the details for every minor head with sub-sector-wise breakup;
(iv) Aggregate totals are made at all levels viz sub – major head, major head, sub – sector and sector levels. The total for the Public Account is also depicted;
(v) Minor head wise details of the major head 8999 Cash Balance under the 'Sector N Cash Balance'. The opening balance under this major head is equal to the figure under the column for Receipts while the closing balance is equal to the figure under the column for Disbursements. A footnote comparing the closing balance under head 8999 – 102 Balance with Reserve Bank in this statement with the closing balance as reported by RBI, CAS, Nagpur is also recorded.

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16.6.2 Statement No. 14-Statement of Debt and other interest bearing obligations of Government.

This Statement depicts:

(1) Minor - head wise details under the -

(i) Sector E-Public Debt (ii) Sub-Sectors (iii) State Provident Fund and (iv) Other Accounts below the Sector I Small Savings, Provident Funds etc.

(2) A statement showing details of foreign loans in foreign Currencies/Rupees in Crores and the exchange rate adopted (as on 31st March of the year) is appended to statement no.14. This is furnished by CAAA.

16.6.3 Statement No. 14 A- Details of Market Loans raised in India and securities issued to international Financial Institutions

This statement supplements statement No. 14, furnishing details of each loan, under major head "6001", even below the minor head level. Headwise details of loans shown at minor head level in statement No.14 are furnished in this statement, which is obtained separately from the concerned department(s) and incorporated.

16.6.4 Statement No. 15-Statement of loans and advances showing the amounts advanced and repaid, interest received during the year and the balances of such loans and advances at the commencement and close of the year.

The Minor headwise figures of loans are given in this statement. This statement also contains the breakup of the State/UT Government wise under major heads 7601 and 7602. In addition, an Appendix is added to indicate the major head-wise details of loans advanced during the year for "Plan" purposes.

16.6.5 Statement No. 16-Statement showing the position of National Small Savings Fund.

This statement was introduced in Finance Accounts in the year 1999-2000 and depicts the minor head-wise details of balances under National Small Savings Fund that also includes Savings Deposits and Savings Certificates etc. At the end of the Statement, two Appendices are added – (i) Showing the details of Income & Expenditure of National Small Savings Fund and (ii) Showing State-wise details of investments made by Government of India in Special State Government Securities.

16.7 CERTIFICATION OF FINANCE ACCOUNTS:

After the preparation of the Finance Accounts along with the statements, a certificate is recorded on Finance Accounts by the Controller General of Accounts, which is countersigned by the Secretary Expenditure, Ministry of Finance. The Comptroller and Auditor General of India thereafter records the audit certificate and presents it to Government, for placing before the Parliament.

16.8 SUPPLY OF FINANCE ACCOUNTS

16.8.1 After obtaining approval of the President, copies of the publication will be supplied to Budget Division in the Ministry of Finance and the Parliament Secretariat, in advance of their presentation to the Lok Sabha and Rajya Sabha. They will be supplied with the clear stipulation that they are to be treated as 'Secret', until their presentation to the Parliament.

16.8.2 After the Finance Accounts has been laid on the Table of Parliament, it should be

immediately released for sale. The Controller General of Accounts issues necessary instructions to the Press also, for dispatch of copies to the Manager Publication Branch.

16.8.3 The updated distribution list of the publication including the changes ordered from time to time, is kept in the office of Controller General of Accounts.

CHAPTER 17
Miscellaneous Issues.

17.1 PROCEDURE FOR PAYMENT OF ARREAR CLAIMS

17.1.1 The Pay and Accounts Offices under the departmentalized accounting system will not issue any authorization on other Accounts Offices to make payment of arrears on their behalf. When a Government servant is transferred from the payment control of a Pay and Accounts Office to another Accounts Office/ Circle, it will be necessary to draw his claims for pay and allowances for issue of the Last Pay Certificate by the Head of Office. In the cases where joining time pay and allowances are not to be debited to the department, it should be drawn up to the date of relieving of the Government servant. Other cases will attract the provisions of Rule 66(2) of Government Accounting Rules, 1990 and Notes 1 & 2 under it, to cover joining time pay and allowances for the admissible period or until joining in the new office itself, whichever is earlier. Head of Office should issue Last Pay Certificate in the latter cases, only after payment as above has been made.

If for any reason the LPC is issued before the payment of joining time pay, the same drawing officer will make payment for such allowances after drawing from his Pay and Accounts Office. He will route the crossed cheque/bank draft in favour of the concerned officer through the D.D.O of his new office. However, in the case of a State Government gazetted officer who is permitted to draw his personal entitlement directly from the State treasury, the payment will be made directly to the officer. In all such cases, a revised Last Pay Certificate marked "Final" will be simultaneously issued to the new D.D.O. or the Accountant General as the case may be, stating that the last Pay Certificate that was issued earlier, should be treated as cancelled and be replaced by the subsequent one.

17.1.2 If any claim arises after the issue of LPC, a "Due and Drawn Statement" for the arrears of pay and allowances will be prepared by the drawing and disbursing officer of the present office of the Government servant. He will send it to the earlier/parent office of the Government servant for verification of the drawn portion. The DDO of the earlier office will check the statements and make entries in the relevant Pay Bill Register. After this, he will return it to the present drawing officer along with a certificate that the arrears relating to the Government servant have been noted in the relevant Pay Bill register. On receipt of the duly vetted 'Due and Drawn Statement" from the earlier/parent office, the present drawing and disbursing officer will prepare arrear bills of the Government servant. The bill will be drawn in proper form after recording necessary certificate as required under Rule 79 of CGA(R&P) Rules 2007, for payment from the PAO. The arrear payment will finally be disbursed to the Government servant on proper acquittance, and the expenditure shall be debited to the budget provisions of his own office.

17.1.3 The procedure referred to above has been further modified in cases where the Government servants are transferred to/from civil Departments/Ministries to/from other Ministries/Departments viz. Defence, Railways, Posts, Telecom or any Government Commercial Department/ Departmental Undertakings, or other Governments. In these cases, while accepting the "Due and Drawn Statement" of arrear claims, the concerned office should accept the debit against the claim and record the classification. After doing this, he will return it to the drawing and disbursing Officer of the office in which the Government servant is presently working, for drawing the arrears and making payment to him.

17.1.4 The arrears due to a Central Government servant arising after his/her transfer to a Public Sector Undertaking or Government autonomous body on foreign service shall be drawn by the parent office and paid to him by cheque/demand draft.

17.1.5 The above procedure is applicable only for drawing the arrears of pay and allowances. In

respect of other claims like Travelling Allowance, Overtime Allowance etc that requires counter signature by the controlling officer, it will be the earlier/parent office that will draw the bill. After obtaining cheque/demand draft in favour of the official from the PAO, the earlier DDO will dispatch the same to the present D.D.O. for disbursement to the Government servant, and watch for the receipt of acknowledgement.

17.2 PROCEDURE FOR RECEIPT, REPAYMENT AND ACCOUNTING OF DEPOSITS UNDER THE DEPARTMENTALIZED ACCOUNTING SYSTEM

17.2.1 Under the departmentalized accounting system, the responsibility for keeping the detailed accounts of deposit transactions will be that of the Pay and Accounts Officer except for deposits where the departmental officers have been made responsible for maintaining detailed accounts (e.g. court deposits, deposits with Public Works or Forest Divisions etc.). In cases where the P.A.O. is responsible for keeping detailed accounts, following instructions shall be applicable for the accounting and repayment of deposits.

17.2.2 The detailed accounts of such deposits should be kept in separate 'Registers of Deposits' in Form CAM- 63, with separate folios allotted for each departmental officer under whose authority or on whose behalf the deposit has been received. Entries will be made from the challans accompanying the receipt scrolls received from the receiving branches of the bank. In cases where amounts are remitted by the departmental officer receiving the deposit to the bank in lump-sum, the detailed posting will be done from the particulars of the statement received from departmental officer, to be reconciled with the credits in bank scroll.

17.2.3 For the repayment of deposits, the bill shall be drawn by the same departmental officer who had deposited the amount on collection from parties, or on whose behalf the parties had deposited the amount in the Bank. He will send the bill to P.A.O for pre-check and payment, certifying on the bill itself that the conditions subject to which repayment is to be made have been fulfilled, and that a note has been kept in his initial records to prevent double claim. The PAO will check the availability of balance from the Deposit Register and make an entry in the repayment portion of the register with cross reference against the relevant entry. PAO will also make entries in the column against the month in which repayment is being made and then make the payment, subject to other usual checks. Posting against the monthly column of repayment will enable the P.A.O to reconcile between the figure of repayment as noted in the Register of Deposits and the ledger figure.

17.2.4 For the refund of deposits that were originally received prior to departmentalization, the departmental officer will first send the refund bill to the concerned Treasury Officer who was maintaining the detailed accounts of the deposits. He will be responsible for certifying the availability of balance in the deposit account, on the body of the bill and recording the note of refund in the treasury records. This procedure will continue until action is completed for the transfer of the balances in deposit accounts with details, to the PAO. The bill shall be presented to the PAO for payment with the Treasury Officer's certificate, and the PAO shall make the payment after recording the entry in the repayment side of the register.

17.2.5 Except to the extent modified in these instructions, the rules contained in Central Government Account (Receipts & Payments), Rules, 2007 for deposits of various categories shall remain applicable. Deposits which lapse to Government in terms of rule 187 of Central Government Account (Receipt & Payments) Rules, 2007 shall be entered in a register in Form C.A.M. - 63 A, with cross reference to the Serial Numbers in the Register of Deposits. However, deposits that were not claimed/refunded due to litigation or arbitration cannot be treated as unclaimed deposit normally, and therefore, will not be credited to Government account. To identify such items, the PAO shall ascertain whether any legal proceeding/arbitration is pending against the relevant contracts/supply orders, from the Departmental

Officer. On receipt of an affirmative reply, a note to this effect shall be recorded in the remarks column of Form CAM-63. Depending on the outcome of the proceedings, the relevant items of deposit shall be refunded, or forfeited and adjusted as the case may be. For crediting Government account, a transfer entry shall be incorporated in the accounts to debit the major and minor head etc under which the original deposit was credited, by contra credit to the major head 0075- Miscellaneous General Services-101-Unclaimed Deposits. Before authorizing refund of such lapsed deposits, the PAO will-

(i) Verify that the Departmental Officer countersigning the application for refund has certified the claimant's identity and title for refund;
(ii) Ascertain from the register in Form CAM 63 or 63A as the case may be, that the deposit item was actually received and is recorded; and
(iii) That it was transferred to the revenue head of Government account as lapsed deposit, and has not been paid previously.

Thereafter, the PAO will make necessary entries about payment in the relevant columns of the register. On refund, such lapsed deposits shall be accounted for under the sub-head "Deduct-Refund" below the major etc. head '0075-Miscellaneous General Services-101-Unclaimed Deposits.'

17.3 REFUND OF DEPOSITS WHERE DETAILED ACCOUNTS ARE MAINTAINED BY THE DEPARTMENTAL OFFICERS.

The departmental officers shall submit the list of items lapsing to Government account to their Pay and Accounts Office, with full particulars vide columns 1 to 4 of Form CAM- 63A, in terms of rule 187 of CGA (R&P) Rules, 2007. He will indicate distinctly the details of deposits that pertain to contracts/supply orders which are under litigation/ arbitration.

If the items are large in number, the original list received from the departmental officer may be used as folios of the register, after opening additional columns Numbers 5 to 8, otherwise these may be entered in the register. In the accounts, the effect of the lapsed deposits shall be reflected by the PAO through a transfer entry in the manner stated in Para 17.2.5. In the same manner, the bill for refund of lapsed deposits of this type will be submitted to the PAO for payment after scrutiny.

17.3.1 The PAO will also be responsible for reconciliation of the balances as per the Register(s) of Deposits with the corresponding ledger balances as per accounts, by maintaining broadsheets.

(Authority; - Ministry of Finance, Deptt. of Exp. special Cell O.M.NO. F2(27)/76-Spl. Cell (Pt II) dt, 15.12.76.)

17.4 PROCEDURE FOR TRANSFER OF BALANCES, BETWEEN PAY AND ACCOUNTS OFFICES OF THE SAME ORGANISATION OF A MINISTRY/ DEPARTMENT AND BETWEEN PRINCIPAL ACCOUNTS OFFICES.

17.4.1 When a Government servant is transferred from one office to another either within the same Ministry/ Department or another, the balances outstanding against that Government servant shall be settled through monetary settlement for various Debt Deposit and Remittance Heads pertaining to long term Loans/ Advances and Provident Funds. The GPF balance at the credit of the subscriber shall be transferred by the PAO by issue of 'C' category cheque drawn in favour of the Accounts Officer of the circle where the Government servant stands transferred, by classifying the amount as minus Credit to M.H. 8009 –GPF.

17.4.2 While transferring the long term outstanding amounts viz H.B.A./M.C.A. etc in respect of a Government servant, the P.A.O. shall raise a claim against the P.A.O. where the Government servant is

transferred by debiting the minor head "P.A.O.-Suspense-item adjustable by. (the name of P.A.O.). He shall do so by affording contra credit to Major/Minor Heads, "7610 - Loans to Govt. servants - H.B.A./M.C.A." as the case may be, to clear the debit balances outstanding under HBA/MCA in his books. On receipt of claim, the transferee P.A.O. shall arrange to issue cheque of `C' category in favour of the Pay & Accounts Officer from whose circle the Government servant had been transferred, and classify the paid amount as minus credit (not debit)) to Major /Minor Heads "7610 - Loans to Government servants- HBA/MCA.

17.4.3 There may be instances when the entire departments/offices of Government of India are transferred from one Ministry/Department to another Ministry/Department. In such cases, the following procedure shall be followed for the transfer of balances from one Principal Accounts Office to another:

17.4.4 The ledger balances to be transferred as on the date of transfer for various debt, deposit, suspense and remittance shall be mentioned separately for each major head, in the format given in clause (D) below. It shall be prepared in triplicate by the Principal Accounts Office of the transferring /originating Ministry. These balances shall exhibit a break up of balances as on 31st of March of the preceding financial year, and the cumulative effect of transactions arisen from 1st April to the end of the month preceding the month in which the transfer is effected. The balance as on 31st March will be obtained from the ledger of balances (Form CAM-40) maintained by the relevant Pay and Accounts Office while the figures for the remaining period shall be based on the progressive figures of transactions appearing in the affected month's Consolidated Abstract. Before transferring the balances, it is to be ensured that in respect of major heads like 8009, 8342 etc. that involve calculations on interest, the interest is worked out only on the balances as at the end of the preceding financial year, and added to the major/minor head totals through March (Supplementary) Accounts of the originating Department. This is to ensure that the interest so calculated is accounted for in the accounts of his circle also, and the balances are transferred as on 31st of March of the preceding financial year.

(A) TRANSFER OF WORK INVOLVING TRANSFER OF A PART OF THE WORK HANDLED BY A PAY AND ACCOUNTS OFFICE.

(i) Balances under major heads 8658-Suspense Accounts except as specified in the note given below, 8670-Cheques and Bills, 8675-Deposits with Reserve Bank, 8786-Adjusting Accounts between Central and State Governments are not to be transferred to the new Accounts Office. The circle in which the balances under these heads had arisen shall be responsible for clearing the outstanding amounts, based on the payment scrolls received from the Bank and the response of the Accounts Officers against whom debits or credits had been raised through outward claims.

(ii) In respect of all major heads of account for which individual-wise detailed accounts are maintained by the PAO, e. g. 7610- Loans to Government servants-HBA/MCA, and other loan heads, 8009- GP Fund etc. the original ledger folios and relevant broad sheets shall continue to be held in the custody of the originating Accounts Office. The PAO should however send an individual-wise statement, indicating the balances as on 31st March of the preceding financial year and the month-wise subscriptions/recoveries effected during the current financial year. He should also furnish details of drawing of original advances like- amount sanctioned, number and date of drawing of advances, certificate regarding agreements/mortgage deed having been executed by the Government servant in favour of the President for comprehensive insurance taken by him etc. This is to enable the recording of necessary entries in broad sheets by the successor Accounts Officer. (See paras 6.6.2 and 10.7.2 also.)

(iii) In respect of major heads appearing under ‘Sector F -Loans and Advances’, an extract from the relevant loan register shall also be furnished.

(iv) In respect of major heads appearing under ‘Sector K-Deposits and Advances’, apart from furnishing of list of deposits as per relevant register in Form CAM-63, the list of deposits lapsed to Government account shall also be prepared from the register in Form CAM-63-A and sent to the

successor Pay & Accounts office in terms of provisions of Rule 187 of Central Government Accounts (Receipts and payments) Rules, 2007,

(B) TRANSFER OF WORK INVOLVING TRANSFER OF AN ENTIRE PAY AND ACCOUNTS OFFICE DEALING WITH THE DEPARTMENT'S WORK.

There may be cases where the transfer of a Department involves the transfer of its accredited Pay and Accounts Office in totality, as in the case of Pay and Accounts Offices attached to the Ministry of Overseas Indian Affairs. In such cases the balances outstanding under all the debt, deposit, suspense and remittance heads held in the accounts of that PAO shall be transferred without any exception to the Principal Accounts Office to which the PAO stands transferred, along with all the accounting records. The question of bifurcation of the balances under various heads between allocable and non-allocable would not arise in such cases. The PAO shall continue to be responsible for the final clearance of all transactions booked under such suspense and remittance heads and watching the repayment and accounting of loans, deposits and the subscriptions etc recovered.

(C) MANNER AND FORMAT FOR EFFECTING "PROFORMA" TRANSFER OF BALANCES.

The originating or the transferor Principal Accounts Office shall prepare two copies of the statement in the format given below, duly filled and accompanied with necessary details such as analysis of difference between ledger and broad sheet, supported by extracts of details as mentioned in (B) or (C) above. This shall be sent to the responding or transferee Principal Accounts Office of the Ministry to which the Department stands transferred. The responding Principal Accounts Office would adopt the ledger balance indicated in the format on `Proforma basis' and return one copy of the same to the originating Principal Accounts Office, with a certificate that the ledger balances shown in it has been adopted on "Proforma basis" in his books. The originating Principal Accounts Office on receipt of a copy of the format from the responding Principal Accounts Office, shall drop such balances from his books.

***(D)* FORM**

(TO be prepared in triplicate)

Principal Accounts Office, Ministry of …….Statement showing balances under various D.D.R. heads relating to the Office/Deptt. of …….. transferred to Principal Accounts Officer, Department of …….. Ministry of …… Government of India as on ……...

(Separate for each Major Head)

Major/Sub Major heads of account …….

Minor Head	Sub Heads	Brief nature of transactions	Ledger balance	Broad sheet balance	Difference	Remarks

Encl: Supporting documents/details.

Signature

(Accounts Officer)
(Originating Principal Accounts Office)

Ministry of..... Deptt. of ……

Certificate of the responding Principal Accounts Officer:

Certified that the ledger balances as indicated above have been taken over in the books of this office as on.....

Signature

(Accounts Officer)
(Responding Principal Accounts Office)

Ministry of..... Deptt. of …….

When the material for Statements **No. 3** and 15 for the preparation of Central Government Finance Accounts is sent to the Controller General of Accounts, it shall be accompanied with a copy of the folio maintained in Form CAM-40, for each of the affected major head of account. The Principal Accounts Office to or from which the proforma transfer of balance was effected and the amount involved will be indicated through entries in column 6 or 7 thereof. It will also be indicated whether the balance under a minor head was transferred or received from more than one Pr. Accounts Office.

This would enable the organization of the Controller General of Accounts to verify that the data regarding Proforma transfer/adoption of balances furnished by the originating and responding Principal Accounts Offices are consistent and there are no discrepancies in the balances dropped or adopted on `Proforma basis by them.

17.4.5 Apart from the transfer of balances under the D.D.R. heads as above, the originating Principal Accounts Officer shall also send complete details of the investments etc made by the Government as appearing in his books under the capital major heads, to the responding Principal Accounts Officer. It is required to enable the latter to prepare Statement No. 11 of the Finance Accounts, which shows investments of Union Government in statutory corporations, government companies etc. Similarly, figures relating to Statement No. 12 of Finance Accounts regarding progressive expenditure on Capital Account shall also be sent.

[Authority : Min. of Finance (CGA) O..M..No. S-11018/11/78/TA-1407 dt. 27-6-78 and O.M.No.S 11018/11/78/TA - 2365 dt. 30-9-78].

17.5 BUDGETARY AND ACCOUNTING ARRANGEMENTS CONSEQUENT UPON REORGANIZATION OF MINISTRIES

17.5.1 An amendment to the Government of India (Allocation of Business) Rules, 1961, may involve transfer of some items of work as well as offices/departments dealing with them from one Ministry/Department of the Government of India to another. This may require special arrangements for provisioning of funds and operation of certain sub-heads under the Demand for Grants pertaining to former or the transferor Ministry/Department by the latter or the transferee Ministry/Department. In such cases, the Ministry of Finance would be required to issue necessary sanction for permitting the transferee Ministry/ Department to operate the provisions under the Demand for Grants of transferor Ministry/Department. – Hereafter, this type of case has been referred as Type `A'. Alternatively, the transferee Ministry/Department will take action to obtain supplementary budget allocation under its own Demand for Grants wherever possible, and the transferor Ministry/Department will surrender the budget available with them - this type has been referred to as Type `B' hereafter.

