

The
ANDHRA PRADESH
FINANCIAL CODE

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THE A.P. FINANCIAL CODE

VOLUME I

TABLE OF CONTENTS

Chapter I - Introductory			<i>Articles</i>
	<i>Articles</i>	Audit of receipts.	37
General	1	Chapter IV - Expenditure - General Principles and Rules	
Receipts	2	General Principles	38-44
Expenditure	3-4	Communication of sanction	45-48
Accounts	5	Date of effect of sanction	49
Chapter II - Definitions	6	Lapse of sanction	50
Chapter III - Receipts, their Collection and Check.		Contracts	51
General	7-11	Arrear claims	52-55
Recoverable Charges	12	Over Charges and audit objections.	56-60
Rents of Govt.buildings due from Govt.Servants	13-21	Chapter V - Establishments, Claims of Government Servants and Recoveries from them	
Rents of Government buildings, land, etc., due from private persons & pensioners	22	(i) Introductory	
Miscellaneous properties etc., incharge of the P.W.D. or the Revenue Department	23	Scope of the chapter	61
Cost of Surveys	24	Power of the Government to create and abolish posts	62
Rents of hostels	25	(ii) Establishments	
Fines	26	Powers of subordinate authorities to sanction additional establishments	63
Receipts of the Forest Dept.	27	Additions to establishments or increase in the emoluments of existing posts.	64
Collection of amounts due to Govt.Commercial concerns	28	Scales of pay for new posts	65
Govt.Educational Institutions -		Details to be furnished with establishment proposals	66
Fees for students belonging to the State and for others	29	Proposition statements	67
Fees for the training of private persons at Govt.Medical Institutions.	30	Instructions for preparing proposition statements	68
Miscellaneous dues and special recoveries	31	Verification of proposition statement by the Accountant-Generals.	69
Refunds of revenues	32-34	Distribution of non-gazetted establishment into sections	70
Time-limits for claims for refunds of revenue.	35	Annual returns of establishments.	71
Remissions.	36		

	Articles		Articles
(iii) Claims of Government Servants		Authorities competent to sanction, contingent charges	93
Due date for payment of pay, allowances, etc.	72	Permanent advances	94-98
Signing and presentation of pay bills	73	Temporary advances for specific purposes	99
Drawal of pay above an efficiency bar.	74	Advances for contingent charges to be incurred on tour	100
Drawal of an increment in pay	75	Advances for law charges	101
Pay due in India to persons not in India	76	Classification of contingent charges	102
Pay etc., due to members of the Territorial Army – When called out for service.	77	Contingent register	103-105
Reports of transfer of charge of gazetted Govt.Servants	78	Recoupment of permanent advance	106-107
Specimen signatures required by the Accountant-General	79	Detailed monthly bill for countersigned contingencies	108-109
Pay, etc., due to a deceased Government Servant	80	Counter-signing authority's contingent register	110-111
Pay due to Govt.Servant whose whereabouts are unknown	81	Amounts disallowed by the counter-signing authority	112
Travelling allowance bills	82	List of abstract contingent bills	113
Travelling allowances of non-gazetted Police officers	83	Endorsement of contingent bills in favour of private parties etc.	114
Advances of traveling expenses for tours	84	Inter-departmental transfers	115
(iv) Deductions from Pay Bills of Govt.servants		Contingent charges incurred on behalf of other Govt.Servants.	116
Fund deductions	85	Special instructions regarding bills of offices in Hyderabad City.	117
Deduction of income-tax	86	Control of contingent expenditure against appropriation	118
Attachment of pay and allowances by Civil Courts	87	Service postage stamps	119
Responsibility of Govt.servants for recovering amounts attached by Civil Courts from pay and allowances	88	Rates and taxes	120
Hospital stoppages	89	Cleaning, etc., charge	120-A
Fines	90	Electric current charges	121
Chapter VI – Contingent Charges		Chapter VII – Stores	
Definition	91	Introductory	122
Extent of application of this Chapter	92	Authorities competent to purchase stores	123
		Forecast of requirements and time of purchase	124

