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THE TAMIL NADU FINANCIAL CODE

VOLUME I

EIGHTH EDITION

(Corrected upto 31st July 1991)

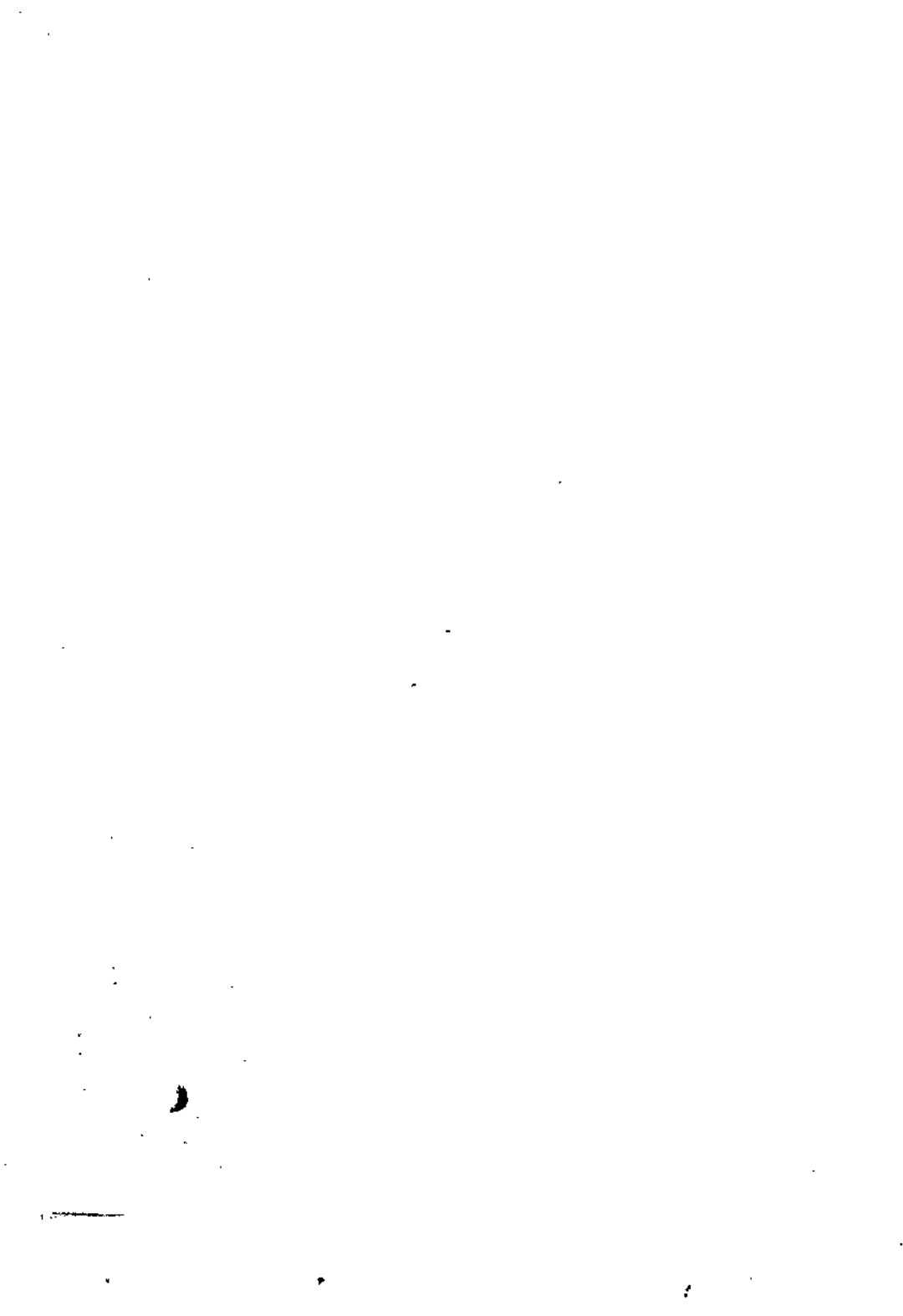


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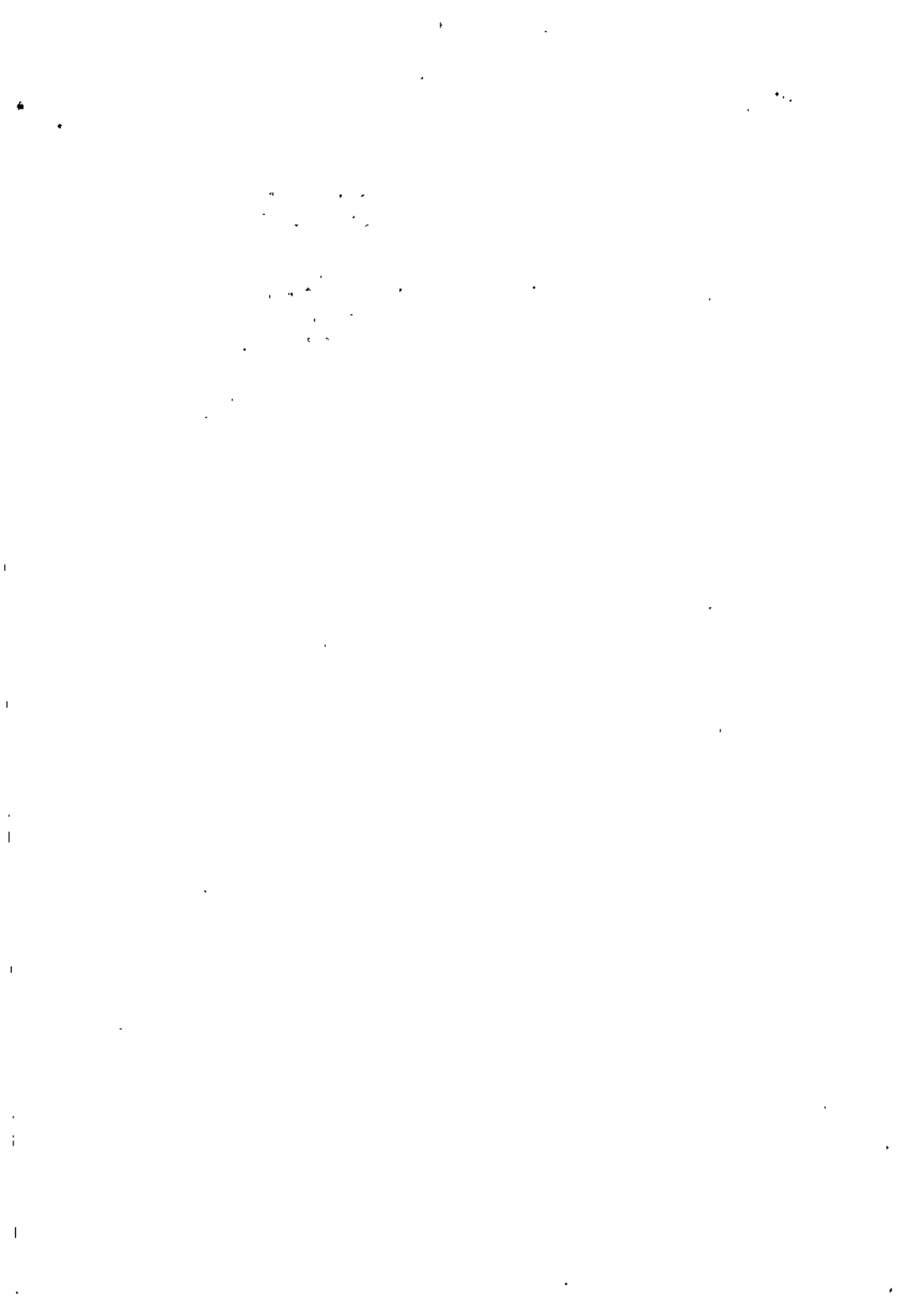
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PREFACE TO THE EIGHTH EDITION.

The previous edition of this Code stands corrected upto 30th June 1980.

This edition has been revised incorporating all the amendments issued during the period from 1st July 1980 to 31st July 1991.

Errors or omissions, if any, found in the Volume may be brought to the notice of the Secretary to Government, Finance Department.

Finance Department,
Government of Tamil Nadu,
Madras-9,
July 1991.

N. NARAYANAN
SECRETARY TO GOVERNMENT

THE TAMIL NADU FINANCIAL CODE

Volume I

CHAPTER I-INTRODUCTORY

General

The Government's financial transactions, like those of every person or body, fall into the two broad classes of receipts and disbursements. The Government's receipts comprise the ordinary revenues derived from taxes, duties, fees, fines and similar items of current Government income and also receipts that are of a deposit or banking nature, including repayments of loans and advances. The Government's disbursements comprise expenditure out of the ordinary revenues, capital expenditure and also payments that are of a banking nature, including loans, advances and repayments of deposits.

Receipts

2. Every Government servant who is entrusted with the duty of collecting any revenues due to the Government should assess the demands carefully and collect the revenues promptly. He should maintain proper accounts of the collections, watch the progress of collections against the total demand and take prompt steps to collect all arrears. If, in spite of taking all possible steps, some arrears still remain uncollected and he is satisfied that any portion of them is quite irrecoverable, he should apply at once to the competent authority for sanction to write off the irrecoverable arrears. These principles apply equally to the recovery of loans and advances made by the Government.

Expenditure

3. No Government servant may incur any item of expenditure from public funds unless the following two conditions are both satisfied:-

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[3-cont.]

(a) the expenditure must have been sanctioned by a general or special order of the authority competent to sanction such expenditure and

(b) sufficient funds must have been provided for the expenditure in the Appropriation Act(s) for the current financial year or by a reappropriation of funds sanctioned by the authority competent to sanction such a reappropriation. The two conditions are independent and it is not sufficient for only one of them to be satisfied. A Government servant must always be sure that both of the conditions are satisfied before he incurs any expenditure from public funds.

Further, every Government servant who incurs or authorises the incurring of any expenditure from public funds should see that it does not contravene the following principles, which are known as the standards of financial propriety:-

(1) The expenditure should not be prima facie more than the occasion demands. Every Government Servant is expected to exercise the same diligence and care in respect of all expenditure from public moneys under his control as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(2) No Government servant should exercise his powers of sanctioning expenditure so as to pass an order directly to his own advantage.

(3) Public moneys should not be utilized for the benefit of a particular person or section of the community unless -

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

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

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

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[3-5]

(4) The amount of any allowance, such as a travelling allowance granted to meet expenditure of a particular type, should be so regulated that it is not, on the whole, a source of profit to the recipient.

4. It is the duty of every Government servant not merely to observe complete integrity in financial matters, but also to be constantly watchful to see that the best possible value is obtained for all public funds spent by him or under his control to guard scrupulously against every kind of wasteful expenditure from public funds.

Accounts

5. Every Government servant should see that proper accounts are maintained for all Government financial transactions with which he is concerned and render accurately and promptly all such accounts and returns relating to them as may have been prescribed by the Government to the Accountant-General or the competent departmental authorities. He should check the accounts as frequently as possible in order to see that his subordinates do not commit fraud, misappropriation or any other irregularity. The Government will hold him personally responsible for any loss that may be found to be due to any neglect of the duties laid upon him by the provisions of this Code and the other Financial Codes issued by the Government (see also Chapter XII). The fact that a Government servant has been misled or deceived by a subordinate will in no way mitigate his personal responsibility, since every Government servant should be familiar with the financial rules laid down by the Government and exercise a specially strict and close control over his subordinates, in regard to the use of public funds and the maintenance of proper accounts.

CHAPTER II-DEFINITIONS

[6]

6. In this Code, unless the context requires otherwise, the following words and phrases have the meanings hereby assigned to them. Words and phrases used in this Code which have been defined in the Constitution of India, or in the Rules and Orders framed under the Constitution have the meanings assigned to them in those definitions.

Accountant-General means the head of the office of audit and accounts subordinate to the Comptroller and Auditor-General of India who keeps the accounts of the State and exercises audit functions in relation to those accounts on behalf of the Comptroller and Auditor-General of India.

Administrative approval means the formal acceptance by an administrative department of a proposal that the Public Works Department should incur a specified amount of expenditure on a specified work required by, or in connection with, that administrative department. It amounts to an instruction to the Public Works Department to execute a specified work or works at a specified cost to meet the administrative needs of the department which requires the work (*cf. Technical sanction*).

Appropriation means the amount provided in the budget estimates for a unit of appropriation or the part of that amount placed at the disposal of a disbursing officer.

Appropriation Bill means the Bill introduced in the Legislature to provide for the appropriation out of the Consolidated Fund of the State all moneys required to meet the grants made by the Assembly and the expenditure charged on the Consolidated Fund of the State.

Bank means any office or branch of the Banking Department of the Reserve Bank of India, any branch

DEFINITIONS

[6-cont.]

of the State Bank of India acting as the Agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act (2 of 1934) and any branch of a subsidiary Bank as defined in section 2 of the State Bank of India Subsidiary Banks Act, 1959 (38 of 1959), which is authorised to transact Government business as agent of the State Bank of India, or any other Agency appointed by the Reserve Bank of India.

Bank draft (see subsidiary rules 44 and 45 under Treasury Rule 30).

Book adjustment (or book transfer) means the entries made in the Government accounts in respect of a financial transaction which does not involve any actual receipt or disbursement of cash or stores by the Government, so that a disbursement entered under one head (or heads) is exactly counter balanced by a receipt under another head (or heads). A book adjustment may represent a transaction between different departments of the Government or a correction in entries already made in the accounts.

Budget estimates are the detailed estimates of the receipts and disbursements of a financial year.

Cash order means an order issued by a Treasury Officer on a sub-treasury within the district for a payment on the Government Account, or for any authorized purpose, of a specified amount to a specified person.

Centage charges means, in connection with a work which the Government execute on behalf of another Government, a local body or a private party, the charges calculated at a percentage rate on the value of the work done, which the Government recover from the party for whom the work is done towards the cost of the establishment and the tools and plants employed on the work.

DEFINITIONS

[6-cont.]

Central (Agency) Subject)
) (See Article 329)
Central (Agency) transaction)

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

Collector means the Chief Officer-in-charge of the revenue administration of a district.

Completion (in relation to a work) means the finishing or abandonment of the work.

Consolidated Fund Account means the Accounts of the State into which the revenues received by the Government, loans or ways and means advances taken by the Government, moneys received by the Government in repayment of previous loans, and receipts by issue of treasury bills, are credited and from which the expenditure of the Government, when so authorized by the State Legislature is met.

Contingencies - See Article 91.

Contingency Fund Account means the account of the moneys placed at the disposal of the Governor to enable advances to be made by him for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature under appropriations made by law.

Contingent charges - See Article 91.

Contract means any kind of undertaking, written or verbal, expressed or implied by a person other than a Government servant or by a syndicate or firm to construct, maintain or repair one or

DEFINITIONS

[6-cont.]

more works, to supply certain stores, or to perform any service in connection with the execution of a work or the supply of stores.

Contract documents means the documents required in connection with the giving out of a work on contract (see the Tamil Nadu Public Works Department Code).

Contractor means a person, syndicate or firm that has entered into a contract with the Government.

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

Disbursing officer means a Government servant who draws money from the treasury on bills or cheques, but excludes a Government servant who is not the head of an office and draws only his own pay and allowances from the treasury.

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

(i) District Forest Officer (ii) Divisional Forest Officer (iii) Wildlife Warden (iv) Forest Utilisation Officer (v) Soil Conservation Officer (vi) Officer-in-charge of Forest Protection Squad (vii) Forest Engineer (viii) Principal, Tamil Nadu Forestry Training School (ix) Deputy Conservator of Forests (Genetics).