17.5.2 Instructions pertaining to payment and accounting procedure to be followed in such cases are prescribed below:

General (applicable to both types `A' and `B')

(a) There is a need to avoid dislocation of work that might otherwise be caused due reorganization of Ministries/Departments and sudden switch over. Hence, the transfer of payment and accounting work in the office of the PAO (Transferee) in such cases, will be commenced from the 1st of the month following the date of Presidential Notification and on receipt of the sanction of the Ministry of Finance (DEA referred to above).

(b) The Transferor PAO will furnish a statement to the Transferee PAO, indicating -

(i) The provisions in the existing Demand for Grants against relevant sub-heads, plus supplementary grant if any obtained for the purpose, and break up thereof, if any, among various DDOs as authorized by the Grant Controlling Authority;

(ii) The expenditure booked by him against the respective heads u to the end of the month for which accounts are compiled, plus the amounts for the subsequent month posted in his Expenditure Control Register;

(iii) He will subsequently indicate the actual figure booked by him up to the month for which he was responsible for payment and accounting, as soon as compilation for the last month is finished; and

(iv) If any debits pertaining to the Transferred DDOs are received later, they will be duly forwarded by him to the Transferee PAO for necessary action, under intimation to the accounts authorities from whom the debits originated.

(c) The Transferee PAO will enter the details referred to above in his relevant books e.g. DDO wise Bill passing cum expenditure Control Register etc and proceed with the payment and accounting work relating to the new offices/departments transferred to his circle, in the usual manner.

Action at the end of the year and preparation of Appropriation Accounts

(d) Type `A' - In cases where supplementary grant is not obtained by the Transferee Ministry/Department, as soon as the accounts for the relevant financial year are closed, the Transferee PAO will forward the following material to the `Transferor' PAO -

(i) The figures of expenditure booked by Transferor PAO and intimated to him as per (b) (iii) above;

(ii) The expenditure incurred and booked in his books against the relevant primary units after he started the payment and accounting work relating thereto;

(iii) Total actual expenditure during the entire year vis-a-vis the provisions under each of the primary units in the original Demand for Grant, Supplementary Grants and Reappropriations (Orders sanctioning Reappropriations in such cases would be issued by the Transferor Ministry/Department) if any, and

(iv) The Pr.A.O. of the Transferor Ministry/departments will be responsible for including the figures intimated by the Transferee PAO (vide (iii) above) for the purpose of preparation of the Appropriation Accounts for the Demand for Grant as a whole.

(e) Type `B' - If the Transferee Ministry/Department obtains supplementary funds to cover the relevant expenditure in its own Demands for Grants, the Pr A.O. of the Transferee Ministry/Department would be responsible for the preparation of the Appropriation Accounts after including these heads, as usual.

Applicable to types `A' and `B'

17.5.3 In either case, soon after the accounts for the relevant month are closed, further action would have to be taken by the Transferor PrAO/PAO to effect the transfer of balances under various D.D.R.S. heads to the Transferee Pr A.O./PAO, keeping in view the provisions of paras **17.4.3. to 17.4.5.** (Authority: S.14014/AL/83/TA)

17.6 OPENING OF LETTERS OF CREDIT BY AUTHORISED BANKS IN FAVOUR OF FOREIGN SUPPLIERS IN CONNECTION WITH THE IMPORT OF EQUIPMENTS AND COMPONENTS BY CENTRAL GOVERNMENT MINISTRIES/DEPARTMENTS

17.6.1 Certain Ministries/Departments are authorized to import equipments and components directly without the intervention of the Department of Supply. Consequently, they are in this connection required to open Letters of Credit in favour of foreign suppliers. Prior to the departmentalization of accounts, the funds required for opening the letter of credit were drawn from Government account and deposited with the State Bank of India for opening an irrevocable letter of credit in favour of the foreign supplier. The State Bank of India used to charge usual Commission from the Department for the services and incidentally derived the benefit of temporary retention of funds without interest.

17.6.2 The Ministries/Departments now have the facility of opening an irrevocable Letter of Credit with their accredited banks without depositing funds with them in advance, on payment of the following charges-

(a) Usual commission for the services rendered;

(b) Interest at normal bank rates for the period between the dates of payment to the foreign supplier at the rates laid down by the Foreign Exchange Dealers Association and the actual receipt of reimbursement from the concerned Department, by debiting their scrolls.

17.6.3 Terms for payment of charges as indicated above have been formulated in consultation with the Reserve Bank of India. Reserve Bank of India have clarified in their letter No. 1775/TA.64(12)-79/80 dated 18th January, 1980 that they are not statutorily required to issue Letters of Credit on behalf of either the Central or State Governments and hence the charges for the purpose have to be paid separately to the accredited Banks. This is on account of the fact that the turn over commission paid by the Reserve Bank to the banks handling Government business in terms of para 26 of the Memorandum of banking instructions issued by them, is not meant to cover the charges for the work of opening irrevocable Letters of Credit on behalf of Government.

17.6.4 With effect from 1-9-1980 the Ministry/Department which places a supply order or order for acceptance of tender other than those placed on private firms or individuals in the U.S.A., shall be responsible to arrange for payments against such contracts. For this purpose, the procedure prescribed below may be followed after mutual agreement with the foreign suppliers, with lower costs implications when compared to the system of letter of credit. On receipt of the completed invoice from the foreign supplier along with all the relevant documents required under terms of the contract by the nominated officer in the Ministry/Department or by the bank nominated by the Ministry in India, payment shall be made through telegraphic bank transfer directly into the payee's pre-specified bank account(s) abroad.

Note:- In cases where the foreign supplier insists on opening of a letter of credit, the concerned Department may insert a suitable provision to that effect in the contract, and arrange to have the Letter of Credit opened, keeping in view the orders on the subject.
(Authority : File No. 1(13) (1)/86/TA)

17.7 PERSONAL DEPOSIT ACCOUNT

17.7.1 Personal Deposit Account is a device intended to facilitate the Administrator of the PD Accout to credit the receipts and effect withdrawals directly from the account. This is subject to an overall checks exercised by the bank in which the account is authorized to be opened, to ensure that no withdrawal will result in a minus balance therein. It is done(with the help of a Personal Ledger Account maintained by the bank for this purpose. The administrators of Personal Deposit Account shall be only Government Officers acting in their official or any other capacity.

17.7.2 Personal Deposit Account may be authorized to be opened only with the special permission of the Ministry/Department of the concerned Government. The Ministry/Department concerned is required to satisfy themselves on the need for opening such an account, the arrangements made for the proper maintenance of the initial accounts of the money that is to be kept in the Personal Deposit Account, and their audit. The Principal Accounts Officer shall also be consulted for the purpose, and then the proposal shall be forwarded to the Controller General of Accounts for their views, as well as for the opening the necessary head of account and finalization of the accounting procedure.

17.7.3 Personal Deposit Account may be required to be created by a law or a rule having the force of law, or where certain liabilities devolve on the Government out of the special enactments by way of bridging any deficit or shortfall in the account which are discharged by transferring funds to it from the Consolidated Fund of India. In such cases, the credit balance in the Personal Deposit Accounts at the end of each financial year would lapse to Government, and for this purpose the account may be closed by affording minus debit to that extent to the relevant service head(s) in the Consolidated Fund. The Personal Deposit Account may be revived in the subsequent year again, if necessary, in the usual manner.

17.7.4 Where work relating to payment etc of a P.D. Account is entrusted to an Administrator or the Personal Deposit Account holder, the Chief Accounting Authority of the Ministry/Department may determine whether or not the initial accounts, vouchers etc shall be subject to post check by the

concerned Pay and Accounts Office. The decision shall be taken with reference to the status, expertise etc of the organization functioning under him. Where post check is required to be exercised by the PAOthe Deposit Accounts holder shall furnish the detailed monthly account along with vouchers in support of the lump withdrawals/deposits made during each month, to the concerned Pay and Accounts Officer. It will be done in the same manner as required by a cheque drawing DDO under the provisions contained in Chapter 3 of this Manual. Where post check is not required to be exercised, the Pay and Account Office will confine its check to the transactions of withdrawals from the accounts to see that they do not exceed the balance at the credit of the account. He will also ensure that proper paid cheques are received along with bank scrolls. The vouchers in such cases will remain in the custody of the P.D. Account holder, who shall be responsible for the regularity of all the payments out of the P.D. Account in all respects, and specially with reference to the relevant rules relating to the creation and operation of the Personal Deposit Account.

17.7.5 For every Personal Deposit Account, the Pay and Accounts Officer shall invariably conduct a monthly reconciliation of the receipts and payments out of the PD Account against the reported figures in the bank scrolls and the monthly statement of receipts and expenditure submitted by the PD Account holder. The PD Account holder shall indicate the details of cheques issued by him but not encashed till the end of month. For this purpose, an "Abstract of the Register of Receipts and Payments" pertaining to the Personal Deposit Account (Annexure A) shall be submitted by the PD Account holder to the concerned Pay and Accounts Office.

17.7.6 In some cases work of payment etc relating to a PD Account may be entrusted to the Pay and Accounts Office himself on behalf of the officer appointed to administer the account. In such cases, it shall be the responsibility of the P.D Account administrator to examine the correctness of the receipts credited into the PD Account and to ensure the remittance of funds creditable to it by the concerned parties, either to the Pay and Accounts Office or directly into the bank account for final accounting in the PD Account. Similarly, all claims out of the PD Account shall, if necessary, after scrutiny by the officer appointed to administer it shall be sent to the Pay and Account Officer, for effecting payments. In such cases the Pay and Accounts Officer shall maintain a register known as PD Account Register, as described below.

17.7.7 All receipts accruing to the PD Account shall be recorded on the receipt side briefly indicating the nature, date of the bank scrolls and amount credited into the Deposit Account. On the payment side(right hand side) all payments out of the fund with necessary details shall be recorded. Progressive total of receipts and expenditure shall be recorded whenever an entry is made on the receipt of expenditure side, so as to ensure that a payment does not lead to minus balance in the account at any point of time. The pay and Accounts Office shall discharge all its general functions prescribed in this manual in such cases. In the first week of every month, he shall furnish to the officer administering the account, a monthly account showing the opening balance, receipts, payments and closing balance of the transactions at the end of the previous month. At the close of each financial year, the closing balance in the PD Account shall be reconciled with that appearing in the figures under the relevant head in the March (Supplementary) accounts of the Pay and Accounts Office and a certificate, to this effect shall be recorded in the PD Account Register. The PAO will also be responsible for the preparation of budget estimates and revised estimates in regard to the receipts and payments under the PD Account. It shall be done in consultation with the Officer appointed to administer the account, to be furnished to the Budget Division in the Ministry of Finance (DEA), in November each year.

17.7.8 Every PD Account shall be subjected to scrutiny by the internal Audit Wing functioning under the respective Ministry/Department.

17.8 INVESTIGATION OF CASES BY SPECIAL POLICE ESTABLISHMENT : FACILITIES AND CO-OPERATION REQUIRED TO BE EXTENDED BY ADMINISTRATIVE AUTHORITIES AND PROCEDURE FOR OBTAINING ORIGINAL DOCUMENTS RELATING TO ACCOUNTS ETC.

17.8.1 The following procedure shall be followed for the production of original documents relating to accounts which are in the possession of departmentalized accounts organization, to the Special Police Establishment (SPE) required for investigation:

(i) The requisition(s) shall be sent by the SPE at the level of not less than a Superintendent of Police along with a certificate to the effect that copies/Photostat copies of the required documents would not serve the purpose of the investigating officer;

(ii) On receipt of the requisition as above, the Pay and Accounts Officer shall obtain the orders of the Pr.CCA/CCA/CA expeditiously who shall in turn obtain the orders of the Financial Adviser wherever necessary, before handing over the documents in original to the SPE. The Pay and Accounts Officer shall comply with the request of CBI, subject to procedure prescribed , without causing undue delay and inconvenience in CBI investigation;

(iii) It shall be ensured that a note of the record so handed over is kept by the Pay and Accounts officer concerned to keep a watch on the return of the documents. In all cases, photostat copies of the original documents shall also be retained in proper safe custody before releasing original documents, except where the F.A./Head of accounting organization specifically direct otherwise; and

(iv) In cases where the original documents are requisitioned by a Court of Law, the concerned PAO shall obtain the orders of the head of the accounts organization, and then produce the documents before the court of law, after retaining the photostat copies in proper custody. A note of such documents produced before the court should also be kept and return of the original document watched upon carefully.

17.8.2 The provisions of the procedure at (ii) of para 17.8.1 above and of (iii) & (iv) thereof, shall also be followed for release of original documents to Departmental Enquiry Officers.

(Authority: D.P.A.R's U.O.No. 371/7/79-AVD.III dt.2-2-1981 in File No. S.14024/1/79/TA)

17.9 ADJUSTMENT OF PAYMENT AND ACCOUNTING CHARGES IN THE PROFORMA ACCOUNT OF DEPARTMENTAL COMMERCIAL UNDERTAKINGS OF THE GOVERNMENT OF INDIA

17.9.1 The following procedure shall be uniformly adopted for calculation of payment and accounting of the charges that are to be debited to the `Proforma Account' of departmental commercial undertakings:

(a) Full cost of clerk/typist and Sr. Accountant/Accountant exclusively deployed for the work;

(b) When clerk/typist and Sr. Accountant/Accountant are not exclusively deployed for the work concerned, proportionate cost of the estimated time spent by them on that work;

(c) The cost of Jr. A.O. in proportion of the cost of clerk/typist and Sr. Accountant/Accountant deployed on the work to the total staff in the section;

(d) The cost of PAO in proportion of the cost of the Jr. A.O. (item (c) above) dealing with the work to the total number of Jr. A.Os under him, and.

(e) The cost of Group `D' staff in proportion of the clerk/typist and Sr./Jr. Acctt. deployed on the work to the total staff served by them.

17.9.2 The cost may be worked out by adding items (a) to (e) above and to this 10 percent (ten percent) may be added to cover the expenditure of Principal Accounts Office, Internal Audit Parties, pension charges and other contingent expenditure.

(Authority: C.G.A.`S letter No. S 11064/1/78/TA/4044-45 dt.12-11-1980)

17.10 ACCOUNTING AND RECONCILIATION OF TRANSACTIONS FALLING UNDER P.W.D REMITTANCES, FOREST REMITTANCES ETC. UNDER THE DEPARTMENTALISED ACCOUNTING SYSTEM.

17.10.1 In the PWD system, the minor head “102 – Public Works Remittance” below the Major Head “8782 – Cash Remittances & adjustments between Officers rendering accounts to the same Accounts Officer” is operated to record transactions of Public Works Officers with Treasury and Other Officers of the Civil Departments within the same circle of Account. It includes the following sub-heads viz.

(i) Remittances into Treasuries/Banks;and
(ii) Public Works Cheques.
(iii) Other remittances
(iv) Transfers between Public works / Forest Officers

The sub-heads mentiond at (i) and (ii) above are operated for accounting for the remittances and drawings from the banks respectively. The Monthly Divisional Accounts will be continued to be supported by the "Schedule of Reconciliation of Cheques and Remittances", in the same form as the existing Schedule of Settlement with treasuries,with suitable modifications. The exception being that the reconciliation will be done with the copies of receipt and payment scroll received from the bank with which the Divisional officer is in account with, showing the receipts and payments accounted by the bank in the scroll sent to the PAO. This schedule should explain the differences between the cheques issued and remittances made by the Divisional Officer on the one hand and the cheques encashed an remittances accounted for by that bank. A list of cheques issued but not encashed and remittances made but not accounted for during the month, as well as cheques issued and remittances made during the previous months but accounted in the bank scrolls during the month on hand, should also the furnished.

17.10.2 In the Pay and Accounts Office the `Schedule of Reconciliation of Cheques and Remittances will be carefully examined with reference to the divisional accounts and the bank scroll for the month, and it should be seen that:

(i) FOR CHEQUES

(a) The total of the cheques encashed as shown in the Schedule agrees with the total cheques encashed as per the bank scrolls for the same period. The paid cheques shall also be individually checked with the scroll as well as with the relevant paid vouchers received with the accounts;

(b) The difference between the cheques issued by the Divisional Officer during the month and the cheques encashed has been explained fully and reconciled, after taking into account the effect of the cheques issued but not encashed during the month and cheques issued during the previous months but paid during the month on hand; and

(c) The closing difference as at the end of the month is equal to the total of the cheques remaining un-encashed as on that date.

(ii) FOR REMITTANCES

(a) The total of the remittances shown as accounted for by the bank in the Schedule agrees with the total as per receipt scrolls received direct from the bank;

(b) That the difference between the total remittances accounted for by the Divisional Officer and that acknowledged by the bank is duly explained taking into account the remittances not accounted for by the bank during the month and the remittances of the previous months accounted for during the month on hand; and

(c) That the progressive difference at the end of the month is on account of remittances actually in transit. The P.A.O will also maintain separate broad sheets in respect of `I-Remittances' and `II-Cheques' for reconciliation of the figures shown in the schedule with those in the ledger.

17.10.3 The P.A.O. will continue to follow the existing procedure for accounting of transfers between his books and divisional books through "P.W. Remittances III-Other Remittances" only for the transactions advised by the P.A.Os of the Department of Supply. In other cases the Divisions should resort to direct settlement by cheques/drafts. Accordingly, the Departments rendering supplies of services to the Divisions should prepare a bill for the claims recoverable from the Divisions and send them directly to the concerned Divisional Officers for payment by cheque or draft as the case may be. This expenditure will also be accounted by the Divisional Officers in their accounts, just like any other transaction arising in their books.

17.10.4 The foregoing instructions will also apply to officers rendering accounts under the Forest System of accounts e.g. in the Ministry of Environment and Forests.

17.11 SAFE CUSTODY OF DUPLICATE KEYS OF THE DEPARTMENTAL TREASURY CHESTS, PROMISSORY NOTES, SAVINGS CERTIFICATES ETC. RECEIVED AS SECURITIES.

17.11.1 The Public Sector Banks have agreed to extend, free of charge, the safe custody facilities for keeping duplicate keys of the concerned Ministries/Departments dealing with them, subject to the availability of adequate strong room facilities at the branch concerned and observation of the usual banking procedure. Similar safe keeping facility has also been extended free of charge for Promissory Notes/ Savings Certificates etc. received as security and held by Ministries/Departments of the Government of India.

(Authority:- CGA's O.M.No.s.14013/1/78/TA/Vol.III/3246 DT. 29-8-1980).

17.12 RAISING AND PURSUANCE OF OBJECTIONS

17.12.1 It is an important duty for every Pay and Accounts Officer to see that objections raised and irregularities noticed as a result of various pre and post checks exercised by his office are reported to the proper authorities so that suitable remedial action is taken by them and recurrence thereof prevented.

17.12.2 Ordinarily when a transaction requires the authorization of a higher authority, the PAO must insist that such authorization be obtained. Similarly where a sum of money is recoverable, the PAO must insist on recovery except in cases where it has been waived under the authority of waiver of recovery delegated to him, or where the competent authority has directed that the recovery should be foregone.

17.12.3 All communications conveying objections must be recorded in courteous and impersonal language, should be clear and intelligible, and issued promptly to the concerned departmental authority

Majority of the objections would be such as would require to be conveyed through half margin forms to the D.D.O concerned, and their Return should also be watched carefully.

17.12.4 The objections should be recorded in detail in the Objection Book (Form CAM-26) in the Pay and Accounts Office, with Individual cases of serious irregularity reported to the concerned Controlling Authority under intimation of the head of the accounting organization.

17.12.5 Money value should be recorded in respect of objections of the type or similar to those enumerated below :

1. Want of vouchers (if not received when the relevant accounts are under check);
2. Want of sanction relating to advances, losses etc;
3. Want of sanction relating to special charges;
4. Want of any other specific sanction required by rule;
5. Over payments and short recoveries;
6. Delays in the recovery of sums due to Government, if not recovered within a reasonable period usually in respect of each class of debt or other dues;
7. Want of allotment of funds;
8. Excess over allotment; and
9. Excess over sanctioned limit of reserve stock.

17.12.6 In respect of objections of the following types, money value need not be indicated in the records:

(1) Simple directions to concerned offices for further guidance or calling for a document or information the absence of which is not likely to affect the amount admissible;
(2) Stamp not affixed on a voucher which is otherwise complete;
(3) Habitual delays in the submission of account returns, vouchers etc;
(4) Doubtful adjustments and possible manipulations in accounts which do not involve actual losses;
(5) Deviations from the rules which are indicative of disregard or evasion of rule(s), but which do not represent charges incurred without proper sanction;
(6) Errors in accounts etc which do not indicate any deficit or surplus;
(7) Instructions and other remarks regarding the form of accounts or errors in procedures adopted; and
(8) Enquiries to seek clarifications on points of doubt.

17.12.7 A record of insufficient or irregular sanctions accorded by any authority superior to the disbursing officer shall also be kept in the objection book in column 9.

17.12.8 CLOSING OF THE OBJECTION BOOK

After dispatch of half margins relating to the month, the money column in the adjustment portion of the Objection Book should be totalled and the outstanding balance representing the objections should be worked out. The Objection Book should be closed by the 20th of the succeeding month over the signature of the Jr. Accounts Officer/Asstt. Accounts Officer, and put up to the Accounts Officer/Sr. Accounts Officer once in every quarter e.g. in July, October, January, and April.