	<u>Articles</u>		<u>Articles</u>
Rules and instructions governing the purchase of stores	125-126	Preparation of estimates	157
Acceptance of tenders	127	Sanction for works	158
Agreements for the supply of stores	128	Repairs to buildings	159
Security to be taken from contractors	129	Estimates and sanctions to be treated as confidential	160
Examination of contracts by the Accountant-General	130	Utilization of savings	161
Tender & agreement form	131	Supplementary estimates	162
Claims in respect of imported Stores lost or damaged	132-A	Methods of executing works	163
Stock accounts	133	Purchase of materials and invitations to tender	164
Stock accounts of raw materials and expendable stores	134	Provision of funds	165
Stock accounts of office furniture and stores	135	Execution of agreements	166-168
Valuation of stores in the stock accounts	136	Starting a work without a sanctioned estimate or without adequate funds having been provided	169
Receipts and disposal of stores	137-138	Starting a work in an emergency	170
Inspection of stores	139	Muster roll for a work executed departmentally	171-172
Unserviceable stores	140-142	Labour engaged departmentally through a contractor	173
Verification of stores	143-144	Measurement book	174-175
Discrepancies found on verification of stores	145	Check-measurement of works	176
Audit of stores and stock accounts	146	Aid to contractors	177-178
Chapter VIII - Works		Liability of contractors	179
A. Introductory		Lending Government tools to piece-workers in the Scheduled Areas	180
Definition and classification of "works"	147-148	Completion report	181
B. Allotment of works to departments		Disposal of surplus materials	182
Works allotted to the Public Works Department	149	Protection of religious edifices	183
Works allotted to the Forest Dept. and the Excise Dept.	150	D. Rules applicable to particular departments	
Works allotted to other Depts.	151-153	<i>I. Works allotted to the Works Department</i>	
Electrical works	154	Requisitions of works	184
Minor irrigation works	155	Administrative approval and technical sanction	185
C. General Rules		Repairs to buildings	186-A
Selection of site	156	Starting a work	187-189
		Methods of executing works	190
		Supply of materials for works	191

	Articles		Articles
Invitations to tender	192	Chapter X – Loans & Advances	
Acceptance of tenders	193-194	<i>General</i>	
Agreement with contractors	195	Main classes of loans and advances.	219
Alteration in design during construction	196	<i>I. Loans to Municipalities, Port Funds, etc.,</i>	
Revised estimates	197	Sanctioning authority	220
Lapses of sanction to estimate	198	General instructions	221
Handing over a work on completion	199	Loans to Municipalities and to Zilla Parishads and other local bodies	222
Disposal of surplus materials	200	Advances to cultivators	223
Electrical and sanitary works	201-202	Advances under special laws	224
Works executed by Agricultural Officers as Public Works disbursers	203	Miscellaneous loans & advances.	225
Works executed out of loans granted to local bodies etc.,	204	<i>II. Loans to Government Servants General</i>	
<i>II. Works allotted to the Forest Department</i>		Classes of loans	226
Revised Estimates	205	General principles	227
Payment for works done	206	(A) & (B) Advances for purchase of conveyances.	
<i>III. Works allotted to the Excise Dept.</i>		(i) General	
Proposals for execution of works	207	Sanctioning Authority	228
Consultation with Public Works Officers.	208	Procedure for sanction	229
Chapter IX – Miscellaneous Expenditure		(ii) Advances for the purchase of motor cars	230
Authorities competent to sanction miscellaneous expenditure	209	(iii) Advances for the purchase of cycles	231
Acquisition of land	210	(iv) Advances for the purchase of conveyances other than motor cars and motor cycles.	232
Educational grants-in-aid (Other than local bodies)	211	Advances to Rural Medical Practitioners for the purchase of bicycles	232-A
Grants-in-aid, contributions, Grants, etc., to Public bodies, institutions, etc.	211-A	(C) Passage advances	233
Scholarships and stipends & Discretionary grants	212-213	(D) Advances for i.e., the purchase and construction of houses	233-A
Over time fees	214	(E) Advances for the purchase of horses and saddlery	233-B
Compensation for loss of property	215	(F) Other allowances -	
Grants in lieu of magisterial fines	216	(i) General	234
Maintenance of military camping grounds	217	(ii) Advances for the purchase of type-writers	235
Deportation charges	218		