Final payment means the last payment on a running account made to a contractor in full settlement of the account relating to his contract when the contract has been completed or determined.

DEFINITIONS

[6-cont.]

Financial propriety - Standards of - See Article 3.

Financial year means the year beginning with the 1st April and ending with the following 31st March.

First and final payment means a single payment made to a contractor in full settlement of the account relating to his contract when the contract has been completed or determined.

Government means the Government of Tamil Nadu.

Government Account means the total of the Consolidated Fund Account, Contingency Fund Account and the Public Account of the State.

Government draft - Bank draft on Government Account - See subsidiary rule 45 under Treasury Rule 30.

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

Governor means the Governor of Tamil Nadu.

Head of a department means any Authority specially declared by the Government to be the head of a department (see Appendix 1 of the Tamil Nadu Financial Code, Volume II).

Indian Audit Department means the officers and establishment, being in India and subordinate to the Comptroller and Auditor-General of India, that are employed upon the keeping and audit of the accounts of the Central Government and of the State, or upon one or other of these duties.

DEFINITIONS
[6-cont.]

Inspecting officer means a Government servant who is appointed solely or mainly for performing specified duties of inspection which involve touring over more than one revenue district, and does not include a Government servant who performs inspecting duties occasionally as part of his general supervision of his subordinates.

Local body means a municipality including Madras Corporation, Panchayat Union Council, Townships, Town Panchayats, Village Panchayats, or a Market Committee constituted under the Madras Commercial Crops Markets Act, 1933.

Local fund means-

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

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

(3) the moneys recovered from local bodies for any specified purpose and constituted into a separate fund under any law or rule having the force of provided that the fund is specially notified by the Government law "local fund"

Lumpsum contract - See Article 163.

DEFINITIONS
(6-cont.)

Major Head (Comprising sub-major head where necessary) means a main head of account for the purpose of recording and classifying receipts and disbursements of moneys that enter into the Government Account of State. It indicates functions of the Government such as Agriculture, Education, Health, etc., and correspond to head of development in the plan classification.

Minor Head means the third tier of classification which will conform to the programme undertaken by the various departments of Government.

Market value/Market rate means in respect of an article borne on the stock accounts, the cost per unit at which a stock of the article or a suitable substitute for it could be obtained at the time in question at the stores, godown from the public market from which it could be obtained most advantageously.

Measurement book - See Article 174.

Miscellaneous expenditure means all expenditure other than those falling under pay and allowances, contingencies and works.

Muster roll- See Article 171.

Piece work contract - See Article 163.

Public Account means the account into which all moneys other than those mentioned in the Consolidated Fund Account and the Contingency Fund Account, received by or on behalf of the Government, are credited and from which disbursements are made in accordance with the prescribed rules.

DEFINITIONS

[6-cont.]

Quantity means in connection with works, the extent of work done, supplies furnished or services performed, as measured, weighed or counted.

Rate means, in estimates of cost contractors, bills and vouchers generally, the amount payable for each unit of work; supply or other service.

Re-appropriation means the transfer of savings in the appropriation for a unit of appropriation to meet excess expenditure anticipated under another unit.

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

Running account means an account with a contractor on which payment for work or supplies is made to him at convenient intervals subject to final settlement of the account on the completion or determination of his contract.

State means the State of Tamil Nadu

Stores means all articles, materials (other than cash and documents) and livestock, which come to in the possession of a Government servant for use in the Public service.

Sub-head means the fourth tier of classification which will generally reflect and

DEFINITIONS

[6-cont.]

identify the scheme undertaken in pursuance of the programme represented by a minor head and occasionally administrative set up in the case of non-plan expenditure.

Sub-work means a distinct unit of a large work which comprises several buildings, smaller works or groups of smaller works. For example, the outer wall, the solitary cells, the cook houses, the jailor's quarters, etc., would form separate sub-works when a large central jail is built. The sub-works of a large irrigation canal may include the head works, the main line, each branch of a canal, each group of distributaries relating to each branch separately, the drainage and protective works, etc.

Technical sanction means the order of a competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair to be carried out by the Public Works Department (cf administrative approval).

Treasury means any treasury of the State and includes a sub-treasury.

Treasury Officer means the officer in immediate executive charge of a treasury.

Treasury Rule means one of the "Tamil Nadu Treasury Rules" framed by the Government under Article 283 (2) of the Constitution of India (see Part I of the Tamil Nadu Treasury Code Volume I).

Unit of appropriation means the detailed head of classification under which the Government place a specific appropriation at the disposal of the pending authority concerned.

Works - See Article 147.

CHAPTER- III RECEIPTS, THEIR COLLECTION AND CHECK**General**

[7-9]

7. The items of Government revenue with which departmental authorities deal include the land revenue, the proceeds of State taxes and duties, the charges made for supplying water from Government sources for irrigation, etc., and for supplying electric power, other fees for services rendered, fines and penalties, the revenue from the Government estates such as forests, and other miscellaneous items.

8. Every Government servant who is responsible for the collection of any moneys due to the Government should see that demands are made at once as payments become due that effective steps are taken to ensure the prompt realization of all amounts due and that proper records are kept to show in respect of all items of revenue, whether recurring or non-recurring, the assessments and demands made, the progress of recovery and the out-standing amounts due to the Government. Every departmental controlling officer should watch closely the progress of the realization of the revenues under his control and check the recoveries made against the demands. He should also check the correctness and promptitude of the remittances in the course of his independent verification of departmental credit with reference to the copies of triplicate chalangis sent to the departmental officers by the treasury officers.

9. Every departmental controlling officer should obtain regular accounts and returns from his subordinates for the amounts realized by them and paid into the treasury and consolidate the figures in a register so as to show the total receipt for each month classified according to the heads of account in the Budget Estimates. The controlling

RECEIPTS, THEIR COLLECTION AND CHECK
[9-11]

officer should compare the figures compiled in this register with the accounts received from the Accountant-General and reconcile any differences as early as possible in communication with the Treasury Officers concerned, and, if necessary, with the Accountant-General's also. The reconciliation of the figures for March is especially important and should be completed as early as possible since any corrections that may be required in the Accountant-General's books have to be made before the accounts of the year are closed. When a wrong credit is discovered the controlling officer should inform the Accountant-General at once in order that the accounts may be corrected. When a subordinate Government servant's return includes a credit for which there is no corresponding credit in the accounts received from the Accountant-General the controlling officer should in the first instance call for full information from the subordinate Government servant.

10. Revenue collected in one district on account of another should be credited in the treasury account of the receiving district under the appropriate head of account, and the fact intimated to the appropriate departmental officers in the district concerned. Any such item of revenue should be omitted in the demand, collection and balance statement of the receiving district and included in that of the district to which it belongs. Foot notes should be added to the demand, collection and balance statements of both the districts to explain the difference between these statements and the treasury accounts.

11. The detailed rules governing the demand and collection of revenue under the control of the various departments are contained in the respective departmental manuals.

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Recoverable charges

12. When the Government agreed to render a service or to incur a charge on account of a local body any other public body not forming part of the Government's departmental organisation or a private body or person, the estimated amount of the charge or cost of the service should ordinarily be recovered in advance (see also Articles 24 and 308).

**Rents of Government buildings due from
Government servants.**

13. When a building is constructed or acquired for use as a residence, or additions or alterations are made in an existing residential building, the Government servant in charge of the building should prepare a statement of data for the calculation of the rent leviable in accordance with the provisions of the Fundamental Rules and obtain through the Accountant-General the orders of the Government or other competent authority in regard to it. Except in cases falling under clause (v) of the proviso to the Fundamental Rule 45-A II, or under Fundamental Rule 45-A V or where the building is used partly as residence and partly as office the competent authority for the purpose is the Superintending Engineer concerned for the building in charge of the Public Works Department and the Highways and Rural Works Department and the Chief Conservator or the Conservator of Forests for buildings in charge of Forest Department.

14. The responsibility for the recovery of rent in respect of any Government building in charge of a department other than the Public Works Department or Highways and Rural Works Department, as the case may be which is wholly or partially used as residence rests on the departmental officers concerned. In respect of any similar building in charge of Public Works Department or the Highways and Rural Works Department, the responsibility rests mainly on the Executive

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[14-cont.]

Engineer or the Divisional Engineer or the Divisional Engineers respectively of the division concerned in which the building is located but the head of the office in which the tenant is employed and the Treasury Officer or other officer who disburses his pay also bear some responsibility in the matter. The following procedure should be observed in the recovery of rent for residential building in the charge of the Public Works Department and Highways and Rural Works Department:-

(a) Every head of an office should furnish to the Executive Engineer or the Divisional Engineer concerned not later than the 15th of every month a statement in Common Form 307 showing the names, designations, emoluments, etc., of all Government Servants belonging to that office who occupy quarters provided by the Government and the changes in the occupancy of such buildings, whether rent is payable for them or not. When a complete statement has once been furnished, it will be sufficient for the head of the office to intimate in every subsequent month only the changes, if any, in the completed statement, but when there is no change he should inform the Executive Engineer or the Divisional Engineer as the case may be of that fact. If a building is vacant, the head of the office concerned should state the period for which he expects it to be vacant and say whether it will be required during that period by any Government Servant of the same department.

NOTE - The Government Servant incharge of a Government Educational institution should include in his statement in Common Form 307 particulars as to the occupation of and rents due for accommodation in any hostel attached to the institution for the use of students and borne on the registers of the Public Works Department or the Highways and Rural Works Department although it is

RECEIPTS, THEIR COLLECTION AND CHECK
[14-cont.]

not a residence provided for Government Servants
(see also Article 25)

(b) The Executive Engineer or the Divisional Engineer as the case may be should prepare in Form 1 in duplicate a demand statement of rents due from Government Servants in respect of Government buildings used as residences, and send it to the Treasury Officer or other disbursing officer a week before the last working day of the month.

(c) The demand statement of rents should include any amounts due from a Government Servant on account of the hire of Government furniture or any loss or damage of articles of furniture and other Government property for which he is responsible, and any other amounts due from a Government Servant to the Government in respect of the residence allotted to him. All amounts included in a demand statement of rents are recoverable either in cash or by deduction from the pay bill of the Government Servant concerned and should ordinarily be recovered by the latter method.

(d) A separate form should be prepared in respect of each tenant who draws his pay direct from the treasury. In respect of other Government Servants in each office there should be a single consolidated form for each class of establishment whose pay is drawn on a separate bill. The Executive Engineer or the Divisional Engineer as the case may be should get the necessary particulars from the drawing officers.

(e) On receipt of the demand statements of rents, the Treasury Officer or other disbursing officer should recover the amounts stated to be due from the next bills in which the Government Servants concerned draw pay without any previous reference to them and should then note in column (6) of both the copies of the demand statement -

RECEIPTS, THEIR COLLECTION AND CHECK
 {14-cont.}

(i) the emoluments actually drawn by the tenant, where they differ from those entered by the Executive Engineer or the Divisional Engineer in column (3);

(ii) any sum drawn by the tenant as arrears of emoluments with details of the rate at, and the period for which it has been drawn;

(iii) the number of the bill from which each item of rent was deducted and

(iv) if in any case, the rent noted in column(4) has not been recovered in full, a brief statement of the reasons.

He should also record a certificate at the bottom of the statement that he has made all the necessary entries in column(6).

(f) The Treasury Officer or other disbursing officer should return one copy of the statements thus completed to the Executive Engineer or the Divisional Engineer as the case may be so as to reach him

In a month of 28 days, by the 22nd of the month

In a month of 29 days, by the 23rd of the month

In a month of 30 days, by the 24th of the month

In a month of 31 days, by the 25th of the month

The Treasury Officer should obtain from sub-treasuries details of any rent recovered there, in time for inclusion in this copy of the statement of rents. Any subsequent recoveries effected by the Treasury Officer, or by a sub-treasury Officer, too late for inclusion in the statement, should be included in the statement of the following month.

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NOTE - When a portion of a private building hired by the Government for accommodation of Government Offices is used for residential and other purpose certificate 9 prescribed in Tamil Nadu Treasury Code Forms 56 and 58 should invariably be furnished along with contingent bills preferring claims for rents, electricity and other connected charges in order to enable the audit authorities to watch the recoveries to be made on this account.

(g) (i) The Treasury Officer should check the duplicate copies of the rent returns enclosed to bills, with the deductions shown in the bill and send them to the Accountant-General, Madras, along with the vouchers.

(ii) The schedules of recoveries of rent attached to the State Government Bills in the City of Madras may be detached by the Pay and Accounts Officer, Madras, and forwarded to the Accountant-General, Madras, with voucher-wise covering abstract after agreeing the figures with the account figures.

15. In preparing the demand statement of rents, the Executive Engineer or the Divisional Engineer concerned should rely upon the copies of the pay slip of gazetted Government Servants received from the Accountant-General and the intimations from heads of offices of the changes in the emoluments of non-gazetted Government Servants who occupy Government residences. The information in the completed copy of Form I returned by the Treasury Officer or other disbursing officer should also be utilised when preparing the demand statement of rents for the next month, and the assessment should be revised in accordance with any change of emoluments noted by the Treasury Officer or other disbursing officer. The Executive Engineer or the Divisional Engineer concerned should provide also for the recovery of any additional rent which may be due, either because

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(15-17)

the full amount has not been collected in the previous month or because arrears of emoluments have been paid to a Government servant.

16. Until an advice to the contrary is received from the Executive Engineer, or the Divisional Engineer concerned, the Treasury Officer or other disbursing officer should continue to recover rent at a rate once intimated by the Executive Engineer, or the Divisional Engineer whether the monthly demand statement has been received or not. He will not conduct any correspondence with tenants as to the rents payable by them, but will refer any points raised by them to the Executive Engineer or Divisional Engineer concerned.

17. When a Government Servant is transferred or proceeds on leave or retires, the Executive Engineer or the Divisional Engineer as the case may be should give the Treasury Officer or other disbursing Officer as early notice as possible of the date up to which rent is payable. Unless otherwise instructed by the Executive Engineer or the Divisional Engineer concerned the Treasury Officer or other disbursing Officer should-

(i) if the Government Servant is paid up to the date of making over charge, recover from the pay bill the rent due up to that date, or

(ii) if the Government Servant is not paid up to the date of making over charge recover from any pay bill which is paid the rent due for the period covered by the pay bill and note on the reverse of the last pay certificate the balance of rent due for recovery on account of the remaining period up to the date of making over charge.

If a Government Servant vacates a Government residence before the last day of a month, owing to his departure on transfer, leave or retirement, the

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demand for the rent for the part of the month for which it is due should be made at once, so that the amount due may be recovered before his departure.

18. The Treasury Officer should compare the total of the recoveries shown in the copy of the demand statement of rents retained by him (which should include recoveries made too late for inclusion in the first copy) with the total credits on account of such recoveries in the Treasury Account for the month in which the recoveries were made and see that they agree, and should submit this copy to the Accountant-General along with the Treasury Account.

After all necessary action has been taken on the copy of the demand statements of rents returned by the Treasury Officer, the Executive Engineer or the Divisional Engineer as the case may be should forward it to the Accountant-General /Accounts Officer (Highways) with the monthly return of residential buildings. In respect of ten per cent of the treasuries, which will be selected by him each month, the Accountant-General will forward to the Executive Engineer or through the Accounts Officer (Highways) to the Divisional Engineer concerned for verification the copies of the demand statements of rents in Form I received by him during the month with the Treasury Account. The Divisional Accountant should compare these statements with the corresponding entries in the register of rents of buildings and lands, see that the Accountant-General has not omitted to send any statement pertaining to the treasuries concerned and take steps to revise the assessments of rent due from Government Servants in respect of whom the Accountant-General has altered the rates of emoluments entered in the statements.