17.12.9 DELEGATION OF POWERS TO WAIVE OBJECTIONS OR FOREGO RECOVERY OF IRREGULAR EXPENDITURE.

In order to avoid time and labour being spent on pursuit of objections of simple and unimportant nature and thus reduce administrative costs, powers are conferred on officers working in Departmentalized Accounts Organizations functioning under Central Government (Civil) as indicated below:

(a) Powers to waive objections against irregular expenditure not exceeding the amount specified against each, in any individual case are shown below:

Pr. Chief Controller of Accounts/ Chief Controller of A counts	:	Rs. 250
Controller of Accounts	:	Rs. 100
Dy. Controller of Accounts/P.A.Os/A.Os	:	Rs 75

Note: If the irregularity is such that it is likely to recur, the Government servant responsible for it should be intimated that the expenditure was irregular even if no recovery was made.

(b) Some items are placed under objection as they are not exactly covered by rules or the authority for them is insufficient or not foolproof, or the reasons that supporting vouchers for the expenditure incurred have not been produced. In such cases, the powers to forego recovery upto the limit specified against each, in any individual case and subject to fulfilment of conditions (i) to (iii) are indicated below:

Pr. Chief Controller of Accounts/ Chief Controller of Accounts	:Rs.500
Controller of Accounts	:Rs. 200
Dy. Controller of Accounts/P.A.Os/A.Os	:Rs. 100

(i) The expenditure must not be of recurring nature;
(ii) Where the objection is based on insufficiency of sanction, the concerned officer must be satisfied that the authority empowered to sanction the expenditure would accord sanction if requested to do so; and
(iii) Where the objection is based on insufficiency of proof of payment, concerned officer must be satisfied that undue trouble would be caused by insistence on submission of the proof, and must see no reason to doubt that the charge has actually been paid.

17.12.10 TREATMENT OF ERRONEOUS PAYMENT ADMITTED BY THE PAY AND ACCOUNTS OFFICE.

When erroneous payments were admitted through pre/post check for a considerable period of time either due to wrong interpretation of financial rules or oversight, the following course of action shall be followed :
(a) When a wrong interpretation of a financial rule has been followed, the new interpretation should in the absence of special instructions to the contrary, take effect from the date of issue of orders on correct interpretations by competent authority,
(b) When erroneous payments were admitted through oversight, the Pay and Accounts Officer should not of his own volition undertake a re-audit of bills paid for a period more than one year before that day. He should report the facts of the case for orders to the Government and a re-audit should not be made unless the Government so desires.

Note: The Pay and Accounts Officer has to rely largely upon certificates and it is often possible and desirable to check such certificates by examination of original documents during internal inspection. Such examination is not a re-check for the purpose of this clause.

17.12.11 REPORTS OF DEFALCATIONS AND OTHER LOSSES

(a) The department concerned should report defalcations and losses to the Pay and Accounts Officer and to the Statutory Audit Officer simultaneously.

(b) On receipt of a report on defalcation or loss of public money or property, the Pay and Accounts Officer should call for such further information as he may require on the subject, and carefully examine the case. He shall ascertain whether the defalcation or loss was caused on account of any defect in the rules, or whether it was due to neglect of rules or want of supervision on the part of the authorities. He should report the result of such examination to the authority competent to sanction the write off for the loss. He should also report important cases of this nature to the Pr. Accounts Office.

17.13 REVIEW OF BALANCES

17.13.1 At the close of any financial year, the Pay and Accounts Officer shall review and verify the balances under various Debt, Deposit and Remittance heads and ascertain wherever necessary, whether the person or persons by whom the balance is owned or to whom it is due, admits its correctness. In cases of balances due to Government, it should be ascertained as to how far they are really recoverable. Occasionally there could be a case where the broadsheet balance under a loan, debt, deposit, remittance or suspense head may be higher than the ledger balance, for which the full details would also be available in the broadsheet. In such cases, in order to rectify the book keeping error, the ledger balance has to be increased to match with the broadsheet figure, through write-off of the difference in balance. On receiving the sanction of the competent authority in terms of article 38 of Government Accounting Rules, the write-off shall be effected by a contra entry under `8680- Misc. Government Account'. If however, no details are available in the broadsheet the difference between broadsheet & ledger figures shall be dropped without any accounting adjustment, and by a mere correction in the broadsheet.

(Authority: C & A.G's Circular No. 844-Comp/18-72 dt. 14.9.72.)

17.13.2 The Pay and Accounts Officer should take steps to clear the outstanding balances and to settle the discrepancies noticed after obtaining the acceptance of correct balances from the person or persons by whom they are owned or from whom they are due, wherever required. All Pay and Accounts Officers should furnish annually by 15th September each year, a detailed statement indicating the amount of unreconciled differences between broad sheet and ledger and number of cases where acceptances of balances are awaited from the persons concerned to the Pr. Accounts Office for the period ending 31st March of the preceding year, against various heads. The Pr. Accounts Office shall furnish a consolidated report for the Ministry/Department as a whole, to the Finance Accounts Section of the C.G.A. by the 15th of October.

17.13.3 The following paragraphs provide guidelines regarding the review expected in respect of certain types of balances:

(a) Deposits of provident Fund: The balances in the Provident Fund accounts as worked out in the ledger cards should be communicated to the subscribers by 31st July each year.

(b) Deposits: Receipt of each deposit as well as repayment there against will be maintained in a suitable register by the P.A.O vide para 17.2 of this Manual. The P.A.O should take steps-

(i) to verify the balances at the close of the year with the ledger balance of the class of deposit concerned;

(ii) to obtain, wherever necessary, the acceptance of the parties concerned of the balances left outstanding in the Personal Deposit Account at the close of each year; and

(iii) to credit to the Government account any unclaimed amounts which are required to be treated as lapsed amount under Rule 187 of Central Government Account (Receipt & Payments) Rules 2007.

(c) Permanent Advance: As and when a permanent advance is paid to a head of office, on the basis of sanction issued by the competent authority, a note of the advance paid shall be kept in the Register of Permanent advance in Form CAM -61. At the end of each financial year an acknowledgement shall be obtained from the officer holding the permanent advance, and verified with that outstanding in the Register of Permanent Advance. The aggregate of all the outstandings shall be worked out from this register, and tallied with the ledger balance at the end of each year.

(d) Loans and Advances: The outstanding balance of principal of loans in the Loan Register as on 31st March should be tallied with the ledger balance as on that date for each year. It should also be seen whether the conditions of each loan have been fulfilled and whether the balance due at the end of each year has been communicated to, and it has not been disputed by the debtor. The result of the verification should also be reported to the Deptt./Ministry as provisioned vide para 232 of the GFRs 2005. In case of House Building Advance, Motor Car and Motor Conveyance Advances, for which Pay and Accounts Office maintain the detailed accounts, only acknowledgement should be obtained from the concerned Govt. servants for the balance outstanding against him at the close of each financial year, through the D.D.O/ Head of Office.

17.14 ADJUSTMENT OF GAIN OR LOSS BY EXCHANGE

17.14.1 The question of adjustment of Loss/Gain by exchange has been considered in detail in consultation with Budget Division of the Ministry of Finance, office of Chief Controller of Accounts, Ministry of External Affairs and the Comptroller and Auditor General of India and the following procedure has been decided upon:

(i) Disbursements made against agreements for loans/grants after Ist April, 1976 by foreign banks etc. under the Direct payment procedure, are credited as External Debt/External Grant Assistance at daily rate of exchange by contra debit to the minor head "Suspense Account for purchases etc. abroad" under the Major Head -"8658-Suspense Accounts". Th deposits made by importers at the Composite rate of Exchange (fixed by the Controller of Aid Accounts and Audit) and interest under the minor head "Deposits for purchases etc. abroad" below the major Head "8443-Civil Deposits" are cleared by (a) transferring the amounts to the above noted Suspense head thereby clearing it ; (b) adjusting the difference between daily rate and composite rate of exchange under "0075-Miscellaneous General Services-Gain by Exchange" and (c) adjusting the element of interest recovery under the head "0049-Interest Receipts".

(ii) When loans are fully repaid, the balances lying under the head "Exchange variation" under the major head "6002-External Debt" is cleared by adjusting the same under Major etc. head "8680 – Miscellaneous Government Account" with the balance left under the head indicating credit or debit.

(iii) Capital transactions relating to acquisition of property by missions abroad and all payments to international bodies towards India's contribution shall be converted at composite rates of exchange, wherever such rates are prescribed for the relevant foreign currencies by the Department of Economic Affairs. However, in cases where composite rates are not prescribed, these transactions shall be accounted for at official rates of exchange prescribed by the Ministry of External Affairs. Loss or gain arising on account of the above shall be adjusted under the major etc. heads "2075" or "0075" as the case may be. The remittances to Missions and expenditure relating to personal claims appearing in the accounts of H.C.I. London and chancery payments in E.I. Washington will be accounted for at the official rates of exchange prescribed by Ministry of External Affairs. The gain or loss arising on that account shall also be adjusted under the major etc. heads "0075" or 2075" as the case may be.

17.15 ACQUISITION OF STORES ON DEFERRED PAYMENT TERMS.

17.15.1 Under agreements/contracts entered into by the Government of India with foreign Governments/Suppliers abroad, equipment, stores, etc. are sometimes procured on deferred payment basis. According to the terms of such agreements/contracts specified sums are payable to the foreign Governments/Suppliers from time to time along with interest, if any, in terms of the conditions of the relative agreement/contracts. It has been held that the purchase of goods on credit while constituting a commitment to pay, does not ipso facto constitute a loan or borrowing. Accordingly, the full value of the equipment/stores procured on deferred payment terms or on supplier's credit should be brought to account immediately on receipt of the plant and equipment or stores in question. It will be done by debit to the relevant service major head of account with contra credit afforded to a suitable suspense head within the same service major head, as in the case of Public Works Department. The credit under the Suspense head will be relieved as and when actual payments are subsequently made to the suppliers/foreign Government.

17.15.2 Interest payable on the deferred payment purchase has the effect of increasing the value of the goods purchased and therefore, shall be debited to the same head to which the full value of the equipment, stores etc. was initially debited, as and when they are paid. All Ministries / Departments, with the exception of Ministry of Defence, shall follow the above procedure even if issue of promissory note sor loan agreements covers the purchases on deferred payment terms / supplier's credit. This is due to the fact that the said imports constitute a commitment to pay the supplier over a period of time and the accounting adjustments prescribed as above do not alter the mode of such commitment.

17.15.3 In order to enable Pay and Accounts Offices to carry out the required adjustments, all the concerned Ministries/Departments concerned should send advices to the Pay and Accounts Office t ocarry out the adjustment in question as soon as the equipment, stores, etc. are received. The exception being the departments where P.W. system of accounts is followed and the initial and subsidiary accounts are compiled departmentally for rendering to the Pay and Accounts Offices. In such cases, the value of the equipment etc obtained on deferred terms/supplier's credit should be reflected in the compiled accounts rendered to the latter.
(Based on Ministry of Finance (DEA) O.M.No.F.1(69)-B/74 dt. 22nd October, 1974 and O.M. of even No dated 8th May, 1975).

17.16 PERIOD OF PRESERVATION OF RECORDS IN ELETRONIC OR PHYSICAL FORM MAINTAINED BY THE DEPARTMENTALIZED PAY AND ACCOUNTS OFFICES. [CS 21]

17.16.1 The table below indicates the retention period of various accounting records maintained by the Pay and Accounts Offices. Irrespective of the period of preservation so prescribed, these records shall be preserved till completion of audit (statutory and internal) for the relevant period and the settlement of the objections so raised. The accounts records relevant to Appropriation Accounts and Finance Accounts will be preserved for the periods specified against each or until these documents are presented to Parliament, whichever is later. The provisions of Appendix 9 to G.F.Rs, 2017 shall be applicable for the retention of records referred therein.
17.16.2 As far as possible, digitization of records/ documents in PAO may also be done on continuous basis and stored in a structured file. Before weeding out the vouchers relating to PF or Long term/short term advances or Refunds or revenue and schedules attached to Pay bills voucher, it is to ensure that the entries are posted in the concerned ledger, Broadsheet or relevant Registers as the case may be, and it is reconciled with the accounts. Before weeding out of the vouchers relating to final settlement of PF dues (Sl.No.7 and 8 below) and payment of provisional pension, CGEGIS, the same are recorded in the service book/e-Service Book.

17.16.3 Item-wise information about creation as well as clearance of items classified under suspense heads be maintained. Before weeding out of Suspense vouchers, it is to be ensured the item is liquidated in the register maintained for this purpose.

17.16.4 The standard retention periods for the document types provided for in the GFR and the CAM shall be adhered to in respect of e-records maintained in PFMS.
Note: Retention period indicated in Col. (c) is to be reckoned from the date of close of the financial year to which the voucher/register/record relates, unless otherwise specified.

SL. No.	Nature of Record	Retention Period
(a)	(b)	(c)
	I-VOUCHERS	
1	Contingent Bills	2
2	Provident Fund vouchers other than final payment	2
3	Refund vouchers	2
4	Suspense vouchers	2
5	Pay Bills	2
6	TA/LTC Bills	2
7	Provident Fund vouchers through which final payments are made to persons other than subscribers:	
	(a) To minors	20
	(b) To other than minors not in accordance with declaration of subscribers	20
	(c) To other than minors in accordance with declaration of subscribers	6
8	Provident Fund vouchers of final payments other than those mentioned in 7(a) to (c)	6
9	Vouchers pertaining to non-refundable withdrawals from Provident Fund	*2*
10	House Building Advance vouchers	6
11	Medical Bills	2
12	Deposits payment vouchers other than personal deposits	6 years or *till all deposits are reconciled and final.*
13	Pension vouchers	3
14	Vouchers relating to Government employees Insurance Schemes (Vouchers of payment from Savings Fund, Insurance Fund or of Insurance cover)	6
15	D.C.R.G. vouchers	6
16	Commuted value of pension paid by the PAO	6
	II-OTHER RECORDS	
1	Bill Diary	2
2	Register of files/Vouchers/registers	
	(a) transferred to Departmental Recording Wing (i.e., Old record room of the Department Office)	25
	(b) transferred to National Archives	Permanent
3	File Index Register	10
4	Register of valuables	5 years *or till all outstanding items are cleared.*

5	Expenditure Control Register (now Bill Passing cum E.C.R.)	1 year or till the Appropriation Accounts are discussed by the P. A. C. of Parliament, whichever is later.
6	Register of final post-check of pre-checked bills	1
7	Inward Claims Register and supporting documents received with Inward Claims	2 years or till the settlement of all items in corresponding Broadsheet and of audit for the relevant period and settlement of audit objections, whichever is later.
8	Outward Claims Register	*-do-*
9	Schedule of Debits/Credits	3 years or till the Appropriation Accounts are discussed by the P. A. C. of Parliament, whichever is later.
10	T.E. Register	1
11	Appropriation Audit Register	1
12	Summary of Transfer Entries	2
13	Office copies of J.Es.	1
14	Ledger and Trial Balance	3
15	(i) Bank Scrolls with paid cheques/challans	2
	(ii) Pension payment scrolls received from various public sector banks	2
16	Counterfoils of cheque books	2
17	Paid cheques	2
18	Review of Balances and papers connected therewith	2 (However, records/ reports in terms of Para 17.13 may be preserved on permanent basis).
19	Scheduled of Deposits (including any subsidiary accounts) for the month of March in which any item(s) has(have) credited to	25
20	Misc. correspondence regarding inter-Government and Reserve Bank adjustments	2

21	List of payments to be furnished by the D.D.Os.	2
22	Account of receipts to be furnished by the D.D.Os.	2
23	Bank reconciliation statement	1
24	Register of R.B.D. H.Qrs./P.S.B. Suspense	3 years *or till all outstanding are settled*.
25	Compilation Book (Daily Posting Register)	2
26	Departmental Classified Abstract	1
27	P.W. Classified Abstracts	1
28	Departmental Consolidated Abstract	1 (The information may be maintained in e-format for reasonable period viz.5 years for the purpose of reconciliation of old outstanding items)
29	Office copies of Monthly Accounts prepared by PAOs/Pr.A.Os. for submission to Pr.A.Os./C.G.A.	One year or till the annual accounts have been prepared, whichever is later.
30	Monthly account rendered by P.A.Os.	-do-
30A.	Monthly accounts of Public Works Disbursing officers with supporting schedules (except the schedules of Deposits), Schedules dockets, lists of payments and vouchers for payments other than those for land acquisition.	10 complete accounts years
30B.	Schedule of Deposits (including any subsidiary account) for the month of March & Supplementary)	25 complete Accounts year
30C.	Vouchers for payment on account of acquisition of land	Permanent Record
31	Broadsheet of PAO Suspense (Receipts and Payments)	3 (The e-format of the record may be maintained for permanent record)
32	Register of Govt. servants lent on Foreign Service	10 years subject to condition that necessary information regarding recovery of contributions is recorded in Service Book.
33	Stock Register of Cheque Books	2
34	Account of Cheque Forms	2

35	Office copies of information to bank regarding the cheque (Forms) brought to use	2
36	Register of requisition of Bank Drafts	1
37	Office copies of letter forwarding cheque/Bank Draft	1
38	PAO's check register of outstanding pre-check cheques	5
39	Register of Cheques drawn	*5 years or upto settlement of audit paras corresponding to register of cheque drawn whichever is earlier*
40	Register of Cheques delivered	*-do-*
41	Establishment check register	2
42	Fly Leaf of Payment Register	2
43	Register of Special Charges	2 years subject to the condition that all sanctions still current are noted in new Register with progressive exp. Under proper attestation.
44	Register of Periodical Charges	-do-
45.	Register of Grants-in-aid & Scholarships	3 years after all the utilization certificates have been received.
46	Objection Book	3 years subject to the condition that all outstanding items are transferred to next OB with full details.
47	Abstract of Objections	-do-
48	Office copy of letter forwarding Schedules of receipts /disbursements for adjustment in books of other accounting units.	1
49	Office copy of letter sending cheque/Bank Drafts in settlement of accounts (inward)	1
50	Register of Broadsheet of Advances for HB/MC/and Interest thereon.	2 years after recoveries have been fully effected and reconciliation with ledger figures effected.

51	Register of Sanctions to Contracts	3
52	Advices to the R.B.I. (CAS) Nagpur by the Principal Accounts Offices and Clearance memos from CAS Nagpur	5
53	Assignment/Letter of Credit in favour of cheque drawing DDOs and correspondence relating thereto	2
54	Monthly branch bank statements and correspondence thereon.	3
55	Monthly put-through statements-Reconciliation memoranda and correspondence thereon.	5
56	*Ledger/Broadsheet of DDS&R heads*	*Permanent*
57	Broadsheets/Registers maintained for reconciling differences between Central Government balance as shown in the books of R.B.I. and as worked out in accounts (including P.S.B. Suspense, Reserve Bank Suspense and Reserve Bank Deposits)	5 years subject to the condition that the reconciliation with banks is completed.
58	Reserve Bank Statement of monthly transactions for the Department/Ministry	3
59	IRLA Ledger	10 years from the date of final settlement of accounts of the officers concerned after retirement etc. from Government Service.
60	File containing report and authorisation (including Form 7 of C.C.S. Pension Rules) for all types of pensions Viz.; Superannuation, invalid, family pension etc.	35 years from the date of retirement/death or after the last installment of family pension has been paid, whichever is later.
61	Register of P.P.Os. maintained in the office of the P&AO issuing the P.P.O.	35 years from the date of last entry made in the register.
62	Register of P.P.Os. maintained in the Principal Accounts Office in which P.P.Os./authorities routed through that office for being countersigned by the authorised officer and embossed with his special seal before being sent to the concerned Accounts Officer for arranging payment, are noted.	10 years from the date of last entry made in the register.
63	Files relating to Commutation of pension if the same is not dealt with in the file referred to at (1) above.	35 years from the date on which commutation becomes final

64	Final withdrawal Register	6 subject to verification of all entries in the respective ledgers and Broadsheets
65	Register of Temporary withdrawals	2
66	Register of Policies assigned to the President	35
67	Index Register of Provident Fund	35
68	Provident Fund Ledgers & Registers and P.F. Extracts supplied by Accountants General at the time of departmentalization of accounts in support of transferred G.P. Fund balances	35
69	Provident Fund Broadsheet.	2 Years after reconciliation is effected with Ledger and all outstanding unposted items alongwith the debits appearing in the Broad Sheets have been duly carried forward to the subsequent year's Broad Sheet.
70	G.P. Fund Schedules	3 years subject to non-existence of unposted items for the period of the schedules and completion of agreement of Broad Sheet with Ledger for that period.
71	Statement of Central Transactions	25
72	Files containing correspondence regarding S.C.T.	6
73	Files containing Union Govt. Finance Accounts and related correspondence	6
74	Printed Union Government Finance Accounts	Permanent (two copies)
75	Files containing Appropriation Accounts and related correspondence.	10
76	Printed Union Government Appropriation Accounts (Civil)	Permanent (two copies)
77	Printed Demand for Grants	5
78	Files containing P.F. Final payment cases	Preservation should be five years from

		the date of last authorisation.
79	Files containing correspondence regarding Provident Fund allotment of GPF numbers, Transfer in and out of GPF balances etc.	5
80	Printed reports of C.&A.G. of India	One year after the settlement of all the audit observations reported therein.
81	Files containing correspondence regarding creation of new accounting offices, re-organisation or winding up of offices, banking arrangements and transfer of records to other offices.	Permanent (maintain in digital form)
	III-Other PFMS Data ***(From Appendix 3 of Data Retention, Archiving, Backup and Destruction Policy 2020 of PFMS)***	
82	*e- Asset Register*	*Permanent*
83	**Master Data** • Beneficiary Data • Agency Data • Bank Data • Controller • PAO • DDO/CDDO • Program Division • IFD • Scheme • Vendor • Employee • Head of Budget Accounts (COA) • Scheme COA	Always should be maintained in active records and Inactive data should move to archival along with transactional data
84	Ack/NAck Responses	3 months post completion of reconciliation (Files till clear status is achieved)
85	Debit/Credit Status	3 Months post

		completion of reconciliation (not required once eScroll is received or reconciliation is confirmed. eScroll file required till CM received and reconciled.
86	Sanctions	3 Years post the final release (to be archived after sanction is consumed)
87	Releases	3 Years post the final release
88	NTRP Transactions	5 Years post the Financial Year in which receipts were recorded
89	DBT Transactions	3 Years post the Financial Year in which transactions were recorded
90	Suspense Transactions	3 Months post completion of reconciliation *or till settling of audit paras corresponding to suspense transactions whichever is later*
91	Budget Data	3 years
92	User Access Data	6 months post the user is deleted from the system or as per audit requirements
93	Audit Data	2 years post completion of Audit or settlement of the objection(s) so raised, if any, whichever is later.
94	CGA Annual Accounts	Permanent
95	EIS (Service Records)	As per GFR
96	Direct Taxes Indirect Taxes	Data is shared between PFMS &

	GST	CBDT/CBIC/GSTN; files to be maintained in active mode as per mutual agreement.
97	e-Files/records may be digitized any one of the category*: (1)Category-I (e-Files/records to preserved permanently on which are of historical importance) (2)Category –II (e-Files/records of secondary importance and have a reference value for a limited period) ***From 'Categorisation of Records' of Record Retention Schedule of D/o Administrative Reforms & Public Grievances***	For 10 years, it will be kept in the Department's server and thereafter transferred to the server of the National Archives of India. 10 years on the Department's server. In exceptional cases, if the record is required to be retained beyond 10 years it will be upgraded to Category-I

(Authority: CGA F.No. TA-2-01001/1/2021-TA-II (Computer NO.5752) dated 12.7.2021.