	Articles		Articles
<i>III. Advances Repayable</i>		(9) Advances to Govt. Press employees for paying examination fees	255
General	236	(12) Advances to head constables, constables, etc., for the purchase of spectacles	255-A
(i) Civil advances – Classes of advances	237	Advances for the purchase of Uniform by junior officers of Andhra Pradesh Special Police Batallions.	255-B
(1) Objection Book Advances – Classes of Advances	238	(iii) Revenue advances	256
(A) Advances on transfer	239	(iv) Forest Advances	257
(B) Advances on return from leave or special duty out of India and on first appointment	240	IV. Permanent Advances	258
(C) Advances to patients sent for anti-rabic treatment	241	Periodical Review of Loans	259
(2) Advances of passage money	243	Irrecoverable Loans and Advances -	
(3) Advances to Junior I.A.S. and I.P.S. Officers	244	Duties and powers of officers to write off	260
(4) Advances for the encouragement of legal studies in England	245	Chapter XI – Deposits	
(ii) Special advances – General.	246	Introductory	261
(1) Imprests for minor irrigation works and works pertaining to rural water supply schemes.	247	Classes of “Civil Deposits”	262-266
(2) Imprests for works executed by the Revenue Department in the Scheduled Areas	248	General Principles and Rules	267-270
(3) Advances to contractors and labourers employed on works executed by the Revenue Dept. in the Scheduled Areas	249	Lapse of deposits to the Govt.	271-272
(4) Advances to contractors for making supplies to the Agricultural Department	250	Chapter XII – Responsibility for Losses of Public Moneys or Property	
Advances to contractors in the Forest Department.	250-A	General	273-275
(5) Advances for the destruction of agricultural pests and diseases	251	I. Security Deposits	
(6) Advances for the settlement of habitual offenders	252	Security deposits – Government Servants	276-277
(8) Advances for erecting temporary sheds in plague affected areas	254	Security Deposits – Contractors	278
		Forms of security and conditions on which they are accepted	279-280
		Post Office Savings Bank deposits	281
		Fidelity bond premia	282
		Forms of security bonds	283
		Registration of security bonds	284
		Custody of securities and security bonds	285-287
		Periodical verification of all securities	288

	<u>Articles</u>		<u>Articles</u>
Annual valuation of Govt.promissory notes, etc.,	289	Land-cess including education cess, payments to Zilla Parishads and Panchayats	310
Repayment of cash deposited in the Post Office Savings Banks	291	Time limits for claims by local bodies	311
Adjustment of a claim against a security deposit lodged in the Post Office Savings Banks	292	Arrear claims of local bodies	312
Security deposit of a private employer of Govt.servant on foreign service.	293	Rounding off of financial transactions between Govt. and local bodies.	313
II. Losses		Chapter XIV – Miscellaneous Subjects	
Report of losses	294	Introductory	314
Losses with which the Reserve Bank is concerned	295	Allocation of expenditure between capital and revenue and financing of capital expenditure.	315
Losses of cash due to the acceptance of counterfeit coins	296	Work done for another Govt.	316
Write-off of losses	297	Disposal of Govt.land and buildings	317
Losses of stores	298	Endowments for scholarships, prizes, etc.,	318
Damages to immovable Government property	299	Insurance of Govt.property	319
General principles and procedure for enforcing responsibility for losses	300	Rounding off of transactions in Government accounts	320-322
Departmental enquiries regarding frauds etc., in which Govt.servants are involved	301	Fraudures	323
Prosecution for embezzlement of public money or property	302	Supply of forms	324
Chapter XIII – Local Funds		Service Books	325
Introductory	303-305	Destruction of official records connected with accounts	326
Grants to local and other bodies	306	Reports of deaths of European Government servants	327
Loans to local bodies	307	Reports of deaths of pensioners	328
Charges recoverable from local bodies	308-309	Chapter XV – Delegation of Union Functions by Consent of State Chapter XVI – Relaxation of Rules 330	
		List of A.P.F.C. Forms	

The Andhra Pradesh Financial Code

VOLUME I

CHAPTER I

INTRODUCTORY

General

ARTICLE 1. 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

ARTICLE 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, inspite 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, The principles apply equally to the recovery of loans and advances made by the Government.