19. Every Government Servant who draws pay and establishment bills is bound to recover from such bills by short drawal the rents of Government

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buildings demanded as either from himself or from any of the subordinates whose pay is drawn by him.

20. When rent is recoverable in cash from a tenant who is a Government Servant, the Government Servant in charge of the building should send him a bill in a suitable form on or before the last day of each month for the rent due in respect of that month and the tenant should be required to pay the rent before the expiry of the following month.

21. When a tenant makes any representation asking for a revision of an assessment of rent by the Executive Engineer or Divisional Engineer concerned he must pay the amount assessed on demand and await orders on his representation. If the representation is successful, the amount to be refunded should be adjusted, as soon as possible after the orders are issued by a reduction in the assessment for a subsequent month or, if this is impracticable or inconvenient, by repayment in cash.

**Rents of Government buildings, land, etc., due
from private persons and Pensioners.**

22. (a) When any building or any land or other property belonging to the Government let out to a person not in the service of the Government, the full assessed rent for each month should always be recovered from him in advance. A tenant who is in receipt of a pension should be treated as a person not in the service of the Government. If he desires, however, to pay his rent by short drawal of his pension, the amounts due from him may be recovered through the Treasury Officer or other disbursing officer concerned on the pensioner's furnishing the Executive Engineer(s) or Divisional Engineer(s) with a written request that the amount due be deducted each month from his pension. This authority should be transmitted to the Treasury Officer or other disbursing officer with the first

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demand statement of rents in which the pensioner's rent is included.

(b) when any building, or any land or any other property belonging to the Government is let to a private person, the solvency of the prospective lessees or contractors should be ascertained before granting the lease or entering into contract.

Miscellaneous properties, etc., in charge of
the Public Works Department or
the Revenue Department

23.(a) The Public Works Department is responsible for the assessment of revenue on account of water supplied from any irrigation work in its charge to a town, mill or plantation, etc., while the Revenue Department is responsible for its collection. The Public Works Department should advise the Revenue Department of the particulars of each case together with the amount to be collected in order to enable the latter to make the collection. The revenue from the sale of canal produce will be realised by the Public Works Department. That department is also responsible for realizing the revenue from miscellaneous properties, e.g., by sale of rights to enjoy the usufruct of trees, grass and fisheries (except where the Revenue Department is required to do this), for the assessment and recovery of rents of buildings, lands, staff boats and other floating plant and for the collection of licence fees and other dues leviable under the Navigation Rules.

(b) The Revenue Department is responsible for the assessment and collection of revenue on account of water supplied from any natural stream, tank or channel, etc., in its charge to a town, mill or plantation etc., and for realizing the revenue from the trees, etc., on the bunds and beds of such natural streams, tanks, channels, etc., by the

lease of their usufruct and the sale of dead and windfallen trees and in regard to trees assigned on patta under Board's Standing Order No.18, by collecting the tree-tax from the assignees. It is also responsible for realizing the revenue from the usufruct of trees standing on lands appertaining to navigation and irrigation works in the charge of the Public Works Department for the Supervision of which the Public Works Department does not maintain a staff. Trees standing on lands appertaining to such works for the supervision of which the Public Works Department maintains staff will be assigned on patta under Board's Standing Order No.18, by the Revenue Department, if the Public Works department so requests and the Revenue Department will then be responsible for collecting the tree-tax and having it credited to the Public Works Department. The Revenue Department is also responsible for the sale of fishery rights in all inland waters and the collection of rents due in respect of those rights, except in certain cases for which the Government have prescribed a different procedure by special orders.

Cost of Surveys

24 (a) The entire estimated cost of survey of an estate not managed by the Court of Words should ordinarily be recovered in advance (see Article 12). when the survey is expected to last for more than eighteen months, the estimated cost may be recovered in instalments in accordance with the rules and orders issued under the Madurai Survey and Boundaries Act, 1923 (Madras Act VIII of 1923). If any instalment is not duly paid, three months' notice of the stopping of the survey should be given to the proprietor, and the survey should be promptly stopped on the expiry of the three months.

The officer in charge of the survey of the estate should incur the expenditure thereon in the same forms as for ordinary survey charges. At the

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end of each month the Survey Officer should furnish the Treasury Officer with a bill showing the cost of the survey inclusive of gross sanctioned establishment, travelling allowances and contingencies together with contribution for pension and leave salary recoverable under Fundamental Rule 127. When the survey of an estate is completed, a statement of all the charges incurred including contribution for pension and leave salary should be submitted by the Board of Revenue to the Accountant-General for final adjustment.

(b) In the case of surveys undertaken on behalf of local bodies and estates under the Court of Wards, the charges are borne by the Government in the first instance, recoveries being effected in the manner indicated below:-

On receipt of a Survey Officer's bill for the amounts recoverable from estates under the Court of Wards and from local bodies, the Treasury Officer should intimate to the Estate Collectors and the local bodies the amounts recoverable, with a request that a cheque for the amount may be sent within a week in his favour. If the Estate Collector or the local body fails to comply with this request within a reasonable time, the Treasury Officer should report the matter to the Accountant-General. At the same time the Treasury Officer should effect recovery in the case of local bodies by short payment of Government grants as laid down in subsidiary rule 25 under Treasury Rule 16. The Accountant-General will bring to the notice of the Court of Wards or the Government all cases of default on the part of Estate Collector or of the local bodies.

Rent of hostels

25. When a hostel is provided for a Government educational institution, the

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departmental authority in charge of the institution should, immediately after taking charge of the hostel building, request the head of the department to obtain the Government's orders for the fixation and recovery of rent. Such hostels should be included in the departmental authorities' return in Common Form 307 and in the monthly returns of residential buildings sent to the Accountant General by the Executive Engineer or Divisional Engineer concerned [see the Note under Article 14(a)].

When an electric installation is provided for a hostel the room rent should be raised so as to cover the cost of the installation and meter hire. The actual cost of the electric power consumed should be recovered evenly from the students living in the hostel each month.

Fines

26. (a) The duty of realizing fines and checking the receipts and refunds vests with the departmental Government servants concerned. Under rule 316 of the Criminal Rules of Practice, 1931, each Court, Civil or Criminal, is required to submit to the District Judge or the District Magistrate, as the case may be, on the last working day of each calendar month, a statement in the prescribed form showing the demand, collection and balance of fines levied and written off by it and the amounts refunded in respect of fines. Either the District Magistrate himself, or the Additional District Magistrate, if any, shall review the monthly progress made in the collection of fines. The statement should be made up for the account month of the treasury or sub-treasury with which the court deals. The District Judge and the District Magistrate should each consolidate these returns into a monthly fines statement for the courts under him and forward it to the Treasury Officer, as soon as possible after the beginning of

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the month, for verification of the amounts shown remitted into the treasury with the credits appearing in the Treasury Account. The Treasury Officer should certify as to the correctness or otherwise of these amounts. When there is a discrepancy between a consolidated statement and the Treasury Accounts, the Treasury Officer may, if necessary, before giving his certificate request the District Judge or the District Magistrate as the case may be, to explain the discrepancy.

(b) When any amount is realized in any district on account of a fine imposed in another district of the State the amount should not be remitted to the court which inflicted the fine, but should be treated for the purpose of the fines statement, as if a fine equal to the amount realized had been inflicted by the court, in which it is realized. The court which realizes the amount should send an advice of the recovery to the court which inflicted the fine, and should also make a note of the court to which the amount relates against the credit in its fines-register and monthly statement. The court which inflicted the fine, should, on receiving the intimation note in its fines-register and monthly statement the amount of the recovery so advised and the name of the treasury into which the amount was paid.

Receipts of the Forest Department

27. The revenue collected by the Forest Department consists mainly of the proceeds of the sale of sandalwood, teak and other valuable timber firewood, charcoal, bamboos and other minor produce.

One of the most important duties of a Conservator of Forests is to exercise a strict watch over the export and sale of timber and other forest produce. He should examine and carefully check the return showing outstanding items of revenue and the account of timber and other forest

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produce received monthly from the Divisional Forests Officers and should consider whether fair prices were realized for all produce sold at rates other than fixed rates. He should also examine generally the returns submitted to him with a view to taking action, when necessary, to ensure that all outstandings are collected as promptly as possible and that any apparent irregularities etc., which would have an adverse effect on the revenue of the district are fully investigated.

**Collection of amounts due to Government
Commercial Concerns**

28. If the Government servant in-charge of a Government Commercial Concern adopts the procedure of collecting amounts due to it drawing bills on purchases payable at a bank, he should make the bills payable at the State Bank at places where it has a branch or Pay office, and otherwise at a central co-operative bank if possible. If, in any particular case, neither of these courses is possible the Government servant in charge of the commercial concern should apply for the Government's previous approval before authorising any other private bank to receive all amounts due to it. The banks concerned will credit to the Government the amounts of the bills on realization.

**Government Educational Institution - Fees for
Students Belonging to the State and for others**

29. Certain Government educational institutions in the State charge higher fees for students who do not belong to the State than for those who do. The following should be regarded as students belonging to the State:-

- (1) Any students whose father or mother (if living) or guardian (if the father is not living) has been resident (apart from temporary absences)

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in the State for the two years immediately before the student's admission and

(2) any students whose father or mother was born in the State and is a public servant in the service of any Government, or local authority in India.

In cases of exceptional hardship the Government may extend the above concession to any particular student who does not satisfy either of the above criteria, if there are strong reasons for regarding him as virtually belonging to the State.

**Fees for the training of private persons at
 Government Medical Institutions**

30. The Government have delegated to the Director of Medical Services power to sanction the training of private persons in certain special subjects at the Government Medical institutions and at the King Institute, Guindy, on payment of the prescribed fees. The Civil Medical Code contains the rules on the subject.

Miscellaneous dues and special recoveries

31. The Accountant General maintains a register of special recoveries in which he enters miscellaneous amounts due to the Government but not forming part of the ordinary revenues regularly administered by the Government departments, e.g., contributions from municipalities, contractors and others towards the cost of establishment entertained by the Government. He watches that these amounts are duly realized and reports any default at once to the Government.

Refunds of Revenues

32. The powers which the Government have delegated to the various departmental authorities

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to sanction refunds of revenue are specified in Appendix 2. The exercise of these powers is subject to the departmental rules contained in the respective departmental manuals and codes.

33. A refund order should be signed by the Government servant who received and brought to account the item of revenue in question. He should also, in accordance with the rules governing each particular class of refunds, either pay the amount to the person entitled to receive it or cause a proper voucher made payable to that person to be delivered to him for presentation at the treasury for payment. When the Government servant who received the item of revenue in question is not competent to refund the amount without the sanction of a higher authority, he should apply for the necessary sanction separately before preparing the refund order. If the Government servant, who received the item of revenue is competent to sanction a refund and does so, he may either record his sanction on the voucher itself or record it separately, giving a reference to it on the voucher and attaching a certified copy. If sanction is obtained from a higher authority, the latter procedure should be followed.

NOTE (1) The authority competent to order the sanction of refund of revenue when it is credited to a wrong head of account or credited wrongly under some misapprehension shall be the authority to whom the original receipts correctly pertain.

(2) A copy of the order of the competent authority sanctioning the refund may also be sent independently to the Treasury Officer concerned for verification before payment of the amount received by the party on the order.

34. Before signing a refund order in respect of any item of revenue the Government servant who received it and brought it to account should trace

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The original records relating to the receipt of the amount and see that the particulars of the refund are recorded against the original entry of the receipt in the departmental accounts in such a way as to make it impossible to entertain by mistake any further claim for a refund of the same amount. The particulars of the refund should invariably be recorded on the counterfoil of the receipt previously granted to the payer, and that receipt (and any other acknowledgement granted to the payer) should, if possible, be taken back and destroyed.

Exception - The Heads of Medical Institutions need not follow the procedure laid down in the above article in respect of refunds of Hospital Stoppages and they are permitted to note refunds of Hospital Stoppages against the original entries made in the Hospital Stoppage register.

Time limits for claims for refunds of revenue

35. Refunds of revenue may be classified as follows:-

(a) refunds of revenue which are made ex-gratia, although the Government are under no legal obligation to make them, and

(b) refunds of revenue to which the claimants are legally entitled.

An application for a refund of revenue of the kind mentioned in clause (a) above should invariably be summarily rejected if it is received:-

(i) when a notice has been issued to the party concerned, after three months from the date when the party received the notice; and

(ii) in other cases, after one year from the date of credit of the revenue to the Government.

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NOTE - (1) These limits are merely maximum time-limits and no application for an ex-gratia refund should be entertained unless it is received within the maximum time allowed. This does not mean that all applications for such refunds received within the maximum time-limit applicable should necessarily be granted. If the authority competent to sanction ex-gratia refunds of a particular kind considers that for special reasons a shorter time-limit should be enforced in practice in regard to them, this should be done.

(2) Under the rules for the levy of fees for work done by the Industrial Engineering Branch of the Industries Department, the Director of Industries and Commerce has discretion, when the boring proves unsuccessful, to refund to a person for whom boring is done by a hand-drill the advance and daily hire charges collected from him. In that connection, the limit of one year specified in clause(ii) above should be counted from the date on which the work is completed and not from the date of credit of the revenue to the Government.

A refund of revenue of the kind mentioned in clause (b) above should be sanctioned on application provided the claim is not barred by limitation under the Limitation Act, 1963 (Central Act 36 of 1963) or any other law or rule having the force of law. (see also subsidiary rule 27 under Treasury Rule 16).

(3) The time-limit for claims of refunds of excess collection of hospital stoppage is three complete financial years from the date of issue of intimation to the individuals concerned appraising them of the refunds due.

Exceptions :- The rules contained in this Article do not apply to -

RECEIPTS, THEIR COLLECTION AND CHECK
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(i) refunds of admission fees and feeding charges collected in advance in respect of animals admitted to the Madras Veterinary College Hospital for treatment, since an excess over the amount due in any case is refunded to the owner by the Principal of the Veterinary College, Madras, from his permanent advance when the animal is Discharged;

(ii) refunds of unclaimed assets and moneys transferred to the Government under the Administrator-General's Act, 1913 (India Act III of 1913), or the Official Trustees Act, 1913 (India Act II of 1913) since they are governed by the relevant Act.

(iii) refunds of court fees regulated by the Court Fees Act, 1870 (India Act VII of 1870) and by the Madras Court Fees and Suits Valuation Act (Madras Act XIV of 1955) which authorise a court to issue certificates to parties entitling them to refund of court-fees in certain cases.

(iv) refund of execution fees collected by the Co-operative Department; and

(v) renewal or refund of the value of non-judicial stamps which have been spoiled or rendered useless.

NOTE - (4) The time limit for claim of refund of licence fee, when a licence is refused under sub-section (3) of section 4 of the Madras Money-lender's Act, 1957 (Madras Act XXVI of 1957) is two months. The application for refund should be made to the licensing authority; a refund voucher, duly signed by the officer ordering refund shall be sent to the party for encashing it at the treasury as in the case of other refunds. The Tamil Nadu Treasury Code, Form 62, should be used as the bill for refund of licence fees with the modification that the words "three months" occurring in certificate No.1 be altered into 'two months'.