17.17 PROCEDURE FOR SENDING RECORDS TO OLD RECORD ROOM

Files, Registers, vouchers bundles etc. shall be properly bound immediately after their closure, with the outer cover prominently indicating the proposed year of destruction of that record, under the dated signature of the Accounts Officer. They shall be kept and arranged serially in the concerned Sections for not more than 3 calendar years, and shall be transferred to the Departmental Record Room thereafter. Files/Vouchers/Registers etc that are transferred to the Departmental Record Room will be accompanied by a list of particulars as shown below (in duplicate) :
Department……Section……..

Sl. No.	File No. or Details of Vr. Bundle or type of register	Classification & year of review	Date of actual destruction	Record Room Index No.
1	2	3	4	5

After verification of the entries, the Departmental Record Room will retain one copy of the List and return the other copy to the Section, indicating the Record Room Index Number after duly signing it. In the Departmental Record Room, these lists will be kept section-wise in separate file covers. The concerned section shall also preserve the duplicate copies by pasting them in a Register.

No recorded file etc. may be issued from the Record Room except against a signed requisition which should indicate Record Room Index Number. The requisition slip will be kept against the issued file. On return, the requisitioned file/record will be restored in its place and requisition slip returned to the section/ official concerned. In case the record/ file etc is not received back within a period of one month of its issue, the Record Keeper shall remind the concerned section at an appropriate level, for expeditious return of the file/ record.

The Record Keeper shall be responsible for conducting an annual review to locate files that are required to be destroyed as per the proposed preservation period indicated on the outer cover. These files/ voucher bundles etc. will be referred to the Accounts Officer concerned for instructions regarding their destruction/ further preservation along with a list in duplicate prepared in the form indicated below:

Sl.No.	**File No. or Details of Voucher Bundle or type of register**	**Record Room Index No.**	**Instructions of reviewing authority (To destroy or to preserve, upto the year ……)**
1	**2**	**3**	**4**

The Departmental Record Room shall observe the instructions of the Accounts Officer for destruction/preservation for weeding out of the file/voucher bundle etc, or for its further retention as indicated in this form. In case of further preservation, the new date of destruction as indicated by the Accounts Officer shall also be conspicuously indicated on the outer cover. The duplicate copy of the latter list received back by the Departmental Record room shall be returned to the Section concerned by it. Authority:- No. 1(14)/84/TA)

17.18 DELEGATION OF POWERS TO JUNIOR ACCOUNTS OFFICERS AAOs IN THE DEPARTMENTALISED ACCOUNTING ORGANISATION

The following powers are delegated to Junior Accounts Officers/Asstt. Accounts Officers:

(i) Check of classification of vouchers of value up to Rs. 2,500 and rectification of any misclassification noticed therein by proposing Transfer entries;
(ii) Closing of broad sheets with `nil' balance and those where there is no difference between broad sheet and ledger figures;
(iii) Attestation of opening and closing balances in Provident Fund ledger cards except those relating to the staff of the PAO's own office which should be attested by the PAO;
(iv) Allotment of account numbers and attestation of entries in the ledger and General Index Register in the Provident Fund Section. However, entries regarding acceptance of nomination and closing of accounts shall be made over the signatures of the Accounts Officer;
(v) Issue of annual statements of accounts to subscribers of General /Contributory Provident Fund;
(vi) Signing or routine acknowledgement of receipts and reminders to Half-margin memos issued to DDOs;
(vii) Calling for acknowledgement of balance relating to loans and advances. However, in the case of non-receipt of reply the reminder shall be issued at the level of Accounts Officer; and
(viii) Attesting entries in the objection book.

ANNEXURE 'A'
(Referred to in Para 17.7.5)

Abstract of Register of Receipts and Payments Relating to Personal Deposit Account for the month of ……..

Opening balance	Receipts for the month		Total	Payments for the month		Closing balance	Note : Details of cheques issued but not encashed as per bank scroll during the month are to be given in detail
	Date of bank scroll	Amount		Cheque No. and date	Amount		

FORMS

FORM CAM-1
(Para 7 of Appendix - 3 to Chapter 1)

STOCK REGISTER OF CHEQUE BOOKS/FORMS

Name of the Ministry/Deptt ……..

Receipt into Stock					Issue from Stock								
Date	From Whom	Number		Sl.No. of forms	Date	To Whom	Number		Sl. No. of forms	Balance on receipt or issue	Initials of G.O.	No. & Date of acknowledgement of books issued	Remarks
		Books	Forms				Books	Forms					
1	2	3	4	5	6	7	8	9	10	11	12	13	14

FORM CAM-2
(Para 9 of Appendix - 3 to Chapter 1)

ACCOUNT OF CHEQUE FORMS

Date	Opening balance of cheque forms	No. of cheque forms received from stock	Total No. of cheque forms to be accounted for (Columns 2 + 3)	No. of cheques issued	No. of cheque forms cancelled and destroyed with Sl. Nos. thereof	Total No. of cheque forms accounted for (Columns 5+6)	No. of cheques written but not issued	Closing balance of cheque forms (Columns 4-7)	Initials of Cashier	Initials of Officer in Charge
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.

FORM CAM - 3
(Para 12 of Appendix - 3 to Chapter - 1)

MINISTRY ……
DEPARTMENT ……

Pay and Accounts Officer
Cheque drawing D.D.O.

No. …… Dated……..

To
The Manager,
……..
……
……
Subject: :- Intimation regarding cheque forms to be brought into use

Sir,

In continuation of this Office letter No……. dated… .....I have to state that on completion of cheques upto No……. of Category 'A' ; No. …….. of Category 'B'; and No…….. of Category 'C', I will start issuing cheques of the following categories bearing Nos. detailed below :-

Category A (Negotiable)

From No……..
To ……

Category B (Not-Transferable)

From No, ……
To ……

Category C (Account - Government Not payable in Cash)

From No. ……
To ……

Yours faithfully,

PAY & ACCOUNTS OFFICER/
CHEQUE DRAWING D.D.O.

Copy to Pay & Accounts Officer, Ministry/Deptt. of .....For information.

Cheque Drawing D.D.O.

FORM CAM – 4
(Para 2.2.1)

(To be maintained by
Pay & Accounts officers)

BILL DIARY

Sl.No.	Date of receipt of Bill/Token No.	From whom received	Nature of claim	Amount of Bill	Initials of Accounts clerk	No. and Date of DV	Remarks
						No. & Date of half margin returning Bill	
1.	2.	3.	4.	5.	6.	7.	8.

FORM CAM - 5
(Para 2.2.1)

The form will be printed with the first column containing numbers 01 to 99 and 00, the digits for hundred and thousand being left to be entered in manuscript at the top and bottom of the column by the clerk using it..

TOKEN REGISTER

……..20

Token No.	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st
1 2 3 4 5 6 etc																															
Opening balance No. of tokens redeemed Total…. No. of tokens issued…. Closing balance in hand … No. of tokens not in hand .. Total No. of Tokens in stock																															

Cashier* Initials of …. Bill receiver G.O.																															

- In token of verification of the closing balance by actual counting and of agreement of the total number of unredeemed tokens with the total number of bills outstanding in the office.
  EXPLANATION - Against the number of the token issued, enter in the column of the 'Date' on which it is issued the first letter of the payment Section to which the bill has been sent and the number of the major head of charge. Against all tokens received back enter the letter ("R") (i.e. Redeemed) the column of the "Date" on which they were redeemed.

FORM CAM - 6
(Para 2.2.2)

CERTIFICATE OF TOKENS

I certify that ……..(Nos.) tokens were redeemed on …… and that the number of these tokens agree with those entered on the bills paid. I have personally satisfied myself that this number agrees with the total number of redeemed toekns shown in the Cheques Delivery Registers, the Register of Cheques Drawn and the Bill Diary on the same date.

Junior Accounts Officer/Asst. Accounts Officer

FORM CAM - 7
(Para 2.2.3)
TOKEN CENSUS REGISTER

	Month of……	20…..	
1.	26.	51	76
2.	27.	52	77
3.	28.	53	78
4.	29.	54	79
5.	30.	55	80
6.	31.	56	81
7.	32.	57	82
8.	33.	58	83
9.	34.	59	84
10.	35.	60	85
11.	36	61	86
12.	37	62	87
13.	38	63	88
14.	39	64	89
15.	40	65	90
16.	41	66	91
17.	42	67	92
18.	43	68	93
19.	44	69	94
20.	45	70	95
21.	46	71	96
22.	47	72	97
23.	48	73	98
24.	49	74	99
25.	50	75	100

NOTE:- The digit for hundred and thousand should be entered in manuscript at the top and bottom of each column to indicate the numbers of tokens above 100 onwards.

FORM CAM - 8
(Para 2.2.3)

ENQUIRY REGARDING TOKEN NUMBERS OF OUTSTANDING PRE-CHECK BILLS

For the month of..... 20….

Will you please note on the reverse the token numbers of all bills received at the counter of this office, which may be outstanding in your Section on the afternoon of the..... instant and return this memo *without fail* by the .....morning? It is particularly requested that Accounts clerks will include in this list all bills which have not been actually sent to the cash branch, such as those which may be pending with their section at any level.

Junior Accounts Officer/
Asst. Accounts Officer

Dated.....20…
To

JAO/AAO (Payment section)

FORM CAM - 9
(Para 2.3.3)

D.D.O. - WISE BILL PASSING CUM EXPENDITURE CONTROL REGISTER

Sl.No.	Token No. or Bill Diary No.	Nature of Bill	Amount claimed	Retrenchment if any from bill passed	Amount passed for payment	Initials of P.A.O.	Expenditure Control Register								Total	Initials of J.A.O /AAO.
							Sub-heads/Units of Appropriation									
							Budget allotment as it stands from time to time can be shown below each head									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
					TOTAL											

NOTES :- (I) Separate register will be maintained for each DDO. (ii) First few pages may be use for pasting the specimen signature of the DDO, allotment of funds to the DDO (iii) Allotment of funds may be noted at the top in red ink in Col. 8 to 15 (iv) Progressive expenditure on passing each bill may also be noted in cols. 8 to 15 in red ink as a by-entry (v) Monthly total of expenditure may also be struck (apart from page-wise total) for reconciliation with Compilation Book (vi) Vouchers received from cheque drawing DDOs need not be posted in detail in the register; only the sub-head-wise totals may be entered in this register every week, from the compilation sheet (Daily posting Register) (vii) Debits received through inward account and adjusted, should also be noted in the relevant columns to watch progress of expenditure.

FORM CAM - 10
(Para 2.3.5)

REGISTER OF CHEQUES DRAWN

Date	Cheque No.	Amount	Initials of PAO
		Rs.	

FORM CAM - 11
(Para 2.3.5)

(To be maintained in Pay & Accounts Office)
(Separate sheet for each day)

Date……

REGISTER OF CHEQUES DELIVERED

Sl.No.	Cheque Number	To whom issued	Voucher No.	Token No./Bill Diary Number	Amount
					Rs.

ABSTRACT AS AT THE END OF EACH MONTH

(a) Sl.Nos./dates of cheques not cashed upto end of the month……

(b) Total amount thereof……..

(c) Total amount outstanding under the head 8670 - Cheques and Bills - PAO Cheques upto end of the month ……

(d) Analysis of difference, if any, between (b) and (c) ……..

FORM CAM - 12
(Para 2.3.4)

REGISTER OF REQUISITION OF BANK DRAFTS

SlNo (a)	Date (b)	Bill No. & Date	Date of requisition	Cheque No. & Date	Name/ Designation of the payee	Branch of Bank on which the draft is requisitioned	Amount of D.D.	Initials of G.O.
1		2	3	4	5	6	7	8

Number and Date of the Bank Draft	Date of despatch of Bank draft	Initials of the G.O.	Date of receipt of acknowledgement of payee
9	10	11	12

FORM CAM - 13
(Para 2.3.5)

URGENT

To
……
……
……

MEMO

No…… Dated.....20

A Cheque/Demand Draft No. …… dated ..... for Rs.… ..... is sent herewith in payment of the bills noted below :-

Token or Voucher No.	Particulars of bills paid		
	No.	Date	Net Amount
TOTAL			

Particulars of retrenchment made from bills marked(X) are given in the attached slips.

For Pay and Accounts Officer

MEMO OF ACKNOWLEDGEMENT

(To be immediately returned by all outstation Drawing and Disbursing Officers)

No. ,

Date 20

To

The Pay and Accounts Officer,
Ministry of ……
Department of ……..
……

Receipt of Cheque/Demand Draft No. ……

dated …… for Rs.… ..... in payment of the bills noted on the reverse is hereby acknowledged.

Signature
Designation……...

FORM CAM - 14
(Para 2.6.1)

BILL RETURN MEMO

Token No……
(To be returned in original with reply noted in the right hand column)

Ministry Pay & Accounts Office ----------of Deptt. No. ..... No. of enclosures (in words) Dated, the…….20…..	Reply No. Dated, the .....20….
To the	**To the**
Your bill No…… for Rs… ..... is returned herewith for the reason(s) stated in No…..... below with the request that you will kindly remedy the defect pointed out before resubmission and instruct your office to avoid similar errors or omissions in future. Signature…….. Designation…… *General* 1. Not drawn in proper printed form. 2. Not properly filled up the ..... being <u>blank</u> Wrong 3. Contains erasure(s). A fresh bill should be submitted. 4. Contains unattested alterations at the places marked in red ink. 5. The net amount of the bill <u>in figures</u> Should be <u>Does not agree with that written in words</u> Rs. ..... and not Rs. ..... 6. Not signed by Drawing Officer. *Establishment* 7. Not supported by a certificate of disbursement of amount drawn on previous bills. 8. The nature of vacancy in which has been appointed should be stated. 9. Not supported by an absentee statement.	
Remarks	**Officer's Reply**
10 For want of a certificate that all fees & other receipts of all	

kinds belonging to Govt. have been duly paid into Govt. Account.

11. A Certificate is required that the Govt. servants for whom grain allowance has been claimed are whole time Govt. servants, that they were not on leave or under suspension and their emoluments did not exceed Rs… ..... each per mensem during the period of claim.
12. A certificate is required that all Group 'D' Govt. servants, Head-Constables and Constables, for whom increments have been claimed in the bill have rendered the required period of approved service entitling them to the increased pay drawn in the bill.
13. A certificate is required that the officiating appointments involve the assumption of duties or responsibilities of greater importance entitling the Govt. servants appointed to officiate therein, to the enhanced pay drawn in the bill.

Contingencies

14. A certificate is required that charges on account of electric current consumed in the residence or residential quarters of Govt. servants have been paid for separately by the residents concerned and that no portion of such charges beyond what has been specially allowed by Govt. has been debited.
15. A certificate is required that the telegram was sent on Govt. service and that cash payment was unavoidable.
16. A certificate is required that no portion of the building for which municipal taxes have been debited is occupied as residential quarters.
17. A certificate is required that the conveyance charges drawn in that bill were incurred strictly in accordance with the rules.

Travelling Allowance

18. The hour of arrival at, and departure from halting place should be shown in the bill.
19. The No. of miles travelled by ..... on each day, viz …….. should be shown separately.,
20. A certificate is required that the Govt. servant travelled beyond the limit of his ordinary jurisdiction.
21. Purpose of journey not stated.
22. Information wanted as to whether Govt. servant appeared to give evidence in his public capacity.
23. Headquarter not stated.
24. A certificate is required that the non-gazetted Govt. servants for whom mileage for road journey has been claimed in the bill travelled by hired conveyance under the orders of the head of his office.
25. A certificate is required that the cost of transporting personal effects has been charged for at goods rate and that the actual expenses incurred were not less than the sum claimed in the bill.

26. A certificate is required that the members of the family accompanying the Govt. servants are actually residing with and wholly dependent upon the Govt. servant.	

Signature
Designation

FORM CAM - 15
(Para 2.7.5)

PAY AND ACCOUNTS OFFICER'S CHECK REGISTER OF OUTSTANDING PRE-CHECK CHEQUES

For the Month ending …….

Date	Amount of cheque delivered	Amount of cheques encashed (as per daily scroll from the Bank)
	Rs.	Rs.
1	2	3
TOTAL		

SUMMARY FOR THE MONTH ENDING……
Amount of Cheques outstanding at the end of previous month ……
Add amount of cheques delivered (Total Column 2) ……..

TOTAL ……

Deduct Amount of cheques encashed/Cancelled (Total Col.3) ……..
Balance - Amount of cheques outstanding ……
Certified that the above balance has been tallied with the list of cheques outstanding and found to be correct.

PAY AND ACCOUNTS OFFICER

FORM CAM - 16
(Para 1.11)

REGISTER OF VALUABLES

Sl.No.	Date of receipt	From whom received	Nature of valuables (e.g. whether cheque/ Demand Draft) No. & Date & name of Bank on which drawn	Amount	Initials of		How disposed of with particulars (e.g. credit to Bank; return to Party/DDO)	Date of Bank scroll in which credit traced	Initials of Acctt/Sr.Acctt.	Remarks
					Acct/Sr.Acctt	J.A.O/ AAO.				
1	2	3	4	5	6	7	8	9	10	11

FORM CAM - 17
(Para 1.9.8)

REGISTER OF PUBLIC / PRIVATE SECTOR BANK SUSPENSE/RESERVE BANK DEPOSITS

Description of PAO .....
Code No. allotted to PAO ……
Code No. allotted to Cheque Drawing DDO ……..

Date (1)	Payments as per PSB's Daily Scroll (2)	Receipts as per PSB's Daily Scroll (3)	Remarks (4) (Discrepant items if any to be indicated)	Initials (5)
Totals for the Month				

FORM CAM - 17A
(See Paras 1.12.3 & 1.12.4)

REGISTER OF RESERVE BANK DEPOSITS

Effect on R.B.D. etc. based on clearance memos received against settlement throughout R.B.I. (CAS) Nagpur
Principal Accounts Office, Ministry/Department of …….. Month of …….. 20……..

Sl.No. (to be continuous for a financial year)	R.B.I. clearance memo No. & date		Indicate against entries in col.3 whether particulars were received & T.Es prepared (See para 1.18.3)	Amounts where the memos afford receipts						Amounts where memos represent disbursements		Remarks
	Against advices issued by Pr.A.o.	Against advices issued by AG on Railways etc		Total Heads bearing contra effect						Total (to be recknoned as credit under R.B.D.)	Head bearing contra effect 8658 etc R.B.S.)Responding (_)Cr)	
				(to be reckoned as debit under R.B.D.)	8658 etc R.B.S. (Original credit	8786	8787	8788	8789			
						(Only in Supply/Ex. Affairs accounts books, to appear as responding (_) Dr. vide para 1.18.4						
1.	2.	3	4.	5.	6	7	8	9	10	11	12	13
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		

FORM CAM - 18
(Para 3.3.2)

(To be maintained by the cheque drawing D.D.Os)

REGISTER OF BILLS RECEIVED

Sl. No.	Date	Designation of D.D.O.	Particulars of the bill	Net amount	Date of passing bill & issue of Cheques	Cheque No.	Amount	Remarks
1	2	3	4	5	6	7	8	9

FORM CAM - 19
(Para 3.3.2)

(To be maintained by the cheque drawing D.D.Os)

REGISTER OF CHEQUES ISSUED

Sl.No.	Date	Ref. to Sl.No. of Bill Register	Particulars of the Bill	To whom issued	Cheque No.	Amount	Initials of D.D.O.	Remark	Date of encashment	Initials of D.D.O.	Amount of assignment	Balance in assignment account
1	2	3	4	5	6	7	8	9	10	11	12	13

FORM CAM - 20
(Para 3.4.2)

BANK RECONCILIATION STATEMENT OF DISBURSEMENTS RELATING TO THE MONTH OF …… 20……..