Expenditure

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 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.

(4) The amount of any allowance, such as a village 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.

GOVERNMENT INSTRUCTION

USE OF PERSONAL MONEY FOR GOVERNMENT/PUBLIC PURPOSE

(Govt. Memo.No. 1119/44/TFR/A2/91-2, Fin. & Plg., Dt. 30-3-1991)

The Pay & Accounts Officer, Hyderabad is informed that when Art. 3 and 38 of A.P.F.C. Vol. I precludes the use of personal/private money for Government/public purpose, the question of reimbursement does not arise, when such expenditure is not authorised by the competent authority, in terms of Chapters I & IV of A.P. Financial Code.

Pay & Accounts Officer, is therefore, requested not to entertain such claims, when they are not supported by rectification orders of the Government.

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ARTICLE 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 and to guard scrupulously against every kind of wasteful expenditure from public funds.

Accounts

ARTICLE 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, 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**

ARTICLE 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 the 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.

Note —(1) Reference to an Act of Madras or Andhra in any of the provisions of the Code, shall be deemed to include the corresponding law if any, in force in Telangana area.

(2) Reference to Hyderabad City in the provisions of the Code shall be deemed to include Secunderabad City also unless the Context otherwise means.

Accountant-General means the office and accountants subordinate to the Comptroller and Auditor-General of India, who keep the accounts of the State and exercise 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 or the Electricity 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 or the Electricity Department to execute a specified work or work 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 the Reserve Bank of India, or any office, branch or agency of the Reserve Bank of India, and includes any branch of the State Bank of India or the State Bank of Hyderabad acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (India Act II of 1934).

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

Book adjustment (or book transfer) means the entries made in the government account in respect of a financial transaction which does not involve any actual receipt of 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 private party, the charge, 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.

Central (Agency) subject (See Article 329)

Central (Agency) transaction (See Article 329)

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 of abandonment of the work.

Consolidated Fund Account means the Account 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 bill, 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 authorization 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 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 work on contract (see the Andhra Pradesh 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 a department or other departmental officer who is entrusted with the responsibility of controlling the incurring of expenditure and/or the collector 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 exclude a Government servant who is not the head of an office and draws only his own pay and allowances from the treasury.

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.

Financial property — Standards of (See Article 30)

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 Andhra Pradesh.

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

Government draft :—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 authorized to receive, keep, carry or spend moneys on behalf of the Government.

Governor means the Governor of Andhra Pradesh.

Head of a department means by authority specially declared by the Government to the head of a department. (See Appendix-I).

Head of an Office means a Gazetted Government Servant specially declared by the Head of a Department to be the Head of an Office.

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.

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

Local body means a Zilla Parishad, municipal council (including the Hyderabad and Secunderabad Corporations) panchayat or a market committee constituted under the Madras Commercial Crops Markets Act, 1933.

Local funds means :- (See also Chapter IV of Part III of the Andhra Pradesh Treasury Code).

(1) the moneys received and administered by a body which, though not part of the Government's departmental organization, has been placed under the control of the Government by a law, or a rule having the force of law, whether in regard to its

proceedings generally or to specific matters, e.g., its budget, creation of particular posts in its service and appointments to such posts, and the leave, pension and other rules applicable to its servants;

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

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

Lump-sum contract :—See Article 163.

Major head 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 the State.

Market rate, Market value means, in respect of an article borne on the stock accounts, the cost per unit at which a stock of that article or a suitable substitute for 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 that 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.

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, contracts, contractor’s bills and vouchers generally, the amount payable for each unit of work, supply or other service.

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

Revenue of the State means and includes all money 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; unfounded debt and such receipts of a banking or deposit nature as, by virtue of any statutory provisions 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 termination of his contract.

Scheduled Areas means agency areas of the Visakhapatnam, Srikakulam, East Godavari and West Godavari districts — See Part C of the Fifth Schedule to the Constitution of India.

State means the State of Andhra Pradesh.

Stores means all articles and materials including live-stock (other than cash and documents) which come into the possession of a Government servant for use in the public service.