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(35-36)

NOTE - (5) The claims for the refund of lapsed Revenue Deposit (Security Deposit) customs and opium, Raffle Deposits and Work Deposit shall be made within six years from the date of lapse of such deposits and no claims for the refund of such deposits be entertained if they are made after the expiry of six years from the date of lapse of the deposits. This will not apply to Revenue deposits covering security deposits taken from the licences under the various control orders.

NOTE - (6) The refund of the sub-division fees collected under the scheme for issue of sub-division records for every holding to ryots, after adjusting Land Revenue arrears due if any, from the persons concerned will be exempt from the time limit, condition and operation of the provisions under this Article.

Remissions

36.(a) Full information as to the powers of the various authorities competent to sanction remission of the revenue relating to a particular department is given in the departmental manuals or codes.

(b) Every head of a department should submit annually to the Accountant-General a statement showing all remissions which were sanctioned by himself or by other competent authorities under his control during the preceding administrative year in respect of revenue which was due under a statute or the rules made under a statute. Remissions sanctioned in the exercise of powers conferred by a statute or the rules made under a statute and remissions of revenue which was due only under executive orders and not under a statute or the rules made under a statute should not be included in the statement.

The remissions of revenue included in the, statement should be classified broadly with reference to the reasons for sanctioning them. The head of a department may prescribe for the guidance of the Government servants subordinate to him a broad classification for this purpose suited to the items of revenue collected by them. The statement should show the total amount remitted under each class of remissions and should include a brief explanation of the circumstances leading to the total remissions under each class.

NOTE - The Heads of Departments can waive the sales tax omitted to be collected in each selling unit office of a Government Department up to a limit of Rs. 25 (Rupees twenty-five only) in a financial year. Every selling unit office of a department should maintain a register showing the particulars of sales for which sales tax has been omitted to be collected and remitted in a financial year to enable the audit party to verify that monetary limit of each office for the purpose of sanctioning the waiver of sales tax has not been exceeded.

Audit of receipts

37. The regulations and rules relating to the audit of departmental receipts by the Account-General are printed in Appendix 9.

CHAPTER IV-EXPENDITURE-GENERAL
PRINCIPLES AND RULES

General Principles

[38]

38. As has been stated already in Article 3 no Government servant may incur any item of expenditure from public funds unless the following two conditions are both satisfied:-

(a) the expenditure must have been sanctioned by a general or special order of the authority competent to sanction such expenditure and

(b) sufficient funds must have been provided for the expenditure in the Appropriation Act(s) for the current financial year or by a reappropriation of funds sanctioned by a competent authority.

No authority subordinate to the Government should sanction any expenditure unless sufficient funds have already been provided for the purpose either in the Appropriation Act(s) or by reappropriation. It should, however, be clearly understood that the fact that no appropriation of funds has been authorised for a particular item of expenditure is not a valid excuse for delaying the payment of any amount indisputably due by the Government. Every claim for any such amount should invariably be paid as promptly as possible, and the superior authorities concerned should deal severely with any unnecessary delays which come to their notice in regard to the payment of claims of this kind. Similarly, the want of sanction by a competent authority for a particular payment actually made is not a valid excuse for delaying the entry of the payment in the Government accounts. Under no circumstances may any payment actually made by or on behalf of the Government be kept out of the Government accounts for a delay longer than is absolutely necessary.

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Exception:- The vehicle owning officer shall present at the Treasury, the contingent bill claiming the cost of fuel payable to the suppliers along with the fuel payable to the suppliers along with the fuel pass books of the concerned vehicles (after making necessary entries in Tamil Nadu Treasury Code, Form 70) to enable the Treasury to ensure the admissibility of the claim with reference to the ceiling on fuel consumption fixed for each vehicle. The Drawing Officers need not enclose the sanction order to the fuel bills.

39. All appropriations lapse at the close of the financial year. A Government servant should not on any account reserve or appropriate by transfer to a deposit or any other head or draw the treasury and keep in a cash chest, any portion of an appropriation remaining unexpended during the year in order to prevent it from lapsing and use it for expenditure after the end of the year. No attempt should be made to prevent the lapse of an appropriation by any undue rush of expenditure during March.

40. The Tamil Nadu Budget Manual contains the rules regarding the preparation, examination and consolidation of the budget estimate, their passage through the Legislature, the distribution of appropriation among controlling and disbursing officers, the responsibility of these officers for watching the progress of expenditure and ensuring that it does not exceed the appropriations, the authorities competent to sanction reappropriations and the procedure for obtaining supplementary appropriations.

41. The Government have power to incur any expenditure provided that it does not contravene the provisions of the Constitution of India or any Indian law, or any rules made under anyone of them, and subject to the limitations mentioned in Article 62 in regard to certain posts.

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42. An authority subordinate to the Government may sanction expenditure or advances from public moneys in those cases only in which it is authorized to do so by -

(i) the provisions of any Legislative enactment for the time being in force or of rules made under any such enactment, or

(ii) the rules in this Code, or

(iii) an order of the Government delegating to it powers to incur expenditure of a specified kind.

Except when the Government have expressly accorded their previous sanction in each case, no authority subordinate to the Government may under any circumstances incur any expenditure involving the introduction of a new principle or practice.

43. In every application for sanction to fresh expenditure, it should be distinctly stated whether provision for the proposed expenditure has been made in the budget appropriations for the year, and if such provision has not been made, whether sufficient funds can be found by reappropriation (see Article 38).

44. When any authority accords sanction for expenditure of a definite amount or up to a specified maximum limit, the amount should always be expressed both in words and figures.

Communication of sanction

45.(i) A copy of every order sanctioning expenditure should be communicated to the Accountant-General by the authority which accords the sanction. If the sanctioning authority is the Government, the copy of the order intended for the Accountant-General should be sent to him through

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the Finance Department in all cases in regard to which that department has been consulted.

(ii) When the head of a department or any other subordinate authority issues an order sanctioning expenditure, either the sanctioning authority itself or a Gazetted Government servant working in the office of that authority should ordinarily communicate the order to the Accountant-General. When the procedure would cause inconvenience, sanctions may be communicated over the signature of the non-gazetted Government servant who is the head ministerial officer of the office, i.e., Head Clerk, Superintendent, Manager, etc., as the case may be provided that this arrangement is intimated beforehand to the Accountant-General by the sanctioning authority.

(iii) In respect of the following cases involving sanction of expenditure, delegation of financial powers and the like which require the prior consultation and concurrence of the Finance Department a certificate to the effect that -

"This Order/Memorandum issues with the concurrence of the Finance Department vide their U.O. Note No..... dated " shall be added in the proceedings (Government order, Memorandum, letter or Endorsement), and the relevant copy of the proceedings intended for action by the audit communicated to the Accountant-General direct over the signature of the Gazetted Officer of the concerned administrative departments dealing with the subject-matter and an authenticated copy thereof sent invariably to the Finance Department for file or information or action, if any;

(a) Cases sent to the Finance Department in both the proposal and draft stages and accepted by them;

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(b) Cases sent to the Finance Department in the proposal stage and modified by them, and accepted by them in draft stage with modifications;

(c) Cases sent to the Finance Department and accepted by them in the proposal stage and also accepted in the draft stage with modifications;

(d) Cases sent to the Finance Department and objected to by them in the proposal stage but in regard to which orders in circulation have been taken and drafts seen by Finance.

(iv) In respect of the cases for which concurrence of the Finance Department is not necessary with reference to the Delegation Rules issued by the Finance Department and sanctions communicated to the Accountant-General, Tamil Nadu, direct the relevant proceedings shall include a paragraph in the following form:-

"This Order/Memorandum does not require the concurrence of the Finance Department under the Rules or orders on the subject"

and a copy of every sanction shall be marked to the Finance Department.

NOTE 1 - Financial sanctions and advance copies of notification in respect of appointments, promotions, transfers, etc. communicated to audit should invariably be signed in ink by the sanctioning officers authorised for the purpose. No action will be taken in audit on such copies issued over facsimile and cyclostyled signature of the sanctioning authorities or other authorised officers.

NOTE 2 - Copies of sanctions relating to Objections Book Advances and Festival Advances where the sanctioning and bill drawing officers are one and the same, need not be sent to the

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Accountant-General in advance but may be enclosed to the bills in which the amounts are drawn.

NOTE 3 - Express pay orders issued by the Government to the Treasury Officers to make payment of the salary due to the staff beyond the date of current sanction, when further continuance of temporary posts is pending sanction by Government should be signed in ink by the Under Secretary to Government authorised for this purpose to ensure genuineness of the Express Pay Orders.

46. An order sanctioning an addition to the pay of any Government servant should state briefly the reasons for granting it, so as to enable the Accountant-General to verify that its classification as special pay or compensatory allowance, as the case may be, is correct. Whenever as in this instance, a rule requires that the reasons for granting any concession or allowance be mentioned in the order sanctioning it, if it is considered undesirable to mention the reasons in the official order, the sanctioning authority should communicate them confidentially to the Accountant-General.

47. Every order sanctioning grant of land or alienation of land revenue other than an assignment of land revenue which is treated as a cash payment, should be communicated to the Accountant-General with details necessary to enable him to audit the sanction accorded.

48. Any authority, which passes any order affecting the personal emoluments, posting, leave, etc., of any gazetted Government servant should communicate a copy to the Accountant-General; but when any such order is notified in the Tamil Nadu Government Gazette, a separate copy need not ordinarily be sent to the Accountant-General. An

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order of a special nature sanctioning the grant to a non-gazetted Government servant of any emoluments in addition to those admissible under the rules relating to the post which he holds, or ordering the discontinuance of any such additional emoluments previously sanctioned, should be communicated to the Accountant-General. Otherwise, it is not necessary to communicate to the Accountant-General orders affecting the personal emoluments of non-gazetted Government servants. The authorities preparing the pay bills and absentee statement concerned should include in them all the information required for auditing the pay and allowances of non-gazetted establishments, and are responsible for seeing that the orders of the competent authority are obtained in each case as required by the rules.

Date of effect of sanction

49. Statutory rules made by the President of the Union take effect from the date on which they are passed and executive orders issued by the President take effect from the date of issue of the despatch, letter or telegram containing the orders.

Statutory rules made by the Government which are required by law to be published take effect from the date on which they are published in the manner, if any, specified in the relevant Act, or, if no special mode of publication is laid down, from the date on which they are published in the Tamil Nadu Government Gazette. Statutory rules made by the State Government which are not required by law to be published take effect from the date of the order issuing the rules. A sanction of the Government or an authority subordinate to the Government takes effect from the date of the order conveying the sanction.

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Generally, concessions, such as revision of pay, grant of compensatory allowances and special pay, should not be given with retrospective effect. If, however, any such rules or orders themselves provide that they take effect from a date, they take effect accordingly.

Lapse of Sanction

50. A sanction for any fresh charge accorded by the Government, or an authority subordinate to the Government lapses if it has not been acted on for one year, unless it is specially renewed. This rule does not apply to -

(1) the sanction for an allowance granted to the holders of a post or a class of posts subject to certain conditions, but not drawn by a particular incumbent or incumbents because the conditions are not fulfilled;

(2) the sanction of a competent authority for additions to be made to a permanent establishment progressively from year to year;

(3) a sanction conveyed in an order passed by a court in its judicial capacity;

(4) a sanction for a Provident Fund Advance or for a non-refundable part withdrawals from Provident Fund, which will remain operative for a period of three months;

NOTE - However, in the case of such non-refundable part withdrawals effected in instalments, the sanction accorded for the withdrawals from the Provident Fund will remain valid up to a particular date to be specified by the sanctioning authority in the sanction order itself.

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(5) sanctions for loans which will lapse at the close of the financial year; and

(6) sanction to an estimate for a work (other than ordinary annual repairs) which will lapse after five years, if the work has not been started and sanction to an estimate for ordinary annual repairs to a road or building which will lapse at the close of the financial year (see Article 198 also).

NOTE (i) - A sanction should be considered to have been acted on if payment in whole or in part has been made in pursuance of the sanction within a year from the date of its issue. Where there is a specific provision in a sanction for any fresh charge that the expenditure should be met from the Budget provision of a specified financial year, such sanction shall lapse on the expiry of the specified financial year. In the case of purchase of stores, a sanction shall be deemed to have been acted on, if tenders have been accepted (in the case of local or direct purchase of stores) or the indent has been placed with an approved firm within the prescribed period of one year of the date of issue of that sanction, even if the actual payment in whole or in part has not been made during the said period.

NOTE (ii) - The period of validity of Government Orders sanctioning the House Building Advance shall continue to be taken as one year from the date of the Government Order and if these orders have not been acted on wholly or partly within this period, proposal should be sent to Government for revalidation of these Orders.

Contracts

51. (a) A Government servant who incurs expenditure on behalf of the Government may have to enter into a contract with a private firm or a

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contractor for the supply of stores or the execution of a work. The Government also sometimes employ a person on contract to serve as an officer under them for a definite period. Whenever a contract is made by or on behalf of the Government, the terms of the contract should be precise and definite and there should be no room for any ambiguity or for misconstruing any of its provisions. Before finally entering into a contract on behalf of the Government, the Government servant concerned should take legal and financial advice except in those particular cases or classes of cases in regard to which the departmental codes, or the Government Orders issued from time to time, contain clear and complete instructions. Contract for the supply of stores or the execution of works should be made as far as possible only after openly inviting and receiving tenders from all who wish to tender. Standard forms of contract should be used in all cases for which they have been prescribed and the rates mentioned in the contracts should be subjected to adequate prior scrutiny. Whenever it is likely that a contractor will be entrusted with any Government property in connection with his contract a provision should be inserted in the contract safeguarding the Government against loss or damage in respect of any Government property that may be entrusted to him or his servants.

The Government servant who enters into a contract on behalf of the Government and also his subordinate are responsible for strictly enforcing the terms of the contract and for seeing that no act is done that would tend to nullify or vitiate the contract.

(b) Appendix 3 contains a list of the authorities empowered to enter into contracts on behalf of the Governor. All contracts in regard to which the Government have not issued any definite rules or orders as to conditions, forms, etc, and

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all contracts containing usual conditions or involving any uncertain or indefinite liability should only be made after obtaining the special sanction of the Government, who will obtain the necessary legal and financial advice in each case. Whenever it is proposed for special and exceptional reasons, to agree to any material variation in the terms of an existing contract made on behalf of the Government, the matter should be referred to the Government for orders.

NOTE: - Where contracts are concluded with provision for variation in price, the formula on which the price variation is based should be clearly spelt out indicating the base price of the raw materials etc., on which variation is to be allowed. Price escalation is to be allowed only in cases of raw materials, the prices of which are controlled/regulated by Government or Government agencies. If extension of time for performance beyond the time-frame originally fixed or subsequently refixed is considered necessary, it is to be granted with a provision to deny any increase in price under the price variation clause coming into force during such an extended period. The purchase will, however, take the benefit of any reduction in price in terms of the price variation clause, taking place during the aforesaid period. A contract with provision for price variation with or without ceiling cannot be considered as a contract involving uncertain or indefinite liabilities or cost plus contract.

Arrear Claims

52.. No claims against the Government not preferred for one year by Head of office, for 1-3 years by Administrative Department and above 3 years by Heads of Departments of their becoming due can be presented without an order from the officer

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next above the Head of office, provided that this rule shall not apply to the following categories of such claims:-

(a) claims on account of pension and cash allowances, the payment of which is regulated by the Subsidiary Rules, 86, 88, 89 and 90 under Treasury Rule 16 of the Tamil Nadu Treasury Code, Volume I, or by the rules in Board's Standing Order No.67, as the case may be;

(b) claims on account of pay and allowances, other than travelling allowance and reimbursement of medical expenses of such non-gazetted Government servants whose names are not required to be shown in the pay bills in accordance with Subsidiary Rule 9 (i) to (iv) under Treasury Rule 16 of the Tamil Nadu Treasury Code, Volume I;

(c) claims on account of interest on Government Securities; and

(d) any other class of payment which are governed by special rules or orders of Government.