Ministry/Department/Office of

……

Total payments as per bank scrolls	Total payments as per the Register of Cheques issued	Amount of Cheques issued in earlier month(s) but encashed during the month	Amount of Cheques issued during the month but not encashed	Items in bank scrolls not relating to DDO and other errors in scrolls	2+3 - 4+5 (should be equal to the figures under col.1)
1	2	3	4	5	6

FORM CAM - 21
(Para 3.4.3)

(For cheque drawing D.D.Os)

LIST OF PAYMENTS

Ministry/Department/Office of ……..
List of Payments for the week ending ..……...
Designation of the D.D.O. (Cheque drawing) ……

Authority Amount

Credit (assignment) advised for the quarter ending _____

Abstract

Balance in the quarterly assignment at the close of last week _____

Total payments during the week _____

Balance in the quarterly assignment at the end of the current week _____

Sl.No.	Date	Particulars of the bill	Sl.No. given in Bill Register	To whom paid	Cheque No.	Amount
1	2	3	4	5	6	7

Total Rs. _____

(Rupees_____only)

Certified that the total payments during the week ending .....Indicated above agrees with the payments shown in the Register of Cheques issued and the progressive total of assignment worked out in the latter has been reconciled with the progressive total indicated in the Bank's payment scroll.
The (to be submitted monthly, with the last week's list) reconciliation statements of receipts/payments for the month of .....are also attached.

Signature
Designation of D.D.O.

FORM CAM-22
(Para 3.4.2)

(To be maintained by Cheque Drawing D.D.Os)

MONTHLY RECONCILIATION STATEMENT OF RECEIPTS DEPOSITED INTO THE BANK BY CHEQUE DRAWING D.D.Os

Month/Year …….

Total of remittances sent to Bank through Challans by Cheque drawing DDO during the month	Total of receipts as per Bank Scrolls	Total of remittances pertaining to earlier period and shown in the scroll for the month	Total of remittances made but not appearing in the Bank Scroll for the month	Items in Bank Scroll not relating to the D.D.O.			Total (1+3 - 4+7) This should tally with the amount under Col.2	Remarks
1	2	3	4	5	6	7	8	9

NOTE: Normally the figure in Col.3 of current month's statement will represent figure of Col.4 of the statement of the previous month. In case of difference only, the details may be given.

FORM CAM - 23
[Para 4.11.1 & 4.11.2]
FLY LEAF OF PAYMENT REGISTER

Scale of Pay……..

Sl.No.	Name	Date of Increment	Pay	Remarks
1	2	3	4	5

FORM CAM - 24
(Para 4.11.4)
ESTABLISHMENT CHECK REGISTER

Name of the D.D.O ……..

Designation of post	No. & Month of Voucher	No. of permanent posts	No. of temporary posts	Total Posts	Number of incumbents		Remarks
					Substantive / Officiating	On leave	
1	2	3	4	5	6	7	8

FORM CAM - 25
(Para 4.18.1)

Grant No……

REGISTER OF SPECIAL CHARGES of the …….. for the year 20……20……

(Name of the DDO)

ORDERS SANCTIONING EXPENDITURE					NOTE BY PAO			REMARKS
Issuing authority	Number	Date	Substance of orders	Amount of sanction	Token No. / Bill No.	Date of Payment	Amount	Progressive expenditure
1	2	3	4	5	6	7	8	9

FORM CAM - 26
(Para 4.19.6)

OBJECTION BOOK (OTHER TRANSACTIONS) AND ADJUSTMENTS

EFFECTED DURING THE MONTH OF …… 20 .. .

Sl. No.	Period of Account	No. of Voucher or bill Diary No.	Designation of the DDO responsible for clearance of objection	Amount kept under Objection					Nature of item and objection	Details of Correspondence	Details of Adjustments		Remarks
				For want of detailed bill	For want of sub-vouchers & Payees stamped receipt	For want of sanction	For other reasons	Due to insufficient or irregular sanction			Month	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Total of the Month's objections									Adjustment during the Month …….20				I certify that I have examined the OB and find it complete in full respects.
Add - Balance from last Month									OB Item No.	Month	Indicate Col. No.@	Amount	
Total													
Deduct - Amount adjusted during….													JAO PAO
Balance carried forward									Total				

@ Col. No.5 to 9

ABSTRACT OF OBJECTIONS FOR THE YEAR 20…..... 20……

Month of objection	Objected to		Adjusted in April 20..		Adjusted in May 20…		Similar cols. from June to March		Total adjusted		Balance outstanding	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.

Balance of 20 --- 20 . Balance Balance of 20 --- 20 . Balance Balance of 20 --- 20 . Balance Balance of 20 --- 20 . Balance Balance of 20 --- 20 . Balance April 20 …….. Balance May 20…… Balance And so on upto March Balance Total												

FORM CAM - 27
(Para 4.21.1)

REGISTER OF PERIODICAL CHARGES

GRANT NO……
Name of the DDO……

Orders of Government or other Competent Authority		Nature of Charge			Sanctioned amount and the period of sanction		
Year and Month	**Voucher No.**	**Amount**	**Remarks**	**Year and Month**	**Voucher No.**	**Amount**	**Remarks**
20 April . . . May . . . June . . . July . . . August . . September . . October . . November . . December . . January . . February . . March . .				20 April . . . May . . . June . . . July . . . August . . September October . . November . December . January . . February . . March . .			
20 April . . . May . . . June . . . July . . . August . . September . . October . . November . . December . . January . . February . . March . .				20 April . . . May . . . June . . . July . . . August . . September October . . November . December . January . . February . . March . .			

FORM CAM - 28
(Para 4.27.2)

REGISTER OF GRANTS-IN-AID/SCHOLARSHIPS

Grant No. ……..
Charged/Voted ……..

Sl. No.	Designation of authority issuing sanction	Letter No. & Date	Name of Grantee/ Scholarship holder	Purpose of Grant/Scholarship	Special conditions, if any	Amount in Rs.		Period of the sanction	NOTE OF PAYMENT		
						Recurring	Non-recurring		Vr. No. & Date/ Advice No.& Date to RBI	Amount Paid	Initials of PAO
1	2	3	4	5	6	7	8	9	10	11	12

Reference furnishing information regarding fulfillment of conditions attached to the Grant	Letter No. & Date with which utilisation certificate is received	Details of unutilised portion surrendered	Remarks and note of final action	Initials of JAO
13	14	15	16	17

Notes :

1. Separate registers should be maintained for Grants-in-aid and Scholarships.
2. In case payment is in instalments during a year, the periodicity of instalment viz. Quarterly/half yearly will be indicated (e.g. Quarterly/1998-99) under Col. No. 8 and
3. Sufficient space may be left for the purpose of entering the periodical payments one below the other against relevant Serial No.

FORM CAM - 29
(Para 4.29.1)

REGISTER OF LOANS

Loan of Rs……sanctioned to ……
In letter No…… Dated ……..20……

Major head of Account……
Minor head of Account……

CONDITIONS OF LOAN

Rate of interest .....per cent. Due date(s) of repayment of Principal ……..

Date & Voucher		Account of Principal of loan			Calculation of interest on principal			Account of interest demand			Remarks
Date	Voucher	Advance	Repayments	Balance	Period	On Advance	On Repayment	Amount due	Amount paid & credited to interest		
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs		

FORM CAM – 30

(Para 4.30.5)

HOUSE BUILDING

REGISTER AND BROADSHEET OF ADVANCES FOR MOTOR CAR AND OF INTEREST THEREON FOR THE YEAR 20……..20…..... OTHER CONVEYANCES

Sl No.	Name of Government Servant	No & Date and sub stance of order and the amo unt sanct ioned	te of interest/ onthly rate of covery	Am ount drawn with Vouc her No. / Bal ance of Prin cipal bro ught for ward/ Total interest due or brought forward	AMOUNT RECOVERED													Total Reco veries during the year	Bala nce of Prin cipal /inter est at the end of the year carrie d forwa rd	Rem arks
					April	May	June	July	August	Septe mber	Octo ber	Nove mber	Dece mber	Janu ary	Feb ruary	March	Mar ch Final			
1.	**2.**	**3.**	**4.**	**5.**	**6.**	**7.**	**8.**	**9.**	**10.**	**11.**	**12.**	**13.**	**14.**	**15.**	**16.**	**17.**	**18.**	**19.**	**20.**	**21**
			Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs**	

NOTES :

1. The entries in this register should be grouped by months, the name of the month being written in red ink across the first 5 columns. Sanction will, on receipt, be noted in chronological order in the 4 columns. Advances drawn in the same month will be noted in column 5 against the entries for sanctions. Those drawn in subsequent months will be entered in column 5 under the month in which payment is made and cross reference recorded in columns 5 and 1-4 against the entries made as above for sanctions and payments respectively, a line being drawn in the remaining columns against the entries for sanctions. If an advance drawn in more than one instalment the entries for second and subsequent instalments will

, with proper cross reference, be made in column 5 under the months of payment and plus entries will also be made against first instalment. Recoveries of total advances will thus be watched against the first entry of payment. Sufficient space should invariably be left after the entries for each month, to effect the necessary reconciliation, with the Detail Book.

2. The monthly recovery of an advance should be entered in black ink in the column for the month in which the salary is finally accounted for. As repayment of an instalment from the salary pertaining to a month is to be deemed as effected on the 1st of the subsequent month for purpose of interest (Vide G.I., decision No.1 below rule 198 of GFRs), the outstanding balance after reckoning the repayment should be entered in red ink below the line in such subsequent month's column. The red ink entries in the monthly columns should be totalled and entered, also in red ink , in column 19 below the black ink figure of total recoveries during the year. A progressive total of the red ink balances entered in columns 19 (i.e., sum of red ink figures in column 19 + previous year's column 20) pertaining to the employee should be entered in red ink below the line, in column 20. After the advance is completely repaid, total amount of interest recoverable will have to be calculated on the progressive total (red ink entry in the corresponding column 20), adopting the monthly rate of interest applicable to the advance.

3. Particulars of the original Mortgage Bond and of the Insurance cover notes should be noted in the remarks cols. whenever necessary, in order to watch the dates of first insurance and of subsequent renewals.

4. The fact that the Government servant concerned has accepted the balance should be cited in the remarks column.

5. Voucher number need be noted in Col.5 only while noting the amount drawn , it need not be repeated while noting the balance of Principal /interest brought forward.

6. Fly leaf may be inserted to cover a period of 5 Years.

FORM CAM - 31
(Para 4.31.5)

REGISTER OF SANCTIONS TO CONTRACTS

Item No.	Ref. To Sanction	Name of Contractor	Name of work/ nature of supply	Substance of sanction/ quantities / rates and other conditions	Stipulated date of completion of contract	Payments												Remarks
						April	May	June	July	August	Sep	Oct	Novr	Dec	Jan	February	March	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19

FORM CAM – 32
(Para 4.36.1)

REGISTER OF FINAL POST-CHECK OF PRE-CHECKED BILLS

Month to which final post-check of pre-checked bills relates	Name of the J.A.O/AAO/Sr. Accountant nominated for the purpose	Number of the voucher(s) for which final receipt/acknowledgement still awaited	Remarks/Certificate of the JAO/AAO/ Sr. Acctt. with initials	Initials of the PAO
1	2	3	4	5

FORM CAM - 33
(Para 5.1.3)

Pay & Accounts Office

Ministry / Department of ……

DAILY MEMO

COMPILATION SHEET FOR POSTING VOUCHERS RECEIVED WITH LIST OF PAYMENTS OF DDO…….

DEBITS (Payments)

(Deductions/Recoveries) CREDIT

Sl. No.	Date of Payment	Computer Code No.										0021 Taxes on income etc.		0210 Medical	0216 Housing		0235 Social Security
	DV.No.	Major Head 3451- Secretariat - Economic Services Minor Head 090- Secretariat								Total Debits	Sl. No.	Income Tax on Union emol uments including pension	Surcharge	Contr ibution to CGHS	Receipt from Govt. Residential Buildings	Other Receipts	Receipt under CGEIS
			Sal aries		Wages		Travel Expen ses		Office exp enses								
			Plan	Non Plan	Plan	Non Plan	Plan	Non Plan									
			Rs.		Rs.		Rs.		Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.

8009 State Provident Funds		8658 Suspense Accounts - PAO Suspense					Net amount of voucher i.e. PAO cheques or depart mental cheques Suspense (Credit)	Total Credits	
G.P. Fund	C.P. Fund								
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.

FORM CAM - 34
(Para 5.3.1)

TRANSFER ENTRY IN THE ACCOUNTS OF…… 20……- 20……

Serial No.
(running serially for a year)

Date……

	Dr…… …… …… …… …… To…… …… …… Cr. …… …… ……..	

Reasons for the T.E. :-

Jr. Accounts Officer Accounts Officer

N.B. : - The T.E. shall be signed by the Head of the Accounting Organisation Viz. CCA/ CA/ Dy.CA/ AG as the case maybe, if it is a Journal Entry.

FORM CAM - 35
(Para 5.3.5 & 5.3.6)

TRANSFER ENTRY NUMBER BOOK OF THE……FOR THE MONTH OF ……20…….

No. of Transfer Entry (Running Serial for whole year)	Department	Debited		Credited		Reasons for Transfer Entry	Receipt of Receiving Section	No. of the Receiving Section	Remarks
		Head	Amount	Head	Amount				
1	2	3	4	5	6	7	8	9	10
			Rs.		Rs.				

FORM CAM - 36
(Para 5.3.5)

SUMMARY OF TRANSFER ENTRIES

Pay & Accounts Office, Ministry/Deptt. of ……..

Month
Year

As per individual Transfer Entry		Number thereof	Head of Account	Effect to be posted in the Departmental Classified Abstract	
Debit	Credit			Debit	Credit
1	2	3	4	5	6

FORM CAM - 37
(Para 5.4.1)

CLASSIFIED ABSTRACT PART - I

RECEIPTS .....
MONTH & YEAR …….

Computer Code No. etc.	Head of Account	PAO	DDO	DDO	DDO	Summary of Transfer Entries	Total for the Month
1	2	3	4	5	6	7	8
I. Consolidated Fund	0021 - Taxes on Income etc. Income-tax on Union emoluments including Pensions Income-tax on other than Union emoluments including Pensions Surcharge Total '0021' 0049 - Interest Receipts Interest from State Govts. (i) Interest on loans for State Plan Schemes. (ii) (iii) TOTAL (A) Interest from U.T. Govts. (i) Interest on loans for …… TOTAL (B)						
III. Public Account	(C) Other interest receipts of Central Govt. (i) Interest from Departmental commercial						

	undertakings. (ii) Interest from Public Sector & Other undertakings. (iii) Other receipts - Interest on loans to Govt. Servants. Deduct - Refunds TOTAL (C) TOTAL 0049 (A+B+C) 8005 - State Provident Funds …… …… Total ‘8005’ 8658 - Suspense Accounts Pay & Accounts office Suspense Transactions adjustable by other PAOs/AGs Original credit Rs……..…….. Responding minus credit Rs…….. Net Rs…… (b) Public Sector Bank Suspense (c) CAO RBS Original credit Responding minus Credit……..…… Net Rs ……...						
	(d) Suspense Account (Civil) Original ……. Responding (minus) Net Rs…… Total ‘8658’ 8670 - Cheques & Bills 1. PAO Cheques Original…						

	Responding(minus)….. Net Rs…….. 2. Departmental Cheques Original……... Responding(minus)…. Net Rs…….. TOTAL ‘8670’						

FORM CAM - 38
(Para 5.4.1)

CLASSIFIED ABSTRACT PART - II

DISBURSEMENT .
MONTH & YEAR …….

Computer Code No. etc.	Head of Account	PAO	DDO	DDO	DDO	Summary of Transfer Entries	Total for the Month
9	**10**	**11**	**12**	**13**	**14**	**15**	**16**
I. Consolidated Fund	2047 - Other Fiscal Services - Interest on ADA Total '2047' 2049 - Interest Payments (Charged) (i) Interest on GPF (Others+Group D) Total ' 2049' (Charged) 3451 - Secretarial Economic Services Secretariat Salaries Plan Non Plan Wages Plan Non Plan Total Secretariat Other Offices …. Total '3451' Plan …… Non Plan……..						

Grant No…….. III. Public Account	7610 - Loans to Govt. Servants House Building Advance…. Advances for purchase of Motor Conveyances…… Advances for other conveyances Other Advances Total ‘ 7610’ 8009 - State Provident Fund A - Civil G.P.F. (i) Others (ii) Group ‘D’ Total ‘8009’ 8658 - Suspense Accounts (a)Pay & Accounts Office Suspense (i) Outstation Pay Bills for March Original Debit Rs…. Responding minus Debit Rs… Net Rs. (ii) Transactions adjustable by other PAOs/AGs Original debit Rs….						

	Rs…… Net Rs……						
	(iii) Other Transactions Original debit Rs. Responding minus Debit Rs…….. Net Rs…… Total 'PAO Suspense' (b) Public Sector Bank Suspense (c) CAO R.B.S. Original debit Rs. Responding minus Debit Rs…… Net Rs…….. (d) P.F. Suspense Original debit Rs. Responding minus debit Rs…… Net Rs. (e) Suspense Account(Civil) Challans/vouchers. suspense Original debit Rs. Responding minus						

	debit Rs….. Net Rs……. Total ‘8658’						

FORM CAM - 39
(Para 5.6.1)

Part - I RECEIPTS
Part - II DISBURSEMENTS
Year……

CONSOLIDATED ABSTRACT

Pay & Accounts Office, Ministry/Deptt. of ……

Computer Code No. etc.	Heads of Account	April	May	Upto end of May	June	Upto end of June	July	Upto end of July						March	Upto end of March	March (Sy.)	J.E.s.
I. Consolidated Fund III. Public Fund																	
TOTAL																	

FORM CAM - 40
(Para 5.10.2)

Major/Minor (Detailed) Headwise Ledger of balances for and upto the year ending 31.3.20…. under the DDR Heads (Closed to Balance) in the books of Pr. A.O./ P.A.O./

Major Head & Minor/Sub/Detailed Heads here under	Opening balance as on 1.4.20…. including the amount transferred by Accountants General		Total Progressive figures for the first six months of the Financial year i.e. from April to Sept. 20……..		Closing Balance as on 30.9.20…. after taking the net effect of Columns 4 & 5 and 2 & 3		Quarterly figures for the Qr. Oct. to Dec. 20……		Closing Balance as on 31.12.20… after taking the net effect of Columns 8 & 9 and 6 & 7	
1	2	3	4	5	6	7	8	9	10	11
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.

Quarterly figures for the Qr. Jan. to March 20…. Including March (Supplementary) and J.E.s.		Plus/Minus amounts adopted/transferred on Proforma basis during the year		Closing Balance as on 31.3.20….. after taking net effect of columns 12-13 & 14-15 and 10-11	
12	13	14	15	16	17
Dr.	Cr.	Dr.	Cr.	Dr.	Cr.

Note : - (1) Detailed headwise ledger is to be kept only by PAOs;
(2) Separate Folio be opened for different major heads

FORM CAM - 41
(Para 5.10.2)

SECTORWISE ABSTRACT (LEDGER) OF BALANCES AS ON 31.3.2006 UNDER DDR HEADS (CLOSED TO BALANCE) IN THE BOOKS OF A Pr .A.O.

Sector of Account	Opening balance as on 1.4.79 including amount transferred earlier by A.G.s		Total Progressive figures during the year (including JEs)		Plus/Minus amount adopted/transferred on proforma basis during the year		Net effect of columns 4 to 7		Closing balance as on 31.3.80 (This is to be transferred to the summary of balances)	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
1	2	3	4	5	6	7	8	9	10	11
E - Public Debt	…	23,063	13,496	18,408	…	…	…	4,912	…	27,980
F - Loans/Advances	17,920	…	4,155	2,288	80	…	1,867	1,430	19,787+80	… 9,129+21
I - Small Savings,PF etc	…	7,699	1,837	3,267	…	21	…	101	…	1,128
J - Reserve Funds	…	1,027	505	606	…	…	…	113	…	1,856+7
K - Deposits & Advances	…	1,743	2,222	2,335	…	7	…	…	…	…
L - Suspense & Misc. other than Major heads 8675 & 8680.	405	…	694	423	5	…	271	…	676+5	…
M - Remittances . .	28	…	162	64	….	…	98		126	

FORM CAM - 42
(Para 5.11.1)

COMPUTATION OF GOVERNMENT ACCOUNT AS ON 31.3.2006 IN THE BOOKS OF THE Pr.A.O.

Sector		Dr.	Cr.
	Opening balance as on 1.4.79	15,184	…
A+B	Receipts (Revenue)	…	13,843
A+B+C+D	Expenditure (Revenue)	13,414	…
A+B+C+D	Expenditure (Capital)	2,243	…
G (Major Head 8679) H (Major Head 7999 & Major Head 8675 RBD & Major Head 8680 -Misc. Govt. A/c)	DDR Heads (Closed to govt.)	2,506	…
	Net effect of balances adopted/ transferred on “proforma” basis, reversing its side i.e., credit to debit and vice-versa.	…	57
	Net effect of Prior Period Adjustment Account	…	…
	Total	**33,347**	**13,843+57**
	Closing balance transferred to Summary of balances	**1,950-57**	**…**

FORM CAM - 43
(Para 5.12.1)

SUMMARY OF BALANCES

As on 31.3.2006(Pr. A.O.'s Books)

Debit Balance	Sector of the General Account	Name of Account	Credit Balance
19,504 - 57		**CONSOLIDATED FUND**	-----
---	E	Govt. Account (Closing balance including Major Heads 8675 & 8680)	27,980
19787+80	F	Public Debt	-----
---	I	Loans & Advances	9129+21
---	J	**PUBLIC ACCOUNT**	1,128
---	K	Small Savings, Provident Funds etc	1,856+7
676+5	L	Reserve Funds	----
126	M	Deposits & Advances	----
		Suspense & Miscellaneous (except Major Heads 8675 & 8680)	
		Remittances	
40,093+28		**TOTAL**	**40,093+28**

NOTE : This is prepared based on the closing balances in forms CAM 41 & 42.