Sub-head means, in connection with estimates and account of works, one of the sub-divisions according to items of work, e.g., excavation, brickwork, concrete, woodwork etc., into which the expenditure on a work or a sub-work, of a large work is divided in order to facilitate accounting and financial control.

Sub-work means 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 jailors' 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 property detailed estimate of the cost of work of construction or repair to be carried out by the Public Works Department or the Electricity Department (of 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 "Andhra Pradesh Treasury Rules", framed by the Governor under Article 238(2) of the Constitution of India (See Part I of the Andhra Pradesh Treasury Code, Volume 1).

Unit of appropriation means the lowest account head under which the Government place a specific appropriation at the disposal of the spending authority concerned.

Work :- See Article 147.

CHAPTER III

RECEIPTS, THEIR COLLECTION AND CHECK

General

ARTICLE 7. The items of Government revenue with which department 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.

ARTICLE 8. Every Government servant who is responsible for the collections 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 be shown in respect of all items of revenue, whether recurring or non-recurring, the assessments and demands made, the progress of recovery and the outstanding 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.

ARTICLE 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 receipts for each month classified according to the head of account in the Budget Estimates. The controlling 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 Officer concerned, and, if necessary, with the Accountant-General also. The reconciliation of the figures for March is especially important and should be completed as soon 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.

ARTICLE 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 officer in the district concerned. Any such item of revenue would 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.

ARTICLE 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.

Recoverable Charges

ARTICLE 12. When the Government agree to render a service to, or incur a charge on account of a local body, any other public body not forming part of the Government's departmental organization 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 Article 24 and 308).

Rents of Government Buildings due from Government Servants

ARTICLE 13. When a building is constructed or acquired for use as 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 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 Fundamental- Rule 45 A-II or under Fundamental Rule 45 A-V or where the building is used partly as residence and partly as officer the competent authority for this purpose is the Superintending Engineer for Buildings in charge of the Public Works Department, the Superintending Engineer of the system concerned for buildings in charge of the Electricity Department and the Chief Conservator or Conservator of Forests for buildings in charge of the Forest Department.

ARTICLE 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 which is wholly or partially used as a residence rests on the departmental officers concerned. In respect of any similar building in the charge of the Public Works Department, the responsibility rests mainly on the Executive Engineer of the division 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 bears 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

(a) Every head of an office and every officer who draws his own pay bill is responsible for the recovery of all amounts due to Government towards rent as assessed by the Executive Engineer for the occupation of the Government residential buildings by him and his subordinates, and he should furnish to the Executive 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 of that fact. If a building is vacant, the head of the office concerned should state the period of which he expects by any Government servant of the same department.

The Heads of office and Officers who draw their own pay bills should also furnish to the Executive Engineer not later than 20th of every month, a statement showing the rents recovered from pay bills of the preceding month, with details of amounts recovered, the gross and net amounts of the bills in which the amounts were short drawn and the treasury voucher numbers of the bills. (Memo.No.14765/264/Accts./7o-6, Dt. 27-1-1971)

Note :- The Government servant in charge 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, although it is not a residence provided for Government servant (See also Article 25).

(b) The Executive Engineer should prepare in Form-I in triplicate a demand statement of rents due from Govt., servants in respect of Govt. buildings used as residence and send the three copies to the Treasury Officer/other disbursing officer concerned. The

Treasury Officer other Disbursing Officers should make all the necessary entries in column 6 and record a certificate to that effect (see supra (e) below) on all the three copies of the demand statement.

(c) The demand statements 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 should get the necessary particulars from the drawing officers.

(e) On receipt of the demand statement of rent, the Treasury Officer or other disbursing officer should recover the amounts stated to be due from the next bill in which the Government servants concerned draw pay, without any previous reference to them, and should note in column 6 of the three copies of the demand statement —

(i) the emoluments actually drawn by the tenant, where they differ from those entered by the Executive 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 or 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 statement thus completed to the Executive Engineer, 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.

Note :—When a portion of a private building hired by the Government for accommodation of Government offices is used for residential and other purposes, certificate 9 prescribed in Andhra Pradesh 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.

The disbursing officer should send the second copy of the Demand statement remaining with him duly attached to the relevant pay bills to the Treasury Officer for onward transmission to audit office in support of the credits in the Treasury accounts in respect of the N.G.O's.