A claim of a Government servant including a part-time Government servant for arrears of pay or allowance or for an increment which has remained in abeyance for over six months will be subject to the discount mentioned in Article 54. Arrear claims made by local bodies are governed by Article 312. A claim will be held to have become due either on the date of sanction to the claim or on the date of its accrual whichever is later.

NOTE 1 - No claim for travelling allowance will be entertained if it is made after three months from the date on which the claim has fallen due. Countersigning officers should refuse to countersign bills presented after this period. In the case of journeys on transfer made by self,

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family and personal effects on different dates, the claim for travelling allowance admissible for each journey undertaken separately should be deemed to fall due on the completion of each such journey. However, in respect of journeys performed by Minister, members of the Legislature and non-official members serving on Government Committees and by others, who are not Government servants, in connection with Government business, the time-limit shall be one year from the date of completion of the journey.

NOTE 2 - Instructions in Note (1) will apply only to a presentation of claims by the Government servant concerned to the Drawing Officer. The claim should be deemed to have fallen due for payment by the Treasury on the date of counter-signature by the controlling officer. When bills are authorised to be drawn without counter-signature the date of drawal of the bill will be the due date.

NOTE 3 - Belated claims on account of pay and allowances other than travelling allowance of non-gazetted Government servants, whose names are not required to be shown in the pay bills, should not be made unless the claims have been examined and sanctioned by the competent authority, on the same lines as for claims requiring investigation by audit.

In the case of a touring officer, who is required to perform a prescribed minimum touring every month and who presents a consolidated bill for the whole month, the period of three months in respect of all the journeys performed in that month shall be reckoned from the date of completion of last journey in the month. This applies also to officers undertaking several tours in a month based on approval tour programme even though no minimum touring is prescribed for them.

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[52-cont.]

NOTE 4 - Claims for reimbursement of medical expenses incurred by Government servants, should be made to Government as soon as possible after completion of medical treatment and in any case not later than the time-limits indicated below:-

<u>Government servants</u>	<u>Time-Limits</u>
Members of All India Service	Six months from the date of purchase of the medicines irrespective of the period of treatment as shown in the Cash memoranda.
Members of State and Subordinate Service	Three months from the date of completion of treatment as shown in the essentiality certificate of the Authorised Medical Attendant or Medical Officer concerned.

If the treatment lasts for more than a month, the claims may be preferred once a month. Claims for the reimbursement of the medical expenses incurred by the Government servants preferred after the above time limit (viz. 3 months from the date of purchase of medicine) shall be subject to a discount of 15% and claims preferred after a year from the date of purchase of medicines shall be rejected considering it as lapsed claims.

NOTE 5 - (i) The period of one year should be counted from the date on which the increment certificate is signed by the competent authority.

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[52-54].

(ii) In the case of an increment which can be drawn only after the declaration of completion of probation, the period of one year is to be reckoned from the date of declaration of completion of probation.

Claims which are preferred beyond the above time limits will be dealt with as arrear claims under the General Rules in Articles 52 and 54.

53. Deleted.

54 (1) - In the case of a touring officer, who is required to perform a prescribed minimum touring every month and who presents a consolidated bill for the whole month, the period of three months in respect of all the journey performed in that month shall be reckoned from the date of completion of last journey in the month. This applies also to officers undertaking several tours in a month based on approved tour programme even though no minimum touring is prescribed for them.

NOTE - See Note 3 under Article 52.

(2) The Heads of Departments should forthwith reject every petty arrear claims by a Government servant which does not affect his pension and also any arrear claim by a Government servant which has remained in abeyance for over a year when the Government servant concerned offers no satisfactory explanation for the delay in making his claim.

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[54-cont.]

(3) A claim of a Government servant including a part-time Government servant for arrears of pay or allowance or for an increment which has remained in abeyance for over six months will be subject to a discount of 15 per cent except in a case where the controlling authority has satisfied himself that the delay was not due to the negligence or carelessness of the claimant, or ignorance of rule on his part. In all bills for arrear claims over six months old, where no discount has been deducted, a certificate that the delay has been adjusted as not due to the claimants' negligence or carelessness should be furnished by the controlling authority concerned. An arrear claim resulting from an order issued with retrospective effect does not arise until the order is issued and should not therefore be treated as a claim allowed to remain in abeyance during the period prior to the date of the order. The time-limits in such cases, for the purpose of this article or Article 55 should be calculated from the date of sanction and not from the date from which the sanction takes effect.

NOTE (i) - The Treasury Officers should promptly return to the audit officer for revalidation such of the bills preferred by Government servants claiming arrears of pay and allowances which were not paid within three months from the date on which they were pre-audited and passed for payment.

NOTE (ii) - Specific sanction of Government is necessary for payment of arrear claims in cases where such payments are specifically prohibited by the Special and General Rules for the Madras State and Subordinate Services or any other special rules framed in this behalf, e.g., regularisation of

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services with retrospective effect - vide Rules 23 (a) and 30 of the Madras State and Subordinate Service Rules.

NOTE (iii) - Please see note No.4 below Article 52 as regards the reckoning of time-limits in case of sanctions to increments.

NOTE (iv) - A claim for reimbursement of medical expenses and reimbursement of cost of spectacles are liable to a discount of 15 per cent if it has remained in abeyance for over the time-limit prescribed in Note 4 below Article 52.

55. Payment of a claim which is barred by limitation of time under any provisions of law relating to such limitation should ordinarily be refused. No payment should be made on account of any such claim without the special sanction of the Head of Department and no such claim should be referred to the Accountant-General for pre-audit unless the Head of Department has already specially sanctioned the payment of the claim subject to its being found to be correct on pre-audit by the Accountant-General. The Accountant-General will refuse to investigate any such claim. The Heads of offices can sanction arrears upto one year. A claim now preferred within three years shall be sanctioned by the officer next above the Head of office concerned. Arrear claim which have been kept in abeyance for more than three years can be sanctioned by the Heads of Departments concerned. In both the above cases, the pre-audit by the Accountant-General shall be dispensed with.

EXPENDITURE-GENERAL PRINCIPLES AND RULES
[55-cont.]

The period of limitation for arrear claims against the Government for the following kinds is normally three years from the date on which the amount claimed first became due for payment:-

- (1) Pay and allowances including leave salary.
- (2) Pensions.
- (3) Travelling allowances.
- (4) Payments made in contingent bills for supplies made or services rendered to the Government.

If, however, the delay in making a claim in the first instance under any of the items (1), (2) and (3) above is due to a mistake, the period of limitation is three years from the date on which the mistake was discovered. When a claim under item (4) is made with reference to a contract in writing registered, the period of limitation is six years from the date on which the amount first became due for payment.

Over charges and audit objections

56. Every Government servant who draws bills for pay and allowances or contingent expenses is primarily responsible of the correctness of the amount for which each bill is drawn. If any amount is drawn in excess of what is due, the drawing officer will be required to make good the excess amount so drawn. If the excess amount cannot for any reason be recovered from the drawing officer, the Government servant if any, who countersigned the bill will be liable, to make good any loss arising from culpable negligence on his part and the Treasury Officer who passed it will be similarly liable to make good any loss arising from culpable negligence on his part.

NOTE (1)-The Inspector-General of Police and the Director of Agriculture may waive recovery of over payments of pay and allowances up to a limit of Rs.5 in each individual case, where the amount becomes irrecoverable due to the death, dismissal or removal, invalidation or retirement of a Police subordinate or of a subordinate in the Agriculture Department as the case may be, provided that the case does not disclose -

(i) a defect in the system or in the rules, the amendment to which would require the orders of a higher authority, or

(ii) serious negligence on the part of one or more Government servants that might possibly call for disciplinary action requiring the orders of a higher authority.

They should maintain a register showing the amounts waived from time to time review the entries and intimate to audit once a year, the total number of case involved and the total amount waived in a year.

NOTE (2)- Recovery Of overpayments made to Government servants should not be waived merely on the ground that the overpayment was made in good faith and that recovery would cause hardship. Every overpayment of money to a public servant is a debt owned to the public and all possible action should be taken to recover it quickly. Recovery should be enforced in all cases where it is possible and where the Government servant concerned is not clearly entitled to the money in question, even after it has been drawn in good faith. It is not however, intended that the extreme criterion of physical impossibility to recover the dues should be enforced, where such recovery might cause, in the opinion of the competent authority, undue hardship or distress in genuine case.

NOTE (3) (i) - In case where an amount due from a person has to be written off on the ground that he/she is no longer in Government service and no recovery is therefore, possible the orders sanctioning write off should invariably contain a clause that any sums which are subsequently found due to the person concerned will be adjusted against the amount written off.

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(ii) In case where the amount of overpayment is written off merely because the person concerned is no longer in the Government service and not on any other ground and such person is for example re-employed in Government service subsequently, the dues which may accrue to him/her during the period of his/her re-employment under Government may be adjusted against the amount written off.

(iii) In the terms of re-employment of a retired Government servant a condition should invariably be inserted to the effect that any amount of overpayment pertaining to the pre-retirement period including the amount written off on the ground that he/she was no longer in Government service would be recoverable by adjustment of the pay and allowances admissible to him/her during the period of re-employment.

(iv) It will be the duty of the office employing a retired Government servant to make an enquiry from the office where he/she was formerly employed whether any amount is recoverable in terms of sub-paragraph (ii) of this Note. Such an enquiry will have to be made immediately after a pensioner is re-employed. The final payment to the re-employed person on the termination of his re-employment should not be made unless the re-employing office has ensured that no amounts are adjustable in terms of sub-paragraph (ii) of this Note.

NOTE (4) - The authority competent to regularise the period of suspension can waive the recovery of the subsistence allowance paid in excess of leave salary.

NOTE (5) - The drawing officer shall see that the pagewar totals of the pay bills and others struck at the end of each page, such totals are posted separately, on the last page of the pay bill and consolidated correctly and the Treasury

EXPENDITURE-GENERAL PRINCIPLES AND RULES
(56-57)

Officer/Sub-Treasury Officer shall be held responsible for ensuring the accuracy of the consolidation of pagewar totals after satisfying himself that the pagewar totals have been correctly posted on the last page for consolidation.

57. The Accountant-General is responsible for the auditing of all expenditure charged against the Government. If any item of expenditure is found to be irregular or in excess of what is due, he proceeds to remove the irregularity or recover the excess amount paid through the Treasury Officer, and he usually issues a warning slip to the drawing officer concerned at the same time. Recoveries relating to the Forest Department are effected through the District Forest Officer and not through the Treasury Officer. When an item of expenditure incurred is less than what is actually due for payment and the amount involved is not insignificant, the Accountant-General informs the drawing officer of the fact, leaving him to prefer an additional claim or not as he thinks proper.

NOTE - If a particular payment of a recurring nature is considered inadmissible by audit, the continuance of such payment pending a decision by the competent authority involves risk of increasing the amount of recoverable overpayments. The audit point of view should ordinarily be provisionally accepted and further payment on that account should not normally, be made till a final decision is obtained from the competent authority. In exceptional cases where it is considered that in the public interest, the continuance of such payments pending a final decision by the competent authority is absolutely necessary, it should be made clear to the payee that the payment is provisional and is subject to recovery. The fact that payments are being continued on a provisional basis in spite of the audit objection should also be reported of the authority to whom the case is referred for a final decision.

EXPENDITURE-GENERAL PRINCIPLES AND RULES
[58-60]

58. Recoveries from a Government servant on account of any amount drawn in excess of what is due should not ordinarily be made at a rate exceeding one-third of his pay, or subsistence allowance, unless the Government servant concerned has

(a) in receiving or drawing the excess acted contrary to orders or without due justification

Or

(b) taken an advance for a specific purpose, not utilised it for the purpose for which the advance was sanctioned within the prescribed period and failed to refund the outstanding amount within the stipulated date.

58-A. The Government dues including overpayment of pension/family pension may be recovered from the Death-cum-Retirement gratuity due to such Government servant and from the Dearness Allowance and Additional Dearness Allowance on Pension/Family Pension without obtaining the consent of either the pensioner or the member of the family of the deceased Government servant concerned.

59. Every Government servant should give proper attention to all objections and orders received from the Accountant-General without any avoidable delay.

60. An administrative authority should not ordinarily consider any representation or protest against a recovery ordered by the Accountant-General unless the representation or protest is received within three months from the date when the Government servant making the representation received the first intimation of the order.

CHAPTER V-ESTABLISHMENTS, CLAIMS OF GOVERNMENT
SERVANTS AND RECOVERIES FROM THEM

[61]

(1) INTRODUCTORY

Scope of the chapter

61. The scales of pay for the various services and posts under the Government are generally fixed by the statutory rules governing the conditions of service relating to those services or posts respectively. The scale of pay for a post which has not been included in any service is generally fixed by a contract made with the person appointed to the post or by an executive order issued by the competent authority which creates the post. The salaries of certain posts, are, however, specially fixed either by the Constitution of India and the orders and directions issued under it, or by an Act of the Tamil Nadu Legislature. The Fundamental Rules and the instructions under them and the Tamil Nadu Leave Rules, 1933, contain the general rules which govern the pay, increments, additional pay, allowances including travelling allowances, and leave salary of Government servants, subject to any special provisions contained in the respective service rules, etc. The forms in which bills for drawing the pay and other emoluments due to Government servants should be prepared, the persons who should sign and present them at the treasury and the duties of Treasury Officers in regard to such bills are prescribed in Treasury Rule 16 and the subsidiary rules and instructions under it. This chapter contains the financial rules relating to the creation of additional posts or establishments, the claims of Government servants, the recoveries to be made from pay and allowances, and other cognate matters.

ESTABLISHMENTS; Etc.
[62-63]

**Powers of the Government to create
and abolish posts**

62. The Government have power to create or abolish any posts in connection with the affairs of the State, but under Article 312 (1) of the Constitution of India, the parliament may by law provide for the creation of one or more All-India services common to the Union and the States and regulate the recruitment, and the conditions of service of persons appointed to any such service. The services known at the commencement of the Constitution as the Indian Administrative Service and the Indian Police Service shall be deemed to be services created by Parliament under the said Article. The number and character of the posts relating to these two services are specified in the following rules:-

- (1) The Indian Civil Administrative Cadre Rules, 1950; and
- (2) The Indian Police Cadre Rules, 1950.

The previous sanction of the President is necessary for any alteration of the number and character of such posts.

(ii) ESTABLISHMENTS

**Powers of Subordinate authorities to sanction
additional establishments**

63. (a) No authority subordinate to the Government may sanction the creation of any additional establishment, permanent or temporary, except to the extent and subject to the conditions mentioned in Appendix 4. The delegations specified there are subject to the general conditions -

- (1) that either a sufficient specific appropriation for the expenditure involved already exists or provision can be made for it by

ESTABLISHMENTS, Etc.
[63-64]

reappropriation by the sanctioning authority under its own powers without reference to the Government, and

(2) that the provisions of the Fundamental Rules and instructions under them are observed in fixing the pay of the persons appointed to hold the posts created under the delegated powers.