FORM CAM - 43(contd.)
(Para 5.12.1)

(Corresponds to Statement No. 5 of Finance Accounts)

SUMMARY OF BALANCES
As on 31.3.2006

(In CGA's Books)

Debit Balance	Sector of the General Account	Name of Account	Credit Balance
1,814		**CONSOLIDATED FUND**	-----
–	E	Govt. Account (including Major Heads 8675 & 8680)	27,980
19,787	F	Public Debt	----- 50
---	I	Loans & Advances	9,129
----	J	**CONTINGENCY FUND**	1,128
----	K	**PUBLIC ACCOUNT**	1,856
676		Small Savings, Provident Funds etc	-----
126	L	Reserve Funds	
	M	Deposits & Advances	-----
17,740		Suspense & Miscellaneous (except Major Heads 8675 & 8680)	
	N	Remittances *	-----
		Cash Balance(closing)	
40,143		**TOTAL**	**40,143**

* Worked out as shown below in CGA's Books : -

	Debit
Opening Balance	15,234
Progressive balance accrued during the year	2,506
Closing Balance	17,740

O.N. Equal and opposite effect of transfer of balances on 'proforma' basis between two different Pr.A.Os. will get cancelled in CGA's books in which consolidated summary for Central Govt. as a whole is prepared.

FORM CAM - 44
(Para 6.7.5

GENERAL INDEX REGISTER

Account No.	Ledger folio	Name & Designation of subscriber	Nomination when received	Attestation of receipt of nomination by Branch Officer	Date of and reason for closure of account	Actual date of closure	Remarks (indicate letter No, date with which the balance was transferred to another AO in case of transfer out)

Office:

Form CAM-47 (Para 6.7.1)

Provident Fund Ledger Folio

Date of Joining in service			**Date of retirement**						**Interest**		
									A/C No.		
Subscriber Name:					**Designation:**						
Admitted	**Optional/Compulsory**		**Nomination received vide letter no. Dated ….and accepted…….**			**Discontinued ……. times**					
PAO	**AAO**		**PAO**			**AAO**					
Pay on 31st March of previous FY											
Month	**Credit details**					**Debit details**					
	Subscription		**Refund**		**Total (Sub.+Refund)**	**Advance/Withdrawals with voucher nos.**			**Remarks**	**Monthly Balance on which interest is calculated**		
	Non-Taxable (NT)	**Taxable**	**Non-Taxable**	**Taxable**		**Non-Taxable**	**Taxable**	**Total (NT+Tax)**		**Non-Taxable (IBB)**	**Taxable (IBB)**	**Total IBB (NT+Tax)**
April												
May												
June												
Jul												
Aug												
Sep												
Oct												
Nov												
Dec												
Jan												
Feb												
Mar												
March-Final												
March-Suppl.												
Total Rs.												

Summary (Non-Taxable)	Total
(A) Opening Balance	
(B) Deposits and Refund	
(C) Interest for The Year	
(D) Add Bonus	
(E) Total (A+B+C+D)	
(F) Deduct Withdrawals	
(G) Closing Balance (E-F)	

Posted by

Summary (Taxable)	Total
(A) Opening Balance	
(B) Deposits and Refund	
(B) Interest for The Year	
(D) Add Bonus	
(E) Total (A+B+C+D)	
(F) Deduct Withdrawals	
(G) Closing Balance (E-F)	

Checked by

Summary (NT+Tax)	Total
(A) Opening Balance	
(B) Deposits and Refund	
(B) Interest for The Year	
(D) Add Bonus	
(E) Total (A+B+C+D)	
(F) Deduct Withdrawals	
(G) Closing Balance (E-F)	

Examined by

FORM CAM - 48
(Para 6.8.1)

BROADSHEET OF THE …..…… PROVIDENT FUND FOR THE YEAR……..

No. of Account	Ledger Folio	Balance at commencement of year	Receipts in the month of	Government contribution	Interest of the year	Total of receipts & opening balance	Withdrawals in the month of	Closing balance	Total of withdrawal and closing Balance	Remarks
			Twelve money columns for the twelve months and two money columns for March Final and March Supplementary				Twelve money columns for the twelve months and two money columns of March Final and March Supplementary			

Total as per Broadsheet
Total as per Detail Book
Initials of J.A.O/AAO
Difference
Initials of P.A.O.

FORM CAM-49(Para 6.9.2)

(Obverse)

Annual Statement of …….. Provident Fund Account……..

Year of Account……

Rate of Interest……..

Account No. ----------

Name of Subscriber ----------

Non-Taxable/ Taxable detail	**Opening Balance**	**" Deposits/Recoveries during the year**	**@ interest allowed during the year**	**Withdrawal during the year**	**$Balance (Both in figure & in words)**
1	2	3	4	5	6
Non-Taxable					
Taxable					
Total					

This also includes Rs. ……recovered in earlier years detailed below, but brought on to the account of the subscriber in this year.

@ Includes interest on credits relating to earlier periods also.

$ For missing credits/debits please see below.

Notes: -

1. If the subscriber desires to make any alteration in the nomination already made, a revised nomination may be sent forthwith in accordance with the rules of the Fund.

2. In case the subscriber, owing to his/her having no family then, had nominated a person /person other than a member/member of his family and has subsequently acquired a family, he /she should submit a nomination in favour of a member/members of his/her family.

3. The subscriber is requested to satisfy himself/herself as to the correctness of the statement and to bring errors, if any, to the notice of the Accounts Officer within**month(s) from the date of receipt.

**To be filled in according to the rules of the Fund concerned.

(Reverse)

MISSING CREDITS/DEBITS

Details of missing credits/debits are given below. In case these subscriptions/ withdrawals/ refunds of withdrawals were actually made, the subscriber may give the particulars of the bills from which the deductions were made/amounts were withdrawn, indicating the No. of each voucher, date of its encashment, name of the P.A.O., head of account and the net amount of the voucher.

Non-taxable/ Taxable detail	Subscription		Refunds of Withdrawals		Advances/Withdrawals	
	Year	Month of Salary	Amount	Year	Month of Salary	Year
1	**2**	**3**	**4**	**5**	**6**	**7**
Non-taxable						
Taxable						

Signature.....

Designation.....

Date.....

ACKNOWLEDGEMENT SLIP

(Important: Kindly return this slip to the immediately after the receipt of the Account Statement).

I hereby acknowledge the receipt of the Annual Statement of my Provident Fund Account for the year 20.....20.....
I certify that to the best of my knowledge and information the balance shown therein is correct.
I am to state that I do not accept the balance shown therein as correct for the reasons given over-leaf.

Signature

Designation……..
Date…….

FOR USE IN ACCOUNTS OFFICE

Noted in the Ledger Card/Folio

Accountant/ Sr. Accountant

Asstt. Accounts Officer

FORM -CAM-50
(Para 10.11.1)

REGISTER OF MISSING G.P. FUND CREDITS/DEBITS

Sl.No.	Name of the Subscriber	G.P. Fund Account No.		Details of Missing				Details of adjustment		Remarks
				Credits		Debits		T.E. No. & Date	C.E. Basis	
		Old	New	Month	Amount	Month	Amount			

(FORM CAM-51)(Para10.12.2)

REGISTER OF FINAL PAYMENT CASES

Sl.No.	No. & Date forwarding the application	Name & Designation	Account No.	Date of Death/retirement/quitting service	Date of authorising payment		Details of actual payment	Date of receipt of disbursement certificate		**Remarks
					*Available balance	Residual Balance	*AB RB (indicate voucher No. & Date)	*AB	RB	

* Note (1) : When a single payment is made for the final settlement, the column “A.B.’ would *not* be used.

* * Note (2) : Reminders issued for receipt of disbursement certificates are to be noted in Remarks column.

FORM CAM-52

(Para 7.3.2)

(Rubber stamp of the Office issuing the Pension Payment order)

PENSION PAYMENT ORDER

(Pensioner's Portion)

P.P.O. No._____ Date_____ Debitable to_____ Union Government.

Head of Account
Major Head/Sub-major Head
Minor Head
Voted /Charged

Sir,

UNTIL FURTHER NOTICE, and on the expiration of every month be pleased to pay Shri/Smt…….the pension as set out in Part II of this order /Family Pension as set out in Part III of this order * Plus the amount of dearness relief as admissible from time to time thereon after due identification of the pensioner/family pensioner. The Payment shouldcommence from……. . The income tax, where deductible, should be deducted at source.

2. Arrears of pension/family pension at Rs._____P.M. (Rupees_____per month) from ……to…….plus admissible dearness relief thereon has been paid/ shall also be paid to Shri/Smt…….by PAO/Bank. (strike off whichever is not applicable)

3. Provisional pension/family pension has been/shall be paid for the period from ------- to --------- @ Rs. ---------- plus Dearness Relief . The payment of final pension/family pension shall be commenced by the bank w.e.f. ---------- .(Strike off whichever is not applicable).

Signature

Designation

(Special Seal of the Pension Payment Order issuing Authority)

To

(Pension Disbursing Authority where pension is to be paid)-Stike out whichever is not relevant

(1)Pay&Accounts Officer,M/o…….D/O……..

(2) Name of the Paying Branch (with IFSC code)……(Mandatory).

…… **… Account No.**

* In applicable clause to be deleted.

Part I : - Particulars of service of the pensioner/deceased Government servant
("Strikeout whichever is not admissible")

1. Name of the Government Servant.
2. Post /Grade/Rank/ last head

2.a. Group of Service……Cadre……..State……Batch

2.b. Gallantry awardee (Y/N)

3. Detail of establishment of pensioner/deceased Government servant retired/last attended

   a. Name of the Ministry/Deptt./ Office.

   b. Designation /Address of Head of Office

   c. Address/code of PAO

   d. Designation /Address/code of DDO

   e. EIS Number/Payroll ID (if available)

4 Pay level in the Pay Matrix last held by the Government Servant at the time of retirement (Mandatory)

4(a) Pay last drawn

5. Date of Birth
6. Date of entry into Government service.
7. Date of ending service (Last day of Service).
8. Details of weightage in service allowed, if any.
9. Period of service not qualifying for pension.

From	To	Period			Reasons
		Y	M	D	

10. Total length of Qualifying Service . [Col. (7-6)+ (8-9)] …..years…….months…days

11. EMOLUMENTS DRAWN DURING 10 MONTH PERIOD AND THOSE RECKONED FOR CALCULATION OF AVERAGE EMOLUMENTS

From	**To**	**Emoluments drawn**			**Emoluments reckoned for Averageemoluments**			**Remarks**
		Pay	**Other items with details viz. Personal Pay, Spl. Pay, Deputation Allowance, DA, etc.**	**Total**	**Pay**	**Other items reckoned with details**	**Total**	
1	2	3	4	5	6	7	8	9

12. Average Emoluments for pension Rs.
13. Emoluments for family pension. Rs.
14. Emoluments for Retirement Gratuity/Death Gratuity. Rs.
15. Amount of Retirement Gratuity/Death Gratuity allowed (Not to be paid /to be paid by the Bank) Rs.
16. Grant of Medical allowance to be paid by the Bank
17. Details of Extra Ordinary Pension(EOP)
    a) Category **(B, C, D or E as per EOP rules)**
    b) Percentage of disability
    c) Service Element :
    d) Disability Element:
    e) Pension Sanctioned :
18. Constant Attendant allowance

19. Monetary allowances attached with Gallantry award to be paid by Pension Disbursing Authority:……

(No Dearness Relief is payable on Sl. No. 16, 18 and 19)

Part II (Applicable on Retirement)

Section I - particulars of Pensioners

1. Joint photograph with the spouse.

Image of signature

2. Name of the retiring Govt. Servant.
3. Permanent Address.
4. Personal marks of identification.

4a. Signatures or the left hand Thumb impression of the pensioner (To be obtained at the time of first payment of pension).

5. Permanent Account Number for Income Tax(PAN)
6. Aadhar No. (if available)
7. Mobile No. (if available)
8. Email id: (if available)

Image of signature

Section 2 - Details of pension.

Sl. No.		Original Pension	Revised Pension (1)	Revised Pension (2)
1	Amount of monthly pension before commutation (i.e. basic pension).			
2	Class of Pension			
3.	Rules under which sanctioned			
4	Date of commencement of pension			
5	Fraction/amount of pension commuted, ifany			
6	Commuted value and the date of its payment			
7	Reduced monthly pension after commutation			
8	Date of commencement of reduced basic pension			

9	Date (in words) from which commuted portion shall stand restored (subject to pensioner being alive on that date).			
10	Whether the pensioner/Family Pensioner is in receipt of any other pension. If so, its particulars and source from which being drawn.			

Section 3 - Details of family pension payable on the death of the pensioner.

1. Rules under which family pension is admissible
2. Details of family members eligible for family pension in the event of the death of pensioner in their order of eligibility as per CCS (pension) rules. Family Pension of co-authorised members (refer column 9 below) shall be disbursed directly by PDA as provisioned in CCS (Pension) Rules without routing the case to Head of Office. Separate PPO is not required for co-authorised members in the PPO.

.

Sl. No.	Name	Marital status (whether married/ unmarried/ widow/widower/ divorcee)	Relationship with the Govt. servant	D.O.B	Address	Whether disabled/ (Yes/No)	If yes in col 7(a), the nature of disability (Permanent / Temporary)	Aadhaar Number	Whether member under column 2 is eligible for co-authorisation PPO (Y/N)	% of family pension, if applicable
1	2	3	4	5	6	7(a)	7 (b)	8	9	10

3. Amount of family pension.

	Amount Rs	**From**	**To**
		The day following the date of the death of the pensioner	
(i) At Enhanced Rate			
(ii) At Normal Rate			

Part III
(Applicable on death while in service)

Section I - Particulars of family pensioner

1. Photograph of the Family Pensioner

Image of signature

2. Name of the recipient of family pension

2(a) Date of Birth of family pensioner

3. Relationship with the deceased Govt. Servant.
4. Permanent Address.
5. Personal marks of identification
6. Signature or the left hand Thumb impression of the family pensioner (To be verified by PDA)
7. Whether the pensioner/Family Pensioner is in receipt of any other pension. If so, its particulars and source from which being drawn.

Section 2

1. Rules under which Family pension is sanctioned.
2. Amount of family pension.

	Amount Rs	**From**	**To**
(i) At Enhanced Rate (ii) At Normal Rate			

3. Details of other family members eligible for family pension in the event of the death of family pensioner in their order of eligibility as per ccs (pension) rules. Family Pension of co-authorised members (refer column 9 below) shall be disbursed directly by PDA as provisioned in CCS (Pension) Rules without routing the case to Head of Office. Separate PPO is not required for co-authorised members in the PPO.

Sl. No.	Name	Marital status (whether married/ unmarried/ widow/widower/ divorcee)	Relationship with the Govt. servant	D.O.B	Present Address	Whether disabled (Yes/No)	If yes in col 7(a), the nature of disability (Permanent/ Temporary	Aadhaar Number	Whether member under column 2 is eligible for co-authorisationin PPO (Y/N)	% of family pension, if applicable
1	2	3	4	5	6	7(a)	7 (b)	8	9	10

PART-IV: -

(CO-AUTHORIZATION OF FAMILY PENSION OF PERMANENTLY DISABLED CHILDREN/DEPENDENT PARENTS & PERMANENTLY DISABLED SIBLINGS)

Section 1- Particu1ars of Family Pensioner

1.Photograph of the Family Pensioner (i.e. Permanently Disabled Children/ Dependent Parents & Permanently Disabled Siblings).

2 a) Name of the recipient of family pension

b) Name of the guardian in case of Mentally Challenged Children

3. Date of Birth of family pensioner

4 Relationship with the deceased Govt. Servant

5 Permanent Address

6 Personal marks of identification

Image of signature

6a. Signature/ the left hand Thumb impression of the family pensioner (To be verified by PDA).

7 Whether the pensioner/family pensioner is in receipt of any other pension, if so, its particulars and source from which being drawn

Section 2

1 Rules under which Family pension is sanctioned

2. Amount of Family Pension

	Amount (Rs.)	From	To
(i)	At Enhanced Rate		
(ii)	At Normal Rate		

Section 3- Details of Pension Disbursing Authority

1. Name of the Paying Branch

2. Address with Pincode

3. IFSCode

4. Saving Bank Account No.

Notes: -

i) The name(s) of permanently disabled child /children/ siblings and /or dependent parents may be added to the PPO issued to the retiring Government servant only if there is no oth*er* eligible prior claimant for family pension other than the spouse.

ii) The authorization made shall become invalid in case a person becomes member of family after issue /amendment of such PPO and is entitled to family pension prior to the disabled child/ sibling/dependent parent at the time of the death of the pensioner/ spouse.

PART –IV A

(Post sanction revision of pension/Family Pension /Dearness Relief) Amount of Pension at the time of Retirement Rs._____.

Amount of Dearness Relief at the time of retirement_____.

Letter No.& Date	Date of effect	Amount of Revised PensionRs	Reasons Revision	Amount of Revised Dearness Relief Rs.	Total Monthly Pension Plus Dearness Relief payable Rs.	Remarks	Initials of designated officer

PART V

Record of transfer of PPO from one Pension Disbursing Authority to another, if any.

Sl.No.	Full particulars of PDA at which pension is drawn before transfer	Date upto which pensionhas been paid.	Full particulars of PDA to whichPPO is transferred	Date signature of authorised officer of transferring PDA

PART VI

Periodical identification of pensioner
(To be done twice a year if payment is by postal money order, otherwise annually)

Date	**Initials of designated Officer**	**Date**	**Initials of designated Officer**	**Date**	**Initial of Designated Officer**

PART VII
(Record of Disbursement)

Month for which pension is due	**Amount**			**Date of Payment**	**Disbursing officers initials**	**Remarks**
	Pension Rs.	**Dearness Relief Rs.**	**Total Rs**			
March						
April						
May						
June						

July						
August						
September						
October						
November						
December						
January						
February						

Note : Dearness relief is payable with reference to the amount of pension before commutation.(Rubber stamp of the Office issuing the Pension Payment order)

Part VIII

PPO Record/History Table of pensioner and family pensioner

(Intimation is to be given to CPAO on commencement of family pension to the next beneficiary by CPPC. Commencement date of pension/family pension is to be recorded in order to their eligibility)

Name of the Government Servant:

Details of PPOs numbers, if any, in case family pension is shared more than one beneficiary.

Sl. No.	Pensioner/ family pensioner detail/name	Relationship with pensioner/ Govt. Servant	PPO No.	Date of commencement of pension/family pension	Date of cancellation of PPO of pensioner/ family pensioner, if any.	Detail of Special Seal Authority issued by CPAO.	
						Letter No.	Date

PENSION PAYMENT ORDER

(Disburser's Portion)

P.P.O. No._____Date_____

Debitable to_____Union Government.

Head of Account
Major Head
Minor Head
Voted /Charged

Sir,

UNTIL FURTHER NOTICE, and on the expiration of every month be pleased to pay Shri/Smt._____the pension as set out in Part II of this order /Family Pension as set out in Part III of this order *

Plus the amount of dearness relief as admissible from time to time thereon after due identification of the pensioner/family pensioner. The Payment should commence from_____. The income tax, where deductible, should be deducted at source.

2. Arrears of pension/family pension at Rs._____P.M. (Rupees_____per month) from_____to_____plus the admissible dearness relief thereon has been/shall also be ~~may~~ paid to Shri/Smt._____By PAO/Bank.

3. Provisional pension/family pension has been/shall be paid for the period from ------- to --------- @ Rs. ---------- --- plus Dearness Relief . The payment of final pension/family pension shall be commenced by the bank w.e.f. ---------- .

(Strike off if it is not applicable).

Signature

Designation

(Special Seal of the Pension Payment Order issuing Authority)

To

(Pension Disbursing Authority where pension is to be paid)

(1)Pay & Accounts Officer, M/o__D/O

(2) Name of the Paying Branch (with IFSC code) (Mandatory)

Account No.

* In applicable clause to be deleted.

Part I : - Particulars of service of the pensioner/deceased Government servant

("Strike out whichever is not admissible")

.

1. Name of the Government.
2. Post /Grade/Rank/ last held
   2a. Group of Service……..Cadre……..State…….Batch
   2b. Gallantry Awardee (Y/N).
3. Detail of establishment of pensioner/deceased Government servant retired/last attended

   a. Name of the Ministry/Deptt./ Office.

   b. Designation /Address of Head of Office

   c. Address/code of PAO

   d.Designation /Address/code of DDO

   e. EIS Number/Payroll ID (if available)

4. Pay level in the Pay Matrix last held by the Government Servant at the time of retirement (Mandatory)
5. Date of Birth
6. Date of entry into Government service.
7. Date of ending service (Last day of Service).
8. Details of weightage in service allowed, if any.
9. Period of service not qualifying for pension.