(b) A sanctioning authority should invariably specify the period for which it sanctions a temporary establishment. It should also specify the date from which the sanction for a temporary establishment will take effect or if it is not possible to specify the date, should state that the sanction will take effect from the date of actual employment of the staff or of the head of the staff.

(c) The statutory rules issued by the Government in regard to the powers of authorities subordinate to the Government to sanction additional establishments or to vary the details of a temporary establishment are contained in Part V of the Tamil Nadu Services Manual, Volume II (1938 Edition).

Additions to establishments or increase in the emoluments of existing post

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

In connection with every proposal for alteration in an establishment it should be

considered whether, with reference to Article 429 of the Civil Services Regulations, a claim for pension will arise in consequence of the proposed alteration, and a certificate should be furnished stating that this has been done.

Scales of pay for new posts

65. The scale of pay proposed for a new post, whether temporary or permanent, should be the same time-scale as that already in force for posts of the same class or category, except when a different time scale has been fixed for temporary posts in a particular department, e.g., temporary Supervisors in the Public Works Department or when temporary posts in a particular department, e.g., the Survey Department, are generally sanctioned on the minimum of the time-scales for the corresponding permanent post. When the new post to be created will form an addition to a cadre which is divided into grades, the pay of the post should ordinarily be that of the lowest grade. If a higher rate of pay is proposed, the special reasons for proposing the higher rate should invariably be stated. If there is no post in existence similar to the one proposed the following principles should be observed proposing a rate of pay for the new post:-

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

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

ESTABLISHMENTS, Etc.

[66]

**Details to be furnished with
establishment proposals**

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

(i) the reasons for considering the addition or the change proposed to be necessary;

(ii) the present cost either of the section or sections affected (see Article 70 below) or of the total establishment as the circumstances may require;

(iii) the corresponding cost after revision;
and

(iv) the details of the number and pay of the posts, if any, which it is proposed to add to the establishment, and of the number and pay of the posts, if any of which it is proposed to change the conditions.

(b) When a scheme involves any alteration of the number or character of posts relating to the All-India service and consequently the sanction of the President of the Union is necessary for a part of the scheme, the proposal submitted to the President should contain full details of such items and of any other part of the scheme so connected with them that, unless it is explained, it will be difficult for the President to decide whether to accord this sanction or not. Details of the remaining parts of the scheme need not be furnished.

(c) In determining the cost of a scheme, allowances, whether fixed or variable, should be

ESTABLISHMENTS, Etc.
[66-67]

taken into account. When it is impossible to determine in advance the exact amount of an allowance, e.g., an allowance under the Madras House Allowance Scheme, it will be sufficient to include as accurate an estimate as possible of the amount required for the allowance.

Proposition statements

67. (a) A proposal to add to or modify an existing establishment should be accompanied by a proposition statement in duplicate in Form 2 if it involves a general revision of establishment or if it cannot be set out clearly without a proposition statement.

A proposal to add to or modify an existing establishment which involves creating or abolishing a post or granting or abolishing an addition to pay so as to require the sanction of the President of the Union should be accompanied by a proposition statement in duplicate in Form 2 or Form 3, whichever is more suitable.

(b) No proposition statement is required in the following cases:-

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

(ii) When an additional establishment is proposed solely for famine work and its cost to be a direct famine charge.

(iii) When an additional establishment is proposed solely for work connected with an outbreak of plague and its cost is to be a direct plague charge.

ESTABLISHMENTS, Etc.

[67-68]

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

(v) When the proposal is solely for the grant of a compensatory allowance, a special pay or a personal pay to member or members of an existing establishment, or solely for a change in the designation on an existing post, and does not require the sanction of the President of the Union.

**Instructions for preparing
proposition statements**

68. The following instructions should be observed in preparing a proposition statement:-

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

(ii) When a section comprises posts in both last grade and superior services and the proposals affect only posts in one of these services only details of the posts in the service affected should be furnished.

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

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

(v) Grand totals should be given for the number of posts in, and the total cost of, the several sections affected both under the existing orders and according to the proposals made, and also of the amounts under "Increase or decrease per month".

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

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

(viii) When the pay of any post existing or

ESTABLISHMENTS, Etc.
[68-69]

proposed, rises from a minimum to a maximum by periodical increments, the average monthly cost should be calculated according to the formula prescribed by the Comptroller and Auditor-General [see Rulings under Fundamental Rule 9 (31)] and furnished, and not the actual cost or the cost in the first year.

(ix) Fixed allowances should be entered in a proposition statement but not variable allowances, such as ordinary travelling allowance or a house allowance under the Madras House Allowance Scheme, information in regard to which should be furnished separately in the communication addressed to the authority competent to sanction the proposal [see article 66 (a) and (c)].

**Verification of proposition statements
by the Accountant-General**

69. The proposition statement or the proposal for the revision of an establishment should be forwarded to the Government through the Accountant-General. He should verify the present scale or state the present cost, as the case may be, according to his audit register, but he need not reconcile differences or discrepancies unless they are sufficiently large to affect the consideration of the case by the sanctioning authority. The sanctioning authority should normally accept the Accountant-General's figures. Any discrepancy between his figures and those furnished by the authority initiating the proposals should be left for adjustment by the Accountant-General at the next periodical certification of the scale of establishment.

**Distribution of Non-Gazetted
establishments into sections**

70. For purposes of audit and the preparation of pay bills, the Accountant-General divides a non-gazetted establishment, when necessary, into sections in consultation with the head of the department or of the office on the following principles:-

ESTABLISHMENTS, Etc.

[69-70]

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

(b) Ordinarily, an office or establishment containing not more than twelve clerks should form a single section, larger offices will comprise two or more.

(c) The division into sections in large offices should follow the actual working arrangements of the office, e.g., a Collector's establishment may be divided into the following sections: Huzur Sarishtadar's section, Huzur Head Clerks section, Revenue Records section, etc.

(d) In large offices, where the members of the ministerial services are arranged by classes and grades, such as Superintendent, Assistant and Junior Assistant, each class or grade may form a separate section.

(e) An establishment consisting of a large number of subordinate Government servants, such as village schoolmasters, may often be best divided into sections according to the taluks or sub-divisions of a district, while in an establishment employed in more advanced schools, each school would form a separate section.

(f) Clerks, schoolmasters, etc., should not, except in a small establishment, be combined with subordinates in the last grade service. Such subordinate should form a separate section or sections, unless they are very few.

(g) The pay abstracts of the district police should be prepared in accordance with the rules in the Police Standing Orders. Under those rules the details regarding subordinate, of the rank of Sub-Inspector or below should be furnished according to the several grades in the service.

(h) The pay abstract of Fire Service Subordinates should be prepared in accordance with the instructions in the Tamil Nadu Fire Service Manual.

NOTE 1 - Parts of an establishment under the same head of an office which are charged for under

ESTABLISHMENTS, Etc.

[70-72]

different major heads should be treated as separate establishment.

NOTE 2 - The Accountant-General issues from time to time, a list of the sections fixed by him for each office and the entries in pay bills, absentee statement, proposition statements and other similar document should be made in accordance with the sections so prescribed.

71. Deleted.

(iii) CLAIMS OF GOVERNMENT SERVANTS

Due date for payment of pay, allowances, etc.

72. (a) Pay and leave salaries of all State Government servants excluding pensions will be disbursed on the last working day of each month. If the last working day of a month is a Saturday, the payment will be made on the previous working day. The salaries for the month of March shall, however, be disbursed on the first working day in April, since it will be covered by the Budget of the next financial year.

Where the pay and allowances are drawn from the Reserve Bank of India, Madras, the pay and allowances for the month of June and December be disbursed on the penultimate working day since the last working day of June and December are holidays for the Reserve Bank of India on account of half yearly and annual account closing. Where the pay and allowances are drawn from the branches of the State Bank of India, the pay and allowances for the month of September be disbursed on the penultimate working day since the last working day of September is a bank holiday on account of half yearly account closing. If the penultimate working day in June, September and December happens to be Saturday which is a half working day for the Banks, the payment will be made on the previous working day.

(b) Pension and family pension bills are payable on the last working day of the month to which they relate.

ESTABLISHMENTS, Etc.
[72-cont.]

(c) In respect of Pension Pay Office, Madras and the District Treasuries of Coimbatore and Madurai where the cheque system of payment on bills is in vogue, the Accounts Officer, Pension Pay Office, Madras and the Treasury Officers of Coimbatore and Madurai are permitted to issue cheques for pension/ family pension payment four working days in advance from the last working of the month and send the cheques to the respective bank branches with "a covering list of pensioners for crediting the amount in the pensioners' Savings Bank Account on the last working day of the month.

(d) In respect of the Treasuries and Sub-Treasuries in the mufassil (other than District Treasuries, Coimbatore and Madurai), the treasury officers are permitted to get "Bankers Cheques" four working days in advance of the last working day of the month, from the State Bank of India and send the "Bankers Cheques" to the respective Bank branches with a covering list of pensioners for crediting the amount in the pensioners' savings Bank Account on the last working day of the month.

(e) In respect of the non-banking Sub-treasuries, the Sub-Treasury Officers are permitted to draw the pension / family pension amount and arrange to remit the same to respective Bank branches four days in advance for crediting the amount in the pensioners' Savings Bank Account on the last working day of the month.

NOTE 1 - The Superintendents of Police and the Commandants of Tamil Nadu Special Police Battalions are authorised to draw contingent expenditure i.e., salaries of contingent staff and rent in the same month to which the charges relate. If pay and allowances of staff are ordered to be paid in advance, the contingent expenditure may also be drawn by them in advance. It should be ensured that the actual payment of contingent expenditure is made during the succeeding month.

ESTABLISHMENTS, Etc.

[72-cont.]

The contingent expenditure here relates to rent payable to the buildings occupied by Police Department and the salaries of contingent staff alone.

NOTE 2 - The Drawing Officers of the Directorate of Vigilance and Anti-Corruption are authorised to draw rent bills of the buildings occupied by the Vigilance and Anti-Corruption Department in the same month to which the charges relate along with the salary bills on the due dates of the month, which is payable on or after first of succeeding month.

(d) The payment due for a part of a month should ordinarily be made at once without waiting till the end of the month in the following circumstances:-

(1) When a Government servant proceeds out of India on deputation, leave or vacation, and does not elect to draw leave salary in India under the provisions of Fundamental Rule 91.

(2) When a Government servant is transferred to another Audit Circle, or within the same Audit Circle; and

(i) to or from the Public Works Department or the Highways and Rural Works Department or the Forest Department, or

(ii) from one Public Works Division to another, or from one Highways Division to another, or

(iii) from one department to another, so that there is a change in controlling authority, or

(iv) to or from famine duty.

(3) When a Government servant is promoted from a non-gazetted to a gazetted post or reverted from

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[72-73]

a gazetted to a non-gazetted post in circumstances involving a transfer from one office to another.

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

(5) When a portion of a civil pension is commuted, in which case the amount of the unreduced pension due upto the day preceding that on which the commutation takes effect should be paid along with the value of the portion commuted.

(6) When a Government servant Gazetted or Non-Gazetted is transferred to new station.

NOTE (1) - When it is permissible for Government servant to draw his emoluments upto the date of transfer under the sub-clause (2) (d) of this Article but he does not do so, he may draw his emoluments for the whole month together but the allocation of the charge between the old and the new appointment should always be clearly specified in the bills.

(e) The payment towards three months salary in lieu of three months notice to the Government servants who are compulsorily retired from service under F.R. 56(d) shall be made in lumpsum immediately on the strength of the retirement order.

Signing and presentation of bills

73. Drawing officers should not sign pay bills earlier than is reasonably necessary in advance of the date of presentation at the treasury, so that supplemental adjustments due to changes after the monthly pay bills are signed may be reduced to a minimum.

To avoid congestion of work, pay bill may be

ESTABLISHMENTS; Etc.

[74-76]

presented at the treasury and at the Pay and Accounts Office duly signed five days before the last working day of the month to which they relate.

Drawal of pay above an efficiency bar

74. When a Government servant's pay is determined by a time scale with an efficiency bar at a certain stage, he cannot draw pay at a rate above that stage until the authority competent to permit him to pass the bar has signed a declaration to the effect that his character and efficiency are such that he is fit to pass it. Sanctioning authorities should not treat this declaration as a mere matter of form, and should sign it only when satisfied, after careful scrutiny of the relevant fact and information, that the Government servant concerned is really fit to pass the bar.

Drawal of an increment in pay

75. The drawing officer should attach an increment certificate (in the prescribed form and signed by the competent authority) to every bill on which a periodical increment in pay for a Government servant is drawn for the first time (see subsidiary rule 13 under Treasury Rule 16). He should keep a copy of every increment certificate for record in his office. The drawing officer should also furnish an additional certificate, signed by the competent authority to sanction the increment, stating that the subordinate concerned completed probation satisfactorily on a specified date indicating also whether he is a direct recruit or a promotee.

Pay due in India to persons not in India

76. When any pay is due in India to a Government servant who is absent from India, he should make his own arrangements to receive it in India - see also instruction I (d) under Treasury Rule 19.

ESTABLISHMENTS, Etc.
[77-78]

**Pay, etc., due to members of the Territorial
Army when called out of service**

77. The instructions contained in Rule 23 of the Territorial Army Rule, 1948, govern the issue of pay, etc., of Government servants in civil department who are members of the units of the Territorial Army when called out, embodied or attached to any regular force under section 7 of the Territorial Army Act, 1948 (India Act No. LVI of 1948).

**Reports of Transfer of Charges of
Gazetted Government servants**

78. Every transfer of charge of gazetted Government servant should be reported by post on the same day to the Chief Secretary to the Government, the Accountant-General and any other authority, duly specified for this purpose in the relevant departmental code or manual or elsewhere. (See Subsidiary Rule 10 under Treasury Rule 4). Collectors and District Judges should also send telegraphic reports of their assumption of charge to the Chief Secretary to the Government.

A copy of the report of the transfer of charge should be simultaneously sent to the Treasury Officer concerned and the copies of the report sent to the Accountant-General and the head of the department or other authority specified in the departmental code or manual should contain an endorsement to this effect.

Whenever the transfer of a divisional, sub-divisional or other executive charges in the Public Works Department or in the Highways and Rural Works Department is prolonged so that two Government servants become entitled to draw pay and allowances simultaneously for the same appointment, the Superintending Engineer should inform the Accountant-General whether the time taken for the

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[78-80]

transfer of charge is reasonable and whether the relieving officer should be treated as having been on duty for the full period. If the Superintending Engineer considers that the time taken in making over and receiving charge in a particular case was excessive, the relieving officer should be treated as if he had been on joining time or on leave, as the case may be, for so much of that time as is held to be in excess of the time reasonably necessary.

NOTE (1) - A similar procedure will be followed in the case of transfer of charge of District Officer, Station Officer or Executive Officer to the Madras Fire Service. The power of the Superintendent Engineer will be exercised by the Inspector-General of Police, Fire Service Branch.

NOTE (2) - Copies of transfers and postings and certificates of transfer of charge in respect of Gazetted Officers of the rank of Assistant Engineer and below need not be sent to Government.

79. Deleted.

**Pay, etc., due to a deceased
Government servant**

80. (a) Pay, leave salary and other emoluments can be drawn for the day of a Government servant's death; the hour at which the death takes place does not affect the claim.

(b) (1) Subject to the provisions of subsidiary rule 34 under Treasury Rule 16 of the Tamil Nadu Treasury Code, Volume I, pay and allowances of all kinds claimed on behalf of a deceased Government servant may be paid without the production of the usual legal authority -

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[80-80A]

(i) if the gross amount of the claim does not exceed Rs.10,000 under order of the head of the office, in which the Government servant was employed at the time of the death, provided that the head of the office is otherwise satisfied with the right and title of the claimant; and

(ii) if the gross amount of the claim exceeds Rs.10,000 but does not exceed Rs. 50,000 under orders of the Heads of Departments at their discretion provided that the authority mentioned in clause (i) above may, subject to the condition prescribed in that sub-clause, make anticipatory payment of an amount not exceeding Rs.10,000.

(iii) if the gross amount of the claim exceeds Rs. 50,000 under orders of the Government on execution of an indemnity bond in Form 6 duly stamped with such sureties as may be necessary provided that, the authority mentioned in clause (i) above may subject to the conditions prescribed in that sub-clause, make anticipatory payment of an amount not exceeding Rs.10,000.

NOTE - The arrears due to the self-drawing officers may be claimed and drawn by the head of the office and disbursed to the legal heirs.

(2) In any case of doubt, payment shall be made only to the person producing the legal authority.

80-A. Pay and allowances due to a Government servant, who is certified by a magistrate to be a lunatic, should be paid in accordance with the procedure given below under the provisions of section 95 (1) of the Indian Lunacy Act, 1912.

(1) On receipt of information that a Government servant has been certified to be a lunatic, the head of the office, in which the Government servant before his being certified to be

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[80A]

a lunatic, was last employed, should on the basis of the orders issued by the appointing authority indicating the persons to whom and the proportion in which the pay and allowances admissible to the Government servant may be disbursed in accordance with the provisions of section 95 (1) of the Indian Lunacy Act, 1912, draw the pay and allowances of the Government servant in the appropriate bill from the treasury or other office of disbursement. The claim should be supported by all the relevant certificates which the head of the office is required to furnish in the normal circumstances. However, in respect of the certificate which solely depend on the personal knowledge of the Government servant and which cannot be furnished in such cases, the head of the office should record, if he is satisfied about the reasonableness of the claim, a certificate to the effect that the claim is not susceptible of verification but is considered reasonable. If the Government servant is invalidated from service, the claim would be the last one in respect of him and the requisite payment, in case he was a gazetted Government servant, shall be made only after the head of the office has satisfied himself by reference to the Accountant-General, the departmental authorities, if any, and to its own records, that no Government dues are outstanding against him. In other cases, payment may be made on the responsibility of the head of the office concerned.

(ii) The amount withdrawn in the manner stated above may be paid to the persons referred to in sub-paragraph (i) above in the proportion determined by the appointing authority and receipts obtained stamped wherever necessary. The receipt in acknowledgement of the payment made would not be the personal receipt of the Government servant concerned (see note below Subsidiary Rule 4 under Treasury Rule 16.)

(iii) Where a Government servant has been

ESTABLISHMENTS, Etc.
[80A-82]

invalidated from service and it is found that some Government dues are outstanding against him, even after the adjustment of his claims for pay and allowances, the same pay may be adjusted against the amount of his death-cum-retirement gratuity if any and if the same is also insufficient the balance of the outstanding dues may be written off under sanction of the competent authority.

Pay due to Government servant whose whereabouts are unknown.

81. Pay, etc., due to a Government servant whose whereabouts are unknown should not be paid till a presumption of his death is shown to be justified under section 108 of the Indian Evidence Act, 1872 (India Act 1 of 1872). Action may then be taken as described in Article 80 (b) on the assumption that he is dead, if anyone claims the undisbursed pay, etc., in the capacity of legal heir of the Government servant.

Travelling Allowance Bills

82. (a) A travelling allowance bill requiring the countersignature of the controlling officer should ordinarily be countersigned by him before it is paid. If however the payment of travelling allowance bills before countersignature has been specially authorised by the Government in any case subject to the submission of a monthly detailed bill to the controlling authority, a consolidated bill should be drawn up at the end of the month, setting forth the details of the several bills drawn on account of the same month (if more than one), and explaining the divergences, if any, from the recognized routes, and submitted for review and countersignature to the controlling officer, who will forward it to the Accountant-General after countersignature. The drawing officer should furnish the following certificate on every such bill -

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[82]

"Certified that the amounts shown in the bill have been paid to the Government servants, named, and their receipts taken in the acquittance roll."

The countersigning officer may, if he prefers it, retain the bill for reference when checking further bills and inform the Accountant-General that he has passed the establishment, travelling allowance bill of for the month of for Rupees furnishing at the same time the following details -

Number of bill paid at the Treasury	Amount	Amount disallowed	Remarks
Sub-treasury			
(1)	(2)	(3)	(4)
	Rs.	Rs.	

(b) The travelling allowance bill of clerks and other subordinates who accompany an officer on tour should be prepared and cashed at convenient intervals during the tour and, as a general rule, immediately on return to the headquarters station. Such bills may be cashed at the treasury on the receipt of the head of the office, but if the head of the office is not himself the controlling officer and the payment of travelling allowance bill before countersignature has not been authorized by the Government, he should obtain the countersignature of the controlling officer before cashing the bill.

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**Travelling allowance of non-gazetted
Police Officers**

83. (a) When the Superintendent of Police is absent from the headquarters and it is necessary for one or more members of the non-gazetted police staff in the district to undertake a long journey at very short notice, the senior gazetted Police Officer stationed and present at the headquarters of the police district, or if no such gazetted Police Officer is available, the Office Superintendent of the District Police Office may draw money on an advance travelling allowance bill for disbursement to the non-gazetted Police Officers who have to make the journey travel on duty by motor bus. The office copy of every bill so drawn should be submitted to the Superintendent of Police for approval as soon as he returns to the headquarters.

(b) Motor bus warrants are issued to Inspector, Reserve Sub-Inspectors, Head Constables and Constables and to the Senior and Junior Reporters of the Shorthand Bureau, Vellore and to the supervisors and electricians of the radio branch of the police department and to the camp clerk of Police Officers, who have to travel on duty by motor bus. The procedure to be followed in paying the amounts of the warrants to the motor bus owners concerned is as follows:

The amount claimed in each travelling allowance bill on account of motor bus warrants payable to the motor bus owners concerned should not be drawn in cash but deducted from the gross claim in the bill. The District Police Office should maintain a separate account of these deductions, showing the amount due to each motor bus owner.

With a view to minimise the delay in encashment of the bill and to avoid hardship to bus

ESTABLISHMENTS, Etc.

[83-84]

owners, the Superintendents of Police should pass for payment the amount in full claimed by the bus owners in bills for encashment as soon as they are presented in T.N.T.C. Form 53 supported by Motor Bus Warrants, that accompany the Travelling Allowance Bills of Government servants to whom the bus warrants were issued. Detailed scrutiny and check up tallying with the duplicate of bus warrants that accompany the Travelling Allowance Bills in accordance with instruction 2 of T.R. 16 should however, be conducted by the Superintendent of Police before the relative bill is audited.

Advances of travelling expenses for tours

84. When satisfied that it is really necessary the competent authority may grant to a Government servant included in the list shown below an advance towards the travelling expenses during a journey on tour including any journey for which travelling allowance is admissible as for a journey on tour (see also Article 100).

The amount advanced should in no circumstances exceed the amount of Travelling Allowance to which the sanctioning authority expects the Government servant to become entitled for the journey which has not already commenced and should also not exceed the sum likely to be required to meet the Government servant's personal travelling expenses for the month or for the probable duration of the tour, whichever is shorter. The advance should be charged to the final head of expenditure concerned. It should be adjusted in full at once in the detailed travelling allowance bill for the month for which the advance has been drawn when the Government servant returns to headquarters, on completing the tour, if it has not already been fully adjusted.

ESTABLISHMENTS, Etc.
[84-cont.]

When a Government servant has drawn an advance of this kind, the second advance shall not be granted under this rule until an account has been given of the first. In the case of Gazetted Officers who are authorised to draw their travelling allowance claims without countersignature, the adjustment travelling allowance bill should have been presented at the Treasury/the Pay and Accounts Office and the balance, if any, of the advance remitted into the Treasury/Bank at the time of presentation of the bill for the second advance.

In the case of gazetted officers and non-gazetted officers drawing their own travelling allowance claims which are subject to the countersignature of Controlling Officer, a certificate from the sanctioning authority that an account of the first advance has been rendered to the Controlling Officer should be attached to the bill for the second advance. The sanctioning authority should make sure before granting the second advance that an account of the previous advance has been rendered to the Controlling Officer.

In case of non-gazetted officers, whose travelling allowance claims are drawn by the head of the office, he should certify in the bill for the second advance, that he has received an account of the first advance. The advances should be drawn in Form 22 in the case of both gazetted and non-gazetted Government servants and full particulars referred to in the certificates therein should be furnished at the time of presenting the bills for such advances. All drawing officers should maintain a register in Form 23 for recording the advances paid and the recoveries made with a view to watching the eventual adjustment of the advances.

ESTABLISHMENTS, Etc.
[84-cont.]

Treasury Officers also should maintain a register in the same form for recording the advances paid to gazetted officers and the recoveries made against them. This register should invariably be looked into for previous advances, if any, paid before passing bills for tour advances of gazetted officers.

Government servants eligible for the advance (1)	Authority competent to sanction advance (2)
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(i) Non-Gazetted Government servants:

(a) (1) Non-Gazetted Government servants who tour independently under proper sanction and Non-Gazetted Government servants and subordinate in the last grade service who accompany a Gazetted or Non-Gazetted Government servant on tour.	Head of office (whether gazetted or Non-gazetted) or a gazetted Government servant to whom the head of the office has delegated this power subject to any conditions and restrictions imposed by the heads of the office.
(2) Non-Gazetted heads of offices	Controlling Officer
(b) Peons attached to -	
A Conservator's Office	Manager of the office
A District Forest Office	Head clerk of the Office
A Ranger's Office	Ranger

ESTABLISHMENTS, Etc.

[84-contd.]

(c) All subordinates working under the Assistant Sericultural Expert, Hosur in the Sericulture section. Assistant Sericultural Expert, Hosur.

(ii) All Gazetted Government servants.

All Gazetted Government Servants . Head of the department concerned or any Gazetted Government servant to whom the head of the department has delegated this power subject to any conditions and restrictions imposed by the head of the department.

Exception. - The Deputy Inspector-General of Police, Criminal Investigation Department, Madras, is empowered to hold a permanent advance of Rs.4,000 to enable him to make cash payments to Inspectors of Police of the Special and Crime Branches of the Criminal Investigation Department for the purpose of meeting railway fare.

NOTE 1 - The head of the department may sanction advances to himself under these rules.

NOTE 2 - The Administrator General and official Trustee, Madras, may sanction advance of travelling allowance to himself and to the Deputy Administrator General and Official Trustee for the tours undertaken by them in connection with their official duties.

NOTE 3 - The Advocate-General may sanction for himself advances of travelling allowances for tours undertaken by him in connection with his official duties.

Sig. 3a

ESTABLISHMENTS, Etc.
[84-cont.]

NOTE 4 - The Inspector-General of Police and the Commissioner of Police, Madras may draw advances towards travelling expenses for journeys on tour for subordinate of the rank of Head Constables and Police Constables, on bills specifying only the number of subordinates concerned and their designations, instead of their names. Immediately after the advances drawn on the bills are disbursed they shall arrange to send the Pay and Accounts office, Madras. In the case of City payments and to the Treasury Officers/Accountant-Generals, Madras in the case of mofussil payments, list showing the names and designation of the Head Constables and Constables to whom the advances have been disbursed with particulars of token numbers, Huzur voucher numbers and date of bills in which the advances were drawn and adjusted.

NOTE 5 - The Chief Electoral Officer may sanction advances of travelling allowances for himself upto a maximum of Rs.250 at a time for tours undertaken by him in the Tamil Nadu State in connection with election work.

NOTE 6 - The advances granted to a shroff or other treasury official or police escort in connection with the remittance of treasure may be debited initially to the head "8550. Civil Advances 104. other advances AA Advances for Remittances of Treasure" subject to making adjustment subsequently under the final debit head "8658. Suspense Account 117. Transaction on behalf of the Reserve Bank" (see instructions 15 to 18 below T.R. 30 of the Tamil Nadu Treasury Code Vol.I).

NOTE 7 - The Commissioner for Government Examination, Madras may draw an advance to pay 50 per cent of the travelling allowances admissible to the Tabulators drafted for tabulation work connected with the S.S.L.C. Public Examination.

ESTABLISHMENTS, Etc.
[84A-85]

84-A. *Adjustment of advances of Travelling Allowance pending for over three months* - So far as officers who are not drawing their own bills are concerned, the tour advances pending for over three months, in respect of which either the details of tour or actual detailed travelling allowance bills are not furnished by the staff concerned, shall be short drawn from the subsequent month's pay bills of such staff by the concerned drawing officer with interest at the rate of 2.5% from the date of payment. In regard to the officers who draw their own bills and self drawing officers, the controlling officers concerned shall intimate the amounts of outstanding advances to the officers for adjustment and if no reply is received within 10 days, the controlling officers shall intimate the particulars regarding the advances to the Accountant-General, Madras for issuing necessary retrenchment slips to the Treasury Officers/Pay and Accounts Officers as the case may be for recovery of tour advance with interest at the rate of 2.5% from the date of payment of the advance.

(iv) DEDUCTION FROM PAY BILLS OF GOVERNMENT
SERVANTS

Fund deduction

85. Every Government servant who draws any pay bill should enter in it correctly the deductions, if any, to be made on account of the various provident and family pension funds, etc. He should carry out promptly and fully any order received from the Accountant-General or any other audit officer of a fund to make a particular deduction or series of deductions. To avoid irregular subscriptions to the provident fund, the disbursing officer and in the case of Gazetted Officer, the heads of offices should maintain a register showing the names of all subscribers, their account numbers, subscriptions made by them, change in the rates of subscription, discontinuance

ESTABLISHMENTS, Etc.

[85-85A]

of subscription, etc. A new subscriber should be brought on to the register immediately. The monthly schedule to be appended to the pay bill should be prepared with assistance of this register and the amounts shown in the schedule of Fund Deduction should be tallied with the deduction actually made in the pay bills before the submission of the bills to the Treasury for payments. Necessary information should be furnished in the last pay certificate when a subscriber is transferred to another office.

85-A. (1) All the drawing officers should maintain in Form 29 corrected and up-to-date register of policy holders under their control. The name of the policy holder should be noted in alphabetical order according to sur-names, leaving sufficient space between two entries to enable new comers' names being inserted in the right place. A separate entry should be made in the register for each policy in the case of a policy holder having more than one policy. On receipt of an intimation from the Director, Postal Life Insurance, Calcutta, about the issue of a policy in favour of a subscriber authorising the drawing officer to commence recovery from pay, or on receipt of a Last Pay Certificate in respect of the subscriber, transferred from another office, the drawing officer should make note of the particulars of the policy in the register. The name of the office from which the subscriber has been transferred should invariably be noted in the remarks column. Wherever a subscriber is transferred to another office or his policy is discharged his name should be scored out from the register, giving necessary remarks regarding discharge of policy or indicating the office of which the insurant has been transferred, as the case may be. The Register should be preserved for a period of ten years after the close of the year to which it relates.

ESTABLISHMENTS, Etc.
[85A-cont.]

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

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

ESTABLISHMENTS; Etc.
[85A-86]

In case of double recoveries or late recoveries the reasons for late drawal of pay or pension together with an indication of the month of pay or pension from which premium has been recovered should be recorded in the remarks column. This information is absolutely necessary to determine the liability of the insurant to pay fine or interest and the currency of the policy.