From	To	Period			Reasons
		Y	M	D	

10. Total length of qualifying Service. Years Months Days [Col. (7-6) + 8-9]

11. EMOLUMENTS DRAWN DURING 10 MONTH PERIOD AND THOSE RECKONED FOR CALCULATION OF AVERAGE EMOLUMENTS

From	To	Emoluments drawn			Emoluments reckoned for Average emoluments			Remarks
		Pay	Other items with details viz. Personal Pay, Spl. Pay, Deputation Allowance, DA, etc.	Total	Pay	Other items reckoned with details	Total	
1	2	3	4	5	6	7	8	9

12. Average Emoluments for pension Rs.
13. Emoluments for family pension. Rs.
14. Emoluments for Retirement Gratuity/Death Gratuity. Rs.
15. Amount of Retirement Gratuity/Death Gratuity allowed (Not to be paid/to be paid by the bank Rs.
16. Grant of Medical allowance to be paid by the Bank
17. Details of Extra Ordinary Pension (EOP)
    a) Category **(B, C, D or E as per EOP rules)**
    b) Percentage of disability
    c) Service Element :
    d) Disability Element:
    e) Pension Sanctioned :
18. Constant Attendant allowance

(No Dearness Relief is payable on Sl. No. 16&18)

Part II
(Applicable on Retirement)

Section I - particulars of Pensioners

1. Joint photograph with the spouse.

2. Name of the retiring Govt. Servant.
3. Permanent Address.
4. Personal marks of identification.

Image of signature

4.a. Signatures or the left hand Thumb impression of the pensioner (To be verified by PDA).

5. Permanent Account Number for Income Tax(PAN)

6. Aadhar No. (if available)

7. Mobile No. (if available)

8. Email id: (if available)

Section 2 - Details of pension.

Sl. No.		Original Pension	Revised Pension (1)	Revised Pension (2)
1	Amount of monthly pension before commutation (i.e. basic pension).			
2	Class of Pension			
3.	Rules under which sanctioned			
4	Date of commencement of pension			
5	Fraction/amount of pension commuted, if any			
6	Commuted value and the date of its payment			
7	Reduced monthly pension after commutation			
8	Date of commencement of reduced basic pension			
9	Date (in words) from which commuted portion shall stand restored (subject to pensioner being alive on that date).			
10	Whether the pensioner/Family Pensioner is in receipt of any other pension. If so, its particulars and source from which being drawn.			

Section 3 - Details of family pension payable on the death of the pensioner.

1. Rules under which family pension is admissible
2. Details of family members eligible for family pension in the event of the death of pensioner in their order of eligibility as per CCS (pension) rules. Family Pension of co-authorised members (refer column 9 below) shall be disbursed directly by PDA as provisioned in CCS (Pension) Rules without routing the case to Head of Office. Separate PPO is not required for co-authorised members in the PPO.

Sl. No.	Name	Marital status (whether married/ unmarried/ widow/widower/ divorcee)	Relation ship with the Govt. servant	Date of Birth	Address	Whether disabled (Yes/ No)	If yes in col.7(a), the nature of disability (Permanent/ Temporary)	Aadhaar Number	Whether member under column 2 is eligible for co-authorisationin PPO (Y/N)	% of family pension, if applicable
1	2	3	4	5	6	7(a)	7(b)	8	9	10

3. Amount of family pension (payable in the event of the death of the pensioner).

	Amount Rs	**From**	**To**
		The day following the date of the death of the pensioner	
(i) At Enhanced Rate (ii) At Normal Rate			

Part III
(Applicable on death while in service)

Section I - Particulars of family pensioner

Photograph of the Family Pensioner
1. Joint photograph with the spouse.

2. Name of the recipient of family pension
2.a. Date of Birth of family pensioner
3. Relationship with the deceased Govt. Servant.
4. Permanent Address.
5. Personal marks of identification
6. Signature or the left hand Thumb impression of the family pensioner (To be verified by PDA)
7. Whether the pensioner/Family Pensioner is in receipt of any other pension. If so, its particulars and source from which being drawn.

Image of signature

Section 2

1. Rules under which Family pension is sanctioned.
2. Amount of family pension.

	Amount Rs	**From**	**To**
(i) At Enhanced Rate (ii) At Normal Rate			

3. Details of other family members eligible for family pension in the event of the death of family pensioner in their order of eligibility as per ccs (pension) rules. Family Pension of co-authorised members (refer column 9 below) shall be disbursed directly by PDA as provisioned in CCS (Pension) Rules without routing the case to Head of Office. Separate PPO is not required for co-authorised members in the PPO.

SI. No.	Name	Marital status (whether married/unmarried/widow/widower/divorcee)	Relationship with the Govt. servant	Date of Birth	Present Address	Whether disabled (Yes/ No)	If yes in col.7(a), the nature of disability (Permanent/ Temporary)	Aadhaar Number	Whether member under column 2 is co-authorised in PPO (Y/N)	% of family pension, if applicable
1	2	3	4	5	6	7(a)	7(b)	8	9	10

PART-IV -

(CO-AUTHORIZATION OF FAMILY PENSION OF PERMANENTLY DISABLED CHILDREN/DEPENDENT PARENTS & PERMANENTLY DISABLED SIBLINGS)

Section 1- Particu1ars of Family Pensioner

1.Photograph of the Family Pensioner (i.e. Permanently Disabled Children/ Dependent Parents & Permanently Disabled Siblings).

2. Name of the recipient of family pension

b) Name of the guardian in case of Mentally Challenged Children

3. Date of Birth of family pensioner

4 Relationship with the deceased Govt. Servant

5 Permanent Address

6 Personal marks of identification

Image of signature

6a. Signature/ the left hand Thumb impression of the family pensioner (To be verified by PDA).

7 Whether the pensioner/family pensioner is in receipt of any other pension, if so, its particulars and source from which being drawn

Section 2

1 Rules under which Family pension is sanctioned

2. Amount of Family Pension

	Amount (Rs.)	From	To
(iii)	At Enhanced Rate		
(iv)	At Normal Rate		

Section 3- Details of Pension Disbursing Authority

5. Name of the Paying Branch

6. Address with Pin Code

7. IFS Code

8. Saving Bank Account No.

Notes: -

i) The name(s) of permanently disabled child /children/ siblings and /or dependent parents may be added to the PPO issued to the retiring Government servant only if there is no oth*er* eligible prior claimant for family pension other than the spouse.

ii) The authorization made shall become invalid in case a person becomes member of family after issue /amendment of such

PPO and is entitled to family pension prior to the disabled child/ sibling/dependent parent at the time of the death of the pensioner/ spouse.

PART –IV A
(Post sanction revision of pension/Family Pension /Dearness Relief)
Amount of Pension at the time of Retirement Rs._____.
Amount of Dearness Relief at the time of retirement_____.

Letter No. & Date	Date of effect	Amount of Revised Pension Rs	Reasons Revision	Amount of Revised Dearness Relief Rs.	Total Monthly Pension Plus Dearness Relief payable Rs.	Remarks	Initials of designated officer

PART V
Record of transfer of PPO from one Pension Disbursing Authority to another, if any.

Sl.No.	Full particulars of PDA at which pension is drawn before transfer	Date upto which pension has been paid.	Full particulars of PDA to which PPO is transferred	Date signature of authorised officer of transferring PDA

PART VI
Periodical identification of pensioner

Date	Initials of designated Officer	Date	Initials of designated Officer	Date	Initial of Designated Officer

PART VII
(Record of Disbursement)

Month for which pension is due	Amount	Date of Payment	Disbursing officers initials	Remarks

	Pension Rs.	Dearness Relief Rs.	Total Rs			
March April						
May June July August September October November December January February						

Note : Dearness relief is payable with reference to the amount of pension before commutation.
(Rubber stamp of the Office issuing the Pension Payment order)

Part VIII

PPO Record/History Table of pensioner and family pensioner

(Intimation is to be given to CPAO on commencement of family pension to the next beneficiary by CPPC)

(Commencement date of pension/family pension is to be recorded in order to their eligibility)

Name of the Government Servant:

Details of PPOs numbers, if any, in case family pension is shared more than one beneficiary.

Sl. No.	Pensioner/ family pensioner detail/name	Relationship with pensioner/ Govt. Servant	PPO No.	Date of commencement of pension/ family pension	Date of cancellation of PPO of pensioner/ family pensioner, if any.	Detail of Special Seal Authority issued by CPAO.	
						Letter No.	Date

IMPORTANT INSTRUCTIONS

(To appear on inside cover of the PPO booklet)

No payment shall be liable to seizure, attachment of sequestration by process of any Court in India in the instance of creditor for any demand against the pensioner (Section II, ACT XXIII of 1871).

Payment under this order is to be made only to the pensioner in person, with the following exceptions.

a. To persons specially exempted byGovernment.
b. To females unaccustomed to appear in public and to persons unable to appear on account of illness or bodilyinfirmity.

(Payment in both cases (a) and (b) is made on production of a Life Certificate signed by a responsible officer of Govt. or other well-known and trustworthy person).

c. To any person sending a Life Certificate signed by some persons exercising the powers of a Magistrate under the Criminal procedure Code, or by any Registrar or Sub-Registrar appointed under the Indian Registration Act, 1908 or by any pensioned officer who, before retirement exercised the powers of a Magistrate or by any Gazetted officer, or by a Munsiff or by a police officer not below the rank of Sub-Inspector incharge of a police station or by a Post Master, a Departmental sub-post Master or an Inspector of post offices, or by officers of the Reserve Bank of India and Public sector Bank or by the Head of a village Panchayat, Gaon Panchayat or Gram Panchayat or by the Head of an executive Committee of a village or by a Bank included in the second schedule to the Reserve Bank of India Act 1934, in respect of persons drawing pension through that Bank.
d. In all cases referred to in clauses (a), (b) & (c) the Disbursing officer must at least once a year require proof independent of that furnished by the life certificate of the continued existence of the pensioner. The pension shall not be paid on account of a period more than a year after the date of life certificate last received and the disbursing officer must be on the watch for authentic information of the decease of any such pensioner and on receipt thereof, shall promptly stop further payments.

3. Thequantumofpensionavailabletooldpensioners/familypensionerswillbeasfollows: -

Age of pensioner/family pensioner	**Additional quantum of pension/ family pension**
From80 years to less than 85 years	20%of basic pension/ family pension
From85 years to less than 90years	30%of basic pension/ family pension
From90 years to less than 95years	40%of basic pension/ family pension
From95 years to less than100years	50% of basic pension/ family pension
100 years or more	100%of basic pension/ family pension

4.In the event of the death of the pensioner governed by the Liberalised pension Rules within a period of five years from the date of retirement the Disbursing officer should take the following action: -

(i) Intimation regarding the benefits of family pension and/or residuary gratuity admissible under of Liberalised pension Rules under certain circumstances should be sent to the person to whom arrears of the pension are paid or are payable under Rule 370 of the Central Treasury Rules Vol. I,and

(ii) IntimationabouT thedeath ofthepensionershouldbesenttotheHeadoftheOffice/Deptt.alongwithstatementofpension etcsofar paid, in orderto able him to take further action regarding grant offamily pension and/or residuary gratuity

5. The Galantry allowance (refer Sl.NO.19 of Part I) is payable to the awardee till his life and, on his death, to his/her spouse.

FORM CAM-52 A

Register of P.P.Os authorised for payment at_____(Name of the Bank)

Sl. No	Name of pensioner, Service to which belonged and post last held	Number of P.P.O. and the name of Accounts Office by whom issued	Month for & from which pension authorised to be paid by bank	Amount of basic pension	No. & date of authority letter for subsequent increase or decrease due to revision or commutation of pension & amount thereof	Amount of family pension & name of spouse Name of child(ren)/guardian	Special conditions if any attached to continued payment of pension/Date, if indicated from which pension will cease to be payable	Allocation of pension	Remarks
1	2	3	4	5	6	7	8	9	10

Notes:

1. The facts relating to transfer of P.P.O. or death of pensioner should be noted in the remarks column.
2. Name of Child(ren)/guardian to be indicated where both pensioner and his/her spouse are dead and family pension is to be paid to child(ren)/guardian on the basis of a separate authority.
3. Entries in Col. 8 should be made in red ink.
4. Decreased rate of pension as a result of commutation should be shown in Col.6 from the date indicated in the payment authority for commuted value of pension.
5. The terms basic pension includes ad-hoc relief sanctioned w.e.f. 1.1.73 and temporary/ad-hoc increase, if any, in case of 31.12.72 pensions.

FORM CAM-52B

Terminal Benefits REgister

(Part I)

Sl. No.	PARTICULARS									ENTITLEMENTS	
	Name & Designation of retiring Govt. servant	Date of Birth	Date of entry in service	Date of Retirement Type of Retirement	Qualifying Service	Pay last drawn	Average emoluments	Whether opted new scales w.e.f. Or Merger of DA/ADA	Pension Reduced pension after commutation	DCRG	Family Pension
1	2	3	4	5	6	7	8	9	10	11	12

PART I

AUTHORISATION					
Nature of Entitlements	Amount (Rs.)	Authority letter No. & Date	PPO No.	Place of payment	Initials of P.A.O.
1	2	3	4	5	6
a. Provisional Pension b. Pension c. DCRG d. Commuted value of pension e. Leave encashment					

f. Residual amount					

PART II

Nature of Payments	Amount (Rs.)	Vr. No.	*Date of Payment	Remarks
1	**2**	**3**	**4**	**5**
a. Provisional Pension b. Pension c. DCRG d. Commuted value of pension e. Leave encashment f. Residual amount				

- Date of Revised Pension (after commutation)
  (Authority : File No.1(14)/87/TA & CTR/Pension's U.O. No.23031/2/85/MF-CGA/918 dated 28-2-1987)

FORM CAM-53
(Para8.2.1)

REGISTER OF OUTWARD CLAIMS

YEAR _____
Transactions arising in the account of the ……which are adjustable by ……..

Voucher No./Date Challan No/Date	Recoveries Receipts	Payments	Net amount of claim to be preferred (3-2)	Net amount due to the other party (2-3)	No. & Date of letter forwarding the claim	No. & Date of the cheque issued if the amount is due to the other party	Whether figures under Cols. 2 & 3 tally with the ledger figure. If not, reasons for variation	No. & Date of the cheque received	No. of challan received from Bank with receipt scroll for credit of the cheque	Initials of the Accounts officer
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
April										
TOTAL										
May										
TOTAL										

FORM CAM—54
(Para8.2.1)

PAY AND ACCOUNTS OFFICE
MINISTRY/DEPARTMENT OF …….

To

The ……
……
……

Subject: Outward Claim No……..
Sir,
The schedule(s) (Form ……..) of receipts and disbursement which arose in the account of this office during the month of..... 19… and are adjustable in your books as per summary given hereafter, are sent herewith along with:

i. Cheque/Demand Draft No…….. Date….....(or)
ii. The request that a Cheque/Demand Draft for Rs……. (Rupees .....) drawn in favour of PAO……..Ministry/Department…..may be sent to the undersigned by name, within seven days of the receipt of this claim.

Summary of outward claim

	Rs.	**P.**
Receipts		
Payments		
Net		

Receipts

Payments

Please return the lower half of this letter, duly signed immediately, in acknowledgement.

PAY AND ACCOUNTS OFFICER
MINISTRY/DEPARTMENT ……..

Details of enclosures

(i) Schedule(s) Debits / Credits containing Details of Schedules /Vouchers sent
(ii) Cheque/Demand Draft.

(Portion to be returned by the addressee)

Receipt is hereby acknowledged of the account received with him letter alongwith the Cheque/Demand Draft No…….. Dated..... For Rs…..... Steps are being taken to send Cheque/Demand draft in settlement of the debit raised.

Signature and Designation…….
Office of the ……..

To

The Pay and Accounts Officer,
Ministry/Department of ……..

Issue No…… Date……
(Enclosure to Form CAM - 54)

PAY AND ACCOUNTS OFFICE
MINISTRY ……..
DEPARTMENT…...

Schedule of Debits/ Credits adjusted by……..
Transactions pertaining to Month of ……..20……..

No. of the accompanying vouchers or of Schedules of recoveries etc.	Particulars	Amount		Remarks
1	2	3		4
		Rs.	P.	

	TOTAL			

OFFICE OF THE
THE 20….

SIGNATURE
DESIGNATION

FORM CAM-55
(Para 8.3.4)

REGISTER OF INWARD CLAIMS

Transactions arising in the accounts of ……..adjustable in the accounts of .....Department.

1. Serial No.
2. No. and date of the letter with which the Account was received
3. Period of Account
4. Receipts
5. Payments
6. Net amount due from the other party (4-5)
7. Net amount due to the other party (5-4)
8. Particulars of the draft/cheque received with Inward account (No. and date)
9. Amount
10. No. and date of letter forwarding the draft/Cheque to the other Party
11. Particulars of cheque sent to the other party (No. and date)
12. Amount
13. Initials of the Accounts Officer
14. Amount placed under PAO Suspense and referred to departmental officer
15. No. and date of the T.E. clearing the Suspense Head
16. Date on which the amount appeared in bank Scroll (for cheques/drafts received from other Party vide Column 8 and sent to bank).
17. Initials of Junior/Asst. Accounts Officer
18. Remarks

FORM CAM-56

(Para 8.3.2)

No…… Date. The……..

OFFICE OF THE ……..…….

……..

……..

To

……

……

……

As requested in your letter No…… dated……. Cheque No…… dated…….. for Rs…..(Rupees ……..) is sent herewith in settlement of your account for month ending …… 20.....as per details given below:

	Rs.
Receipts accepted	
Payments accepted	
Net	
Receipts / Payments accepted	

Please return the lower half of this letter duly signed, immediately in token of acknowledgement.
Details of enclosures:
Cheque No.

Signature
Designation
OFFICE OF THE …….
……

Receipt is hereby acknowledged of his letter No……. dated …… alongwith the Cheque No…… dated for Rs…… (Rupees ……) and..... vouchers/schedules returned.

Signature

Designation

To

The……
……

Issue No…….. dated ……

FORM CAM - 57
[Para 9.4.3(ii)]

(To be returned in original with reply noted in right hand column, immediately after receipt)

Office of the PAO Ministry of …….. Deptt. Dated, the 20 To …….. …….. **MEMO** With reference to …… ……..No……dated …… ……from……transferring services of ..... to the …… (Here name of Head of office) You are requested to ascertain and report the following information in the right-hand column, and to forward duly completed in respect of his services under the Govt. i.e. till the last day of his giving over charge of his duties, his Service Book in accordance with subsidiary rule …… framed by the Government of …… 1. Date and hour (whether before or afternoon) at which he relieved of his duties under the Government of …….. 2. Date and hour (whether before or afternoon) at which he assumed charge of his duties under the foreign employer. 3. Transit pay sanctioned under FR. 144 4. (a)Substantive appointment at the time of transfer to Foreign Service, if any. (b) Officiating appointment at the time of transfer to Foreign Service, if any. (c) Head of Account to which pay was debitable before transfer to Foreign Service. 5. Service to which he belongs, i.e. IAS, All India and Class I, Class II Service or Subordinate Service. 6. Date of birth. 7. Pay in Government Service from time to time for one year before transfer to Foreign Service.	Reply No. …… Dated, the 20 To The PAO Ministry/ Deptt of …….. …….. **MEMO** I am to furnish the following information together with Service Book duly completed as desired: 1. .....20 Before/After - noon 2…..... 20 Before/After - noon 3. Rs…….. 4.(a)…….. (b)…… (c)…… 5. …….. 6. …….. 7. Rs…… 8. Rs…… 9. …… 10. …… Signature …… Designation……

8. Pay and allowances, (if any) to be paid by the Foreign employer. 9. Date of commencement of service. 10. Date of accrual of annual increment in substantive/officiating post under Government. Signature ……. Designation: Pay & Accounts Officer	

FORM CAM-58

(Para 9.5.1)

REGISTER OF GOVERNMENT SERVANTS LENT OR TRANSFERRED ON FOREIGN SERVICE

No……..
Name ……
Date of Birth ……

1. To whom lent	……...
2. Official designation	……...
3. Scale of pay of the post in Government service held by the officer	……...
4. Head of account to which pay was debitable before transfer (Voted/Non-voted	……...
5. Monthly rate of sanctioned pay in Foreign Service under Fundamental Rules	……...
6. No. and date of order with the name of the Government sanctioning transfer	……...
7. Rate of monthly contributions under Fundamental Rules for :- a. Leave Salary b. Pension	……...
8. When lent	……...
9. Where to be recovered	……...
10. Number of years of service completed on ..... For the purpose of determining the rate of pension contribution.	……...

NOTES - LEAVE

Number and date of order	**Kind of leave**	**Period of leave**		**Details of payment of leave salary to the official/borrowing department**
		FROM	**TO**	

NOTES PENAL INTEREST

Amount of interest due		No. & date of reference	Amount recovered		Date of recovery	Amount of interest due		No. & date of reference	Amount recovered		Date of recovery
Rs.	P.		Rs.	P.		Rs.	P.		Rs.	P.	

PARTICULARS OF CONTRIBUTIONS ACTUALLY RECOVERED

Year/Period	Pension Contribution	Total	Year/Period	Pension Contribution	Total
Leave Salary Contribution			Leave Salary Contribution		

FORM CAM-59
(Para 10.5.2)

BROADSHEET OF LOANS TO STATE GOVERNMENTS ETC. FOR THE YEAR 20 …….20……..

(To be maintained separately for payments i.e. debits & repayments i.e. credits)

Major Head ……Minor Head ……..

Sl. No.	To whom granted Party which has paid	Page of the loan Register	April		May		June		July		August		September		October		November		December		January		February		March		March Final and Supplementary (Supplementary entries in red ink)	Total for the year
	TOTAL Figures as per Ledger Difference Initials of J.A.O Initials of A.O.																											

FORM CAM - 60

(Para 10.11.1)

REGISTER OF INVESTMENTS OF THE UNION GOVERNMENT IN STATUTORY CORPORATIONS, GOVERNMENT COMPANIES, OTHER JOINT STOCK COMPANIES, COOPERATIVE BANKS AND SOCIETIES ETC.

Sl. No.	Name of the Company/ Corporation/ Cooperative Society in which investment made	Number & date of letter of Ministry/ Department sanctioning the investment	Amount	Cheque/ D.D. No. and date issued	Year of Investment	Type of Shares /Debentures	Number of shares/ Debentures	Face value of each share, Debenture	No. & Date of Ministry/ Department's letters acknowledging share scrips	Total amount invested to date in the company	Percentage of Govt.'s investment to the total paid-up capital/ Debentures issued	Amount of dividend declared and credited to Govt. account	Amount of interest received in regard to debentures and credited to Govt. account	Particulars of cheque/ D.D. received and referred to in col. 13 or 14	Remarks	Initials of JAO/ AO
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**

FORM CAM - 61

(Para 10.12.2)

PAY AND ACCOUNTS OFFICE

MINISTRY/DEPARTMENT OF ……

REGISTER OF PERMANENT ADVANCES

Sl. No.	Sanction order No. and date	Office for which sanctioned	Date of drawal	Amount				Remarks (Note the acknowledgement to be received from the officer annually)
				20 - 20	20-20	20-20	20-20	
			Total on 31st March Balance as per ledger Difference if any to be reconciled Total on 31st March	_____ _____ _____				

FORM CAM -62

(Para 4.2.4)

GRANT /APPROPRIATION AUDIT REGISTER FOR THE YEAR ……..

Name and No. of Grant/Appropriation

Major, Minor and Sub-heads & Units of Appropriation	Authority		Original Grant/ Appropriation		Supplementary Grant/Appropriation		Reappropriation		Final Grant/ Appropriation		PROGRESSIVE EXPENDITURE FORWARDED UPTO THE END OF ……..													
	From Whom	No. & Date	Voted Rs.	Charged Rs.	Voted Rs.	Charged Rs.	Voted Rs.	Charged Rs.	Voted Rs.	Charged Rs.	April Rs.	May Rs.	June Rs.	July Rs.	August Rs.	September Rs.	October Rs.	November Rs.	December Rs.	January Rs.	February Rs.	March Rs.	March (Sy.) Rs.	Remarks
1.	2.		3.		4.		5.		6.		7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.

Notes :

1. Against the sub-head Surrenders or withdrawals within Grant/Appropriation in Col.1, the surrenders should be noted in Col.5 'Reappropriations'.
2. Where the progress of expenditure against the grant / appropriation under any sub-head is significantly rapid or slow, necessary warning slips should be issued to the authorities concerned .Particulars of the action taken in such cases should also be indicated in the Remarks Column.
3. Each Grant or Appropriation should be assigned a page or set of pages.
4. Cases where the excesses have already taken place should be underlined in red ink and these should be pointed out to the controlling authorities demi-officially, after investigating circumstances leading to the excess in consultation with the PAO concerned.
5. The progressive expenditure to be indicated in monthly column should be 'gross' expenditure and recoveries, if any, to be taken in reduction of that expenditure and shown in red ink in the consolidated abstract, may be Ignored.

FORM CAM - 63
(Para 16.3.2)

REGISTER OF DEPOSITS

Separate Registers are to be maintained for each class of deposits vide Part ix of C.T. Rs.)

In case the number of deposits are not very heavy, a single register may be maintained and the nature of deposits indicated in a separate column to be opened

Sl.No.	Details of Receipts				Details of Payment				Amount lapsed and credited to Govt. (See CTR 635)	Remarks
	Date of receipt	From whom received	Amount received	Initials of P.A.O.	Date	Bill No. & Date	Amount Repaid	Initials of P.A.O.		

FORM CAM - 63-A
(Para 16.3.5)

Register of Deposits lapsed and credited to Government during the year 20……. 20……..

Sl.No.	Particulars of original Deposits			T.E. No. & date	B.R. No.	Amount of refund authorised	Initials of P.A.O.
	Year of deposit & Sl.No. in the register of deposits	Name of the depositor (i.e. party concerned)	Balance lapsed		Vr. No. & date		
1.	2.	3.	4.	5.	6.	7.	8.

FORM CAM -64
(Para 8.3.4)

BROADSHEET OF P.A.O. SUSPENSE

Month of ……..

Annual Sl.No. of original entries	**Original entries arising during the month**		**Adjusting Entries**		**Particulars of Adjustment**		
	Debits	**Credits**	**Minus debit against col. 2(a)**	**Minus credit against col. 2(b)**	**Month of adjustment**	**Serial No. of original entry**	**T.E. No. &Date through which adjustment effected**
1	**2(a)**	**2(b)**	**3(a)**	**3(b)**	**4(a)**	**4(b)**	**4(c)**
Monthly closing	**Debits**	**Credits**		**Details of Closing balancee**			
Balance from last month Col.2(a) of this month Col.2(b) of this month				**Month & Year from which item outstanding**	**Serial No. of item**	**Debit**	**Credit**
Total for adjustment							
Deduct							

Adjustment during the month Total of Col.3(a) Total of col.3(b) Net outstanding							

FORM -CAM 65
(See para 1.12.3)

Register of Advices issued to Reserve Bank of India (C.A.S.) Nagpur.
Principal Accounts Office, Ministry /Department of ……
Month of ……20…….

Sl No, (to be continuous for a financial year)	Advice No. & Date	Amount	Initials of the authority signing the advice	Serial number of the corresponding clearance memo as entered in CAM - 17 A.	Remarks
1.	2.	3.	4.	5.	6.
		Total :			

Abstract pertaining to the year 20……20…… after closing of the annual Accounts.

Sl No.	Total amounts Rs

(a) Sl Nos. of advices issued during the year (for even upto the 3rd week of following April relating to the year) and not given effect to by R.B.I. in that year's accounts

(b) Total progressive amount outstanding under 'R.B.S.' (Credit side) in the accounts of March (Sy.), excluding adjustments pertaining to the previous year

(c) Analysis of difference, if any.

FORM CAM - 66

(Para 9.9.6)

Statement showing details of deductions and remittances for the year 20…….. 20…...../period

Name & Designation of the Officer ……

Ministry /Department serving

Name of the parent State /Department State Govt. of/U.T. Govt. Railway /Defence/P.T.

Designation of the Accounts Officer of the Parent Department ……

Month of Salary	Amount of Deductions			Particulars of Cheque sent			Details of the forwarding letter	Date of encashment of cheque if available or of acknowledgement thereof	Remarks, if any
	G.P.F.	House Building Advance	M.C. Advance	No.	Date	Amount of Cheque			
March									
April									
May									
June									
August									
September									
October									
November									
December									
January									
February									

FORM CAM 67
(See para 7.16.2)

Pre-Receipted Bill for payment of award from the compassionate Fund of the Government of India
Sanction No. …… Date …… Bill No. ……
Quarter ending …… Head of Account ……
Received the sum of Rs…….. (Rupees ……) being the lump-sum * payment/payment* for the quarter ended …….
from the Compassionate Fund of the Govt. of India sanctioned by…..... (Name of the Min/ Deptt.) vide section letter mentioned above.
Dated ……..

Signature of the Beneficiary
(Name in Block letters)

* Delete whichever is not applicable

For use in Departmental Office

@ Countersigned for payment of Rs…… (Rupees… .....) to beneficiary.
Crossed cheque/demand draft to be issued in favour of beneficiary.

Signature
Date
Designation of D.D.O.

@ Applicable in the case of lumpsum payment made through the D.D.O. under para 7.9.3. *Delete* for payments under paras 7.9.4 & 7.9.5.

For use in Pay and Accounts Office

Passed for payment of Rs… ..... (Rupees.....) by cheque.

Pay & Accounts Officer

Paid by cheque No……
Dated…….

D.V. No.
Pay and Accounts Officer

CAM - 68
[Vide Para 13.6(ix) & 13.7(v)]

Monthly Reconciliation Analysis

PAO…….. Month……

A - Between F.P. Bank and the PAO			
		RECEIPTS	**PAYMENTS**
(i)	Figures shown by the F.P. Bank in the DMS		
(ii)	Figures as per verification of DMS by the PAO		
(iii)	Difference		
(iv)	Reasons for the difference :		
B - Old items put through (i.e. pertaining to period prior to introduction of revised procedure)			
(i)	Total amounts put through		
(ii)	Less amounts relating to old period included now in current put through statement.		
(iii)	Amount put through relating to New Procedure		
C- Between the DMS and GAD/Link Cell			
(i)	Opening balance		
(ii)	Figures as per DMS for the month		
(iii)	Total		
(iv)	Amount put through by GAD/Link Cell relating to revised procedure.		
(v)	Closing balance		

(vi) Analysis of closing balance

(a)	**Amounts pertaining to last few days of the month not put through**

Date of transaction	Receipts	Disbursements
Total(a	_____ _____	_____ _____
(b) Other Discrepancies		
Date of put Date of Through transaction	Receipts	Disbursements
Total(b)	_____ _____	_____ _____
Grand Total (a+b)		

Asstt. Accounts Officer **Accounts Officer Dy. C.A.**

CAM 69

[Vide Para 13.6(X)]

PART - I

REGISTER OF AMOUNTS PUT THROUGH

RECEIPTS / PAYMENTS

P.A.O. , _____

Month	Amount as per DMS	Amounts put through in first month	Balances	Initials of A.O.	Amounts put through in 2nd month	Balance	Initials of A.O.	Amounts put through in subsequent month		Initials of A.O.	Remarks
								Amount	Months		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.

CAM 70
[Vide para 13.6.(XI)]
PART -II
REGISTER OF AMOUNTS PUT THROUGH
RECEIPTS/PAYM,ENTS

PAO_____

Opening Balance	April					May			
	Figures as per DMS	Progressive total upto April	Amounts put through		Closing Balance	Figures as per DMS	Progressive total upto May	Amounts put through	
			April	Total				April	May

PART - II

		June						July	
Total	Closing Balance	Figures as per DMS	Progressive total upto June	Amounts put through				Closing Balance	Figures as per DMS	Progressive total upto July
				April	May	June	Total			

PART -II

AMOUNTS PUT THROUGH						August		
Other previous months i.e., 4 & 5		June	July	Total	Closing Balance	Figures as per DMS	Progressive total upto August	Amounts put through
Amount	Month							Other previous months i.e., 4,5 & 6

								Amount	Month

PART - II

July	August	Total	Closing Balance	And so on upto the close of the year

CAM 71

[Vide para 13.6(XII)]

Statement of Monthly Reconciliation between the figures as per D.M.S and the amount booked under " 8658 - Suspense Accounts - P.S.B. Suspense " for the month of_____

		Receipts (Dr. P.S.B. Suspense)	Disbursement (Cr. P.S.B. Suspense)
i	Opening Balance		
	Amount as per D.M.S.		
iii	Total		
iv	Amount booked under “ 8658 - Suspense A/cs - PSB Suspense”		
v	Difference	_____ _____	_____ _____
vi	Explanation/Reasons for difference :		
vii	Action taken for clearance of the difference :		

CAM 72
[Vide Par 13.6(XIII)]

PAO _____

BROADSHEET OF PSB SUSPENSE
(Dr.) Receipts/Disbursements(Cr.)

Month	Opening Balance of PSB Suspense	Amount of PSB Suspense Booked in the Month	Progressive Total	Amount of Clearance of PSB Suspense in the month	Closing Balance	Remarks
4/89						
5/89						
6/89						
7/89						
& so on						

CAM 73
[Vide para 13.6(XV)]

STATEMENT OF DOUBLE /EXCESS REIMBURSEMENT

Sr. No.	Bank Name	Branch Name	Date of trans action	Amount of trans action	Date of put through	Amount put through	Date of second put through (put through for the Second time)	Amount of Second put through	Amount of excess/ double claim	Date of with drawal rectifi cation	Period of excess/ double put through	Rem arks, if any
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.

CAM 74

[Vide para 13.6 (xv)]

Report on Excess/Double Reimbursement (Attracting penal interest)

April/July/October/January

Name of Ministry/Deptt. _____

(Part - I)

Cases attracting Penal interest relating to :	Opening Balance No. of Amount Cases	Additions No. of Amount Cases	Settled with Bank No. of Amount Cases	Closing Balance No. of Amount Cases	Remarks
(i) Previous years, if any (Break up year-wise) (ii) Current year					
Total					

(Part - II) Public Sector-wise Breakup of closing balances				
Sl. No.	Name of Banks	No. of Cases	Amount	Remarks

P.A.O./Dy.C.A.

CAM 75
[Vide para 13.6 (xv)]

Repost of Excess/Double Reimbursements (Not attracting Penal interest)

Ministry/Department_____ 15th April/July/October/January

Part - I

Sl. No.	Category	Opening Balance		Additions		Closing Balances	
		No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount
I.	Between Rs. 1 lakh and 5 lakhs						
II.	Above Rs. 5 lakhs but less than Rs. 10 lakhs						

Part - II
PUBLIC SECTOR BANK WISE BREAK UP OF CLOSING BALANCE

Sl. No.	Name of the bank	Category I		Category II	
		No. of Cases	Amount	No. of Cases	Amount

P.A.O./Dy. Controller of Accounts

C.A.M. - 76

(Vide Para 14.20)

MONTHLY RECONCILIATION STATEMENT BETWEEN THE AMOUNTS AS PER DMS (REVENUE ACCOUNTS) WITH THE AMOUNT BOOKED UNDER '8658 - PSB SUSPENSE' FOR THE MONTH OF ……

	Revenue Receipts (Monthly) (Rs.)	**Revenue Refunds (Monthly) (Rs.)**	**Progressive figure for Revenue Receipts upto_____ (Rs.)**	**Progressive figures for Revenue Refunds upto_____ (Rs.)**
Opening Balance				
Total amount as per D.M.S.				
Revenue Account				
Less amount booked under '8658 - P.S.B. Suspense'				
Difference				
Explanation/Reasons for Difference				

C.A.M. - 77
(Vide Para 14.19 &14.22)

Analysis : Focal Point Bank/Link Cell, Nagpur

P.A.O._____Month _____

Revenue Receipt

Opening Balance :

Focal Point Bank :

Total :

Link Cell :

Balance (Difference) :

Details of Difference:-

Revenue Refund

Opening Balance :

Focal Point Bank :

Total :

Link Cell :

Balance (Difference) :

Details of Difference:-

Asst. Accounts Officer/Asst. Controller of Accounts

C.A.M. - 78
(Vide Para 14.19 &14.22)

Analysis : Focal Point Bank/Amount verified by the P.A.O.

P.A.O._____Month_____

Revenue Receipt

Amount indicated by Focal Point Bank In D.M.S. :

Amount verified by the P.A.O. :

Difference :

Reasons :

Revenue Refund

Amount indicated by Focal Point Bank In D.M.S. :

Amount verified by the P.A.O. :

Difference :

Reasons :

Accounts Officer (BR)

C.A.M. - 79
(Vide Para 14.23)

BROADSHEET OF AMOUNT PUT THROUGH BY LINK CELL RECEIPTS/REFUNDS

Month……..

Part - I

Name of PAO & Bank	Amount as per Focal Point Bank (DMS)	Amount put through 1st Month	Balance	Amount put through 2nd Month	Balance	Amount put through in subsequent Months	Balance
TOTAL							

Note : Separate folio for each month.

C.A.M. - 80
(Vide Para 14.23)

BROADSHEET OF AMOUNT PUT THROUGH BY LINK CELL FOR THE MONTH OF_____RECEIPTS/REFUNDS
PART - II

Sl.No	Name of the PAO & Bank Branch	Amount as per F.P.B. D.M.S.	Balance B/F	Total (3+4)	Amount put thorough during the month				Total	Balance (5-10)
					For previous year	For the current year				
						Month	month			
1	2	3	4	5	6	7	8	9	10	11
Total of all PAO										

Note : Separate folio for Receipts and Refunds

C.A.M. - 81
(Vide Para 14.24)

BROADSHEET OF PUBLIC SECTOR BANK SUSPENSE RECEIPTS (DEBIT)/DISBURSEMENTS (CREDIT)

Sl.No.	Name of P.A.O.	Opening Balance of PSB Suspense (as on 1st of the month)	Amount booked to PSB Suspense in the month	Total Progressive (Col. 3+4)	Amount cleared from PSB Suspense in the month	Closing Balance of PSB Suspense as at the end of the month	Remarks
1	2	3	4	5	6	7	8

Note: 1. Separate sheet for each month.
2. Separate sheet for Receipt and Refund.

C.A.M. - 82
(Vide Para 14.24)

YEARWISE BREAKUP OF THE CLOSING BALANCE OF PUBLIC SECTOR BANK SUSPENSE SHOWN UNDER COL.7 OF ANNXURE XIV

Month : As at the end of _____

Sl. No.	Name of P.A.O.	Year		1988-89	1989-90	1990-91	Total
		Upto 1986-87	1987-88				

Note: 1. Separate sheet for each month.
2. Separate sheet for Receipts & Refund.

C.A.M - 83
(Vide Para 15.18.1)

REGISTER OF DAILY MAIN SCROLLS RECEIVED FROM NODAL BRANCH

Name of the Bank_____

Month of _____

RECEIPTS/REFUNDS

Date	Major Head 0020	Major Head 0021	Major Head 0024	Major Head 0028	Major Head 0031	Major Head 0032	Major Head 0033	Total
1								
2								
3								
4								
5								
6								
..								
..								
31								
Total								

C.A.M. - 84
(Vide Para 15.18.1)

MONTHLY SUMMARY

MONTH OF _____

Name of the Nodal Branch, Bank	Major Head 0020		Major Head 0021		Major Head 0024		Major Head 0028		Major Head 0031		Major Head 0032		Major Head 0033		Total	
	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd
Bank I Bank II Bank III																
Total																
Net																

C.A.M. - 85
(Vide Para 15.18.2)

To

The Zonal Accounts Officer,
Central Board of Direct Taxes,
_____

Sub: Reconciliation of the monthly statement of Receipts/Refunds* for the month of _____

Sub: Reconciliation of the monthly statement of Receipts/Refunds* for the month of _____
Sir,

The monthly statement of Receipts*/Refunds* for the above mentioned month showing total Receipts*/Refunds* at Rs._____has been reconciled with the daily Scrolls and it is certified as correct.

2. The undernoted discrepancies have been noticed in the monthly statement of Receipts*/Refunds* for the above mentioned month received from your office.

Sl.No.	Date of transaction	Major Head	Amount			Remarks
			As per Scrolls	As per monthly statement	Difference	

The above discrepancies may please be reconciled and corrections made in the monthly statement at your end under intimation to this office.

Yours faithfully,
Designated Officer
CTU/LTU _____

* Strike off the inapplicable.
Note: 1. Separate letters may be written for monthly statement of Receipts and monthly statement of Refunds.
2. Delete para 1 or 2 as the case may be.

C.A.M. - 86
(Vide Para 15.18.2)

DESIGNATED OFFICER -WISE REGISTER OF MAIN SCROLLS RECEIVED BY NODAL BRANCH

Name of Nodal Branch_____ Designated Officer _____

Month _____

RECEIPTS/REFUNDS

Date	Major Head 0020	Major Head 0021	Major Head 0024	Major Head 0028	Major Head 0031	Major Head 0032	Major Head 0033	Total
1								
2								
3								
4								
5								
6								
..								
..								
31								
Total								

ZONAL ACCOUNTS OFFICER

C.A.M. - 87
(Vide Para 15.19.2)

DESIGNATED OFFICER-WISE MONTHLY SUMMARY

Designated Officer _____
MONTH OF _____

Name of the Bank	Major Head 0020		Major Head 0021		Major Head 0024		Major Head 0028		Major Head 0031		Major Head 0032		Major Head 0033		Total	
	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd	Rcpt	Rfd
Bank 1																
Bank 2																
Bank 3																
"																
"																
"																
Total																
Net																

ZONAL ACCOUNTS OFFICER

C.A.M. - 88

(Vide Para 15.19.9)

BANK RECONCILIATION REPORT FOR THE MONTH OF_____

(for clearance from PSB Suspense)

ZAO, CBDT _____

RECEIPTS/REFUNDS

Bank figures as per RBI statement No.2	ZAO's accounts figures booked under PSB Suspense	Difference for the month	Progressive Difference

Note I : Bankwise and Datewise break-up of the progressive difference should be given in the report alongwith the action taken to settle the difference.

Note II : This reconciliation report is to be prepared separately for Receipts and Refunds and sent to Principal Accounts Officer within 3 days of the receipt of the copy of RBI's Statement No.2

Zonal Accounts Officer

C.A.M. - 89

PART - I (NEW CASES) MONTH _____

Date on which the item was included in the scrolls of Receiving Branches/Nodal Branch and the period of delay and the Name of the Bank Branch

Sl. No.	Amount	Date of Credit of challan	Receiving Bank	Date	Nodal Branch	Date	RBI, CAS Nagpur	Date

ZAO/CBDT