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

Deduction of income-tax

86.(a) Every disbursing officer who disburses the salary of any Government servant should make the appropriate deduction of income-tax from him at the time of payment in accordance with the Indian Income-tax Act, 1922 (Indian Act XI, of 1922) as subsequently amended, and the rules and directions contained in the Income-tax Manual and other orders of competent authorities.

(b) Every Government servant who pays any amount to a Government servant on account of a reward, examiner's fees or any similar item not strictly included under the head of "Salaries" should communicate the details to the Income-tax Officer concerned in a separate letter or memorandum when he makes the payment.

ESTABLISHMENTS, Etc.

[87]

Attachment of pay and allowances
by Civil Courts

87. (a) The extent to which the emoluments of a Government servant are exempt from attachment for debt is specified in section 60 (1) of the Code of Civil Procedure (Indian Act V of 1908), as subsequently amended. The following are the relevant provisions of the section they apply to attachments in respect of suits filed on or after the 4th September 1963:

"60 (1). The following property is liable to attachment in execution of a decree"

Provided that the following particulars shall not be liable to such attachment namely:-

(i) salary to the extent of the four hundred rupees and two-thirds the remainder in execution of any decree other than decree for maintenance.

Provided that where such salary is the salary of a servant of the Government and the whole or any part of the portion of such salary liable to attachment has also under attachment, whether continuously or intermittently for a total period or twenty-four months such portion shall be exempt from attachment until the expiry of a further period of twelve months and where such attachment has been made in execution of one and the same decree, shall be finally exempt from attachment in execution of that decree.

(i) (a) One-third of the salary in execution of any decree for maintenance.

ESTABLISHMENTS, Etc.

(87-cont.)

(k) all compulsory deposits and other sums in or derived from any fund to which the Provident Funds Act, 1925 for the time being applies in so far as they are declared by the said Act not to be liable to attachment.

(l) any allowance forming part of the emoluments of any servant of the Government which the appropriate Government may by certification in the official Gazette declare to be exempt from attachment and any subsistence grant or allowance made to any such servant while under suspension:

Explanation 2 - In clause and (i) "salary" means the total monthly emoluments, excluding any allowance declared exempt from attachment under the provisions of clause (l) derived by a person from his employment whether on duty or on leave.

Explanation 3 - In clause (l), "appropriate Government" means -

(i) as respects any person in the service of the Central Government the Central Government

(ii) as respects any other servant of the Government the State Government

Explanation 4 - For the purpose of this proviso "wages" includes bonus and "labourer" includes a skilled, unskilled or semi-skilled labourer"

NOTE - The following allowances have been declared by the Government to be exempt from the attachment by order of Court, namely :-

- (i) All kinds of travelling allowance.
- (ii) All kinds of conveyance allowance.

ESTABLISHMENTS, Etc.

[87-cont.]

(iii) All allowances granted for meeting the cost of -

(a) Uniforms and

(b) Rations.

(iv) All allowances granted as compensation for higher cost of living in localities considered by the Government to be expensive localities including hill stations.

(v) All house-rent allowances.

(vi) All allowances granted to provide relief against the increased cost of living.

(vii) All amounts paid by way of reimbursement of medical expenses.

(b) The maximum amount attachable by civil court is calculated on the amount earned and not on what remains after satisfying any debts due to the Government on account of advances taken under the rules.

(c) payments towards Postal and other Life Insurance policies, pension schemes, annuity funds, etc., that do not fall within the protection afforded by the Provident Funds Act, 1925 (India Act XIX of 1925) but are allowed to be deducted from the pay bills of Government servants for convenience in payment should not be excluded from the aggregate amount of salary in calculating the maximum amount attachable by a civil court. Any deductions which may have to be made on account of subscriptions to Provident Funds recognized by Government taxes on income payable by the Government servant and debts due to Government should be made from the non-attachable portion of the Government servant's salary.

ESTABLISHMENTS, Etc.
[87-87A]

Explanation - If total gross emolument earned are represented by X, allowances declared to be exempted from attachment under clause (1) of the proviso to sub-section (1) of section 60 of the Code of Civil Procedure 1908 and any subsistence grant or allowance made to any public officer while under suspension by Y, the net amount attachable if any, in respect of a suit filed after the 4th September 1963 is -

$$(x-y)-400$$

3

NOTE - The decree awarded by Courts prior to 1st February, 1977 would have been based upon the limit of first two hundred rupees and one half of the remainder in force from 4th September 1963 or the limit of the first hundred rupees and one half of the remainder in force prior to that date. Such decrees would continue to be valid until revised by the Courts.

**Recovery of dues to Co-operative Societies and
responsibility of Government servants**

87-A. (1) Where an intimation is received from a Co-operative Society of the execution of an arrangement by a Government servant as a member of such society under sub-section (1) of section 40 of the Madras Co-operative Societies Act, 1961 (Madras Act 53 of 1961), with a copy of such agreement certified in the manner specified in rule 15 of the Madras Co-operative Societies Rules, 1963 the Pay Disbursing Officer shall make a note of the agreement in the register prescribed in Madras Treasury Code Form No.113.

The pay disbursing officer shall on receipt of a requisition made by a society in accordance with rule 53 of the Madras Co-operative Societies Rules, 1963, for the deduction from the pay of Government

ESTABLISHMENTS, Etc.
[87A-cont.]

servant in respect of whom an intimation and the copy of agreement referred to above have been received of any amount due by him as a member of such society, shall recover at the time of disbursement of salary to the Government servant concerned, the amount specified in the requisition made by the Society subject to the following conditions -

(a) A certificate to the effect that the amount is due from the Government servant concerned to the Society on the date of requisition sent by it, shall be furnished on the requisition by the Society.

(b) Where the amount to be deducted in any month in accordance with the requisition made by a society other than a credit distributive or housing society or where a requisition has been made by two or more such societies in respect of the same Government servant and the total amount to be deducted in accordance with all the requisitions exceeds one-half of the entire emoluments for the month, the disbursing officer shall recover from the emoluments of such Government servant only a sum representing one-half of his entire emoluments for the month.

(c) Where the amount to be deducted is in respect of a requisition made by a credit distributive or housing society the disbursing officer shall recover from the emoluments of the Government servant the entire amount specified in the requisition without reference to the limit mentioned in clause (a).

NOTE (1) - For the purpose of these instructions, the Pay and Accounts Officers, Madras, the Treasury Officers and the Sub-Treasury Officers in the Districts shall be the pay disbursing officers in respect of the Gazetted Officers and Non-Gazetted Officers who are permitted under subsidiary rule 7

ESTABLISHMENTS, Etc.

[87A-cont.]

of the Treasury Rule 16, Tamil Nadu Treasury Code, Volume I to draw their pay, leave salary and travelling allowance on bills in the forms prescribed for Gazetted Government servants and the head of the office in respect of any other Government servant who does not draw his pay, etc., in a separate bill.

NOTE (2) - A Disbursing Officer, even when not located within the territorial limits to which the Act under which a Co-operative Society has been registered applies, may effect recoveries on account of dues of such a Co-operative Society from the salary payable to the Government servant.

Provided that such Government servant gives in writing an authorisation to his disbursing officer to make the recoveries in respect of such dues and the disbursing officer, before effecting recoveries ensures that the authorisation given to him by such Government servant is clear, unambiguous and has not been revoked.

(2) The responsibility for recovering any amount due to a co-operative society from the emoluments of any Government servant shall rest on the disbursing officer as defined in the note under rule (1) above.

(3) Where a requisition is received from a registered society at least seven clear days prior to the last working day of the month, the disbursing officer shall see that the amount specified in the requisition is deducted from the emoluments of the Government servant concerned subject to the provision of rule (1) above.

(4) The disbursing officer shall maintain a register in T.N.T.C. Form 113 and 113-A to ensure that proper action is taken on all the requisitions received from the societies.

ESTABLISHMENTS, Etc.

[87A-88].

(5) In the case of retired Government servants, the Accountant-General shall authorise the Pay and Accounts Officer/Treasury Officer, to recover the Co-operative dues, if any, from the death-cum-retirement gratuity. The Pay and Accounts Officer/Treasury Officer shall recover the dues and remit it to the Co-operative Society concerned, by means of Bank draft or cheque.

**Responsibility of Government servants for
recovering amounts attached by Civil Courts
from pay and allowances**

88. When paying a bill for the emoluments of a gazetted Government servant or other Government servant who draws his pay on a separate bill, the Treasury or Sub-Treasury Officer should recover any amount attached by the order of a Court from those emoluments. The responsibility for recovering an amount of this kind from the emoluments of any Government servant who does not draw his pay on a separate bill, by making the necessary deduction in the establishment bill, rests on the head of the office. If the Treasury/Sub-Treasury Officer or the head of the office, as the case may be, receives a relevant attachment order from a Court sufficiently early before the end of the month (see Article 73), he should see that the amount attached is deducted from the bill concerned. Each Treasury and Sub-Treasury Officer and each head of an office should carefully maintain a suitable "attachment register" to enable him to see that proper action is taken on all attachment orders received from courts (see subsidiary rules 2 (k), 22 and 33 under Treasury Rule 16 and instruction 9 under Treasury Rule 32).

NOTE - In cases where the attachment of salary and/or allowances of Government servant appear to be violative of section 50 (1) of the Code of Civil Procedure, 1908, extract of which is found in

ESTABLISHMENTS, Etc.
[88-90]

Article 87 (a), the judgment debtor may, if so advised, seek relief in the court concerned.

88-A. If an order of attachment against a Government servant is received before a previous order of attachment against the same Government servant has been fully complied with, the recoveries shall be made by the disbursing officer so long as the total amount recoverable with reference to the attachment order is within the maximum limits prescribed in Article 87. If a new attachment order has the result of increasing the amount beyond the maximum limits prescribed the disbursing officer shall return the attachment order to the court concerned with a statement showing (i) particulars of the existing attachment (ii) particulars of the amount withheld and paid into the court concerned up to date and (iii) amount remaining uncovered.

Hospital Stoppages

89. Government servants may make payments on account of hospital stoppages due to Government or Local Fund hospitals either by deduction from their bills for pay and allowances or in cash.

Fines

90. Fines imposed on subordinates for ordinary neglect of office duty are properly recoverable by stoppages from pay and consequent short drawal of establishment pay bills.

CHAPTER VI CONTINGENT CHARGES

Definition

[91-92]

91. The term "contingent charges" or "contingencies" is applied to the incidental expenditure which is necessarily incurred in running an office. The main items are common to most offices, e.g., expenditure on furniture, books and periodicals, service postage and telegrams, bicycles, electric current, cleaning charges, customs duty on imported stores, freight and tour charges. It includes also incidental expenditure which is required for technical or other special reasons in the working of particular offices and departments, expenditure on clothing and other equipments in such departments as the Jail and Police Departments, rewards paid to non-officials, diet and road money paid to prosecutors, witnesses, jurors and assessors, law charges, dietary and medical charges in jails and hospitals, purchase of plant, machinery and laboratory equipments in colleges and schools, raw materials for conversion into manufactured articles in the Jail Department, workmen's wages, purchase of livestock for the manufacture of sera and vaccines and similar items.

The contingencies of special offices in the Public Works Department include also expenditure on the supply of and repairs to tools and plant.

Extent of application of this chapter

92. The rules in this chapter apply primary in contingencies of the kinds, mentioned in the preceding Article, but expenditure on petty construction and repairs, dealt within Chapter VIII, and other miscellaneous expenditure, dealt within Chapter IX are also subject to the rules of procedure contained in this Chapter, except in so far as such expenditure is governed by any special rules.

CONTINGENT CHARGES

[93]

**Authorities competent to sanction
contingent charges**

93. (a) Heads of offices have been empowered to incur or sanction expenditure on ordinary and recognized contingencies subject to the following conditions:-

(1) The expenditure should be non-recurring, i.e., should not involve any commitment beyond a single payment, unless the authority concerned has been duly empowered to incur or sanction such recurring expenditure. A gazetted Government servant who is entitled to draw contingent bills may incur recurring expenditure up to Rs.10 a month for a period not exceeding six months, and may also sanction recurring expenditure subject to some restrictions in any office subordinate to him.

Exception - The sanction of the Government is not required for the payment of a municipal or other local tax whatever its amount on Government property, if the tax has been assessed by the competent authority and the certificate required in rule 3 of Article 120 is duly furnished. If the Government servant who receives the notice of demand considers that the assessment is excessive, he should report the facts at once to his immediate superior with full information as to the time allowed for filing an appeal against the assessment and the grounds on which an appeal could be based.

(2) If the Government have prescribed any special rule, restriction, limit, scale or the like regarding any particular item (see Appendix 5) it should be strictly observed.

(3) The total expenditure incurred by the head of an office in any financial year should not exceed the appropriation placed at his disposal for the purpose for that year.

CONTINGENT CHARGES
{93-cont.}

NOTE (1) - The Electrical Inspector may incur recurring expenditure up to Rs.25 per month for a period not exceeding six months.

NOTE (2) - The sanctioning authority need not take into account the sales-tax for the purpose of exercising the power of sanction of stores, etc., as per the monetary limits laid down in the various appendices in Volume II of this Code. However, all controlling and disbursing officers should furnish a certificate in all bills in which sales tax is shown as a separate item of expenditure as detailed below:-

Certified that in the case of sub-vouchers, attached to the bill and those retained in my office relating to the purchase of goods on which sales tax has been charged, the goods have not been exempted under the Central-State Sales Tax Act or the rules made thereunder and that the amounts paid on account of sales tax on those goods are correct under the provisions of that Act or the rules made thereunder and that in the case of supplies against regular contracts, the relevant contract includes a specific provision that sales tax is payable by Government.

NOTE (3) - The Assistant Inspector-General of Police shall exercise the powers of the Inspector-General of Police in respect of purchase, condemnation and replacement of stores, viz., articles of clothing, arms and equipments and incur expenditure in this regard subject to Budget provision.

NOTE (4) - For purpose of exercising the monetary limit for purchase of equipments, etc., under the powers delegated in Appendix 5, the total value of the purchase at any one time should be reckoned, notwithstanding the fact that the cost of individual articles may be within the monetary limits.

CONTINGENT CHARGES
[93-94]

(b) The head of an office may delegate his power to incur or sanction expenditure on contingencies to any gazetted Government servant under him subject to any further conditions and restrictions which he may consider necessary in addition to those prescribed by the Government.

When satisfied that it is unavoidably necessary, e.g., during his absence from headquarters, the head of an office or other gazetted Government servant who is authorised to incur contingent expenditure may permit a responsible non-gazetted subordinate, such as a head clerk or office manager, to incur urgent contingent expenditure of a specified kind or kinds up to a specified amount (which should be small) in anticipation of his sanction. Whenever he does so, he should arrange to scrutinize as soon as possible all vouchers for contingent expenditure so incurred and pass them finally for payment. If he disallows any item of charge of part of an item, he should recover the amount disallowed from the payee, if he considers it desirable and finds it possible to do so, and otherwise from the non-gazetted subordinate who incurred it in anticipation of his sanction.

(c) A Government servant should not incur any expenditure on contingencies which involves a departure from the general and special rules prescribed in this Code or any unusual expenditure on contingencies unless the Government have specially sanctioned the expenditure.

NOTE - The charge connected with the Tamil Nadu Public Service Commission will be governed by Regulation 14 of the Tamil Nadu Public Service Commission Regulations 1954.

Permanent Advances

94. As a general rule, a Government servant is only permitted to draw money from the treasury