ARTICLE 15. In preparing the demand statement of rents the Executive Engineer should rely upon the copies of the pay slips of Gazetted Government Servants who draw their own bills received from Pay and Accounts Officer, Hyderabad and the intimations from the Heads of offices of the changes in the emoluments of the other Gazetted Government and Non-Gazetted Government servants who occupy Government residences.

The information in the completed copy of Form 1 returned by the Treasury Officer or other disbursing officer should also be utilized when preparing the demand statement of rents for the next month, and the assessment should be revised in accordance with any change of emolument noted by the Treasury Officer or other disbursing officer. The Executive Engineer should provide also for the recovery of any additional rent which may be due, either because the full amount has not been collected in the previous month or because arrears of emoluments have been paid to a Government servant.

ARTICLE 16. Until an advice to the contrary is received from the Executive Engineer, the Treasury Officer or other disbursing officer should continue to recover rent at a rate once intimated by the Executive 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.

ARTICLE 17. When a Government servant is transferred or proceeds on leave or retires, the Executive Engineer should give the Treasury Officer or other disbursing officer notice as early notice as possible of the date upto which rent is payable. Unless otherwise instructed by the Executive Engineer, the Treasury Officer or other disbursing officer should—

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

(ii) if the Government servant is not paid upto 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 not 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 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,

ARTICLE 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 total credits on account of such recoveries in the Treasury Account for the month 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 statement of rents returned by the Treasury Officer, the Executive Engineer should forward it to the Accountant-General with the monthly return of residential buildings. The Accountant-General will communicate to the Executive Engineer through the Audit notes, variation, if any, in emoluments noted on the copies of the demand statements of rents received by him with the Treasury Accounts. On receipt of the Audit Notes, the Executive Engineer should take steps to revise the amendments of rents due from the Government servant in respect of whom the Accountant-General has intimated rates of emolument different from those entered in the demand statements and should inform the Accountant-General the action taken by him.

The Treasury Officers shall prepare list of payments separately for Gazetted Government Servants.

These statements should be returned to the Accountant-General by the Divisional Officer with a report of action taken thereon.

ARTICLE 19. Every Government servant who draws pay on establishment bills is bound to recover from such bills by short drawal the rents of Government buildings demanded as due either from himself or from any of the subordinates whose pay is drawn from him.

ARTICLE 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 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.

ARTICLE 21. When a tenant makes any representation asking for a revision of an assessment of rent by the Executive Engineer, he must pay the assessed rent 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

ARTICLE 22. When any building or any land or other property belonging to the Government is let 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 Treasury Officer or other disbursing officer concerned on the pensioner's furnishing the Executive Engineer 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 demand statement of rents in which the pensioner's rent is included.

Sale of Government Property or Right by Auction

ARTICLE 22-A. When any Government property or right is sold by public auction the Government servant conducting the auction shall give adequate time before knock-

ing down the bid in favour of the highest bidder and shall also obtain the signatures of the successful bidder and two other bidders lower to the highest bid in the sale register or relevant record with the amount of the bids written in words and figures and duly dated.

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

ARTICLE 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 realized by the Public Works Department. The department is also responsible for realizing the revenue from miscellaneous properties, eg., 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, 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 of such natural streams, tanks, channel, etc.. by the lease of their usufruct and the sale of dead and windfall trees and, in regard to trees assigned on patta wider 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 a staff will be assigned on patta under Board's Standing Order No. 18 by the Revenue Department, if the Public Works Department so request, 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 the rents due in respect of these rights, except in certain cases for which the Government have prescribed a different procedure by special orders.

Cost of Surveys

ARTICLE 24. (a) The entire estimated cost of the survey of an estate not managed by the Court of Wards 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 installments in accordance with the rule and orders issued under the Andhra Pradesh Survey and Boundaries Act, 1923 (A.P. Act VIII of 1923). If any instalment is not duly paid, three month's notice of the stopping of the survey should be given to the proprietor, and the survey should be promptly stopped on the expiry of three months.

The officer in charge of the survey of the estate should incur the expenditure thereon in the same form as for ordinary survey charges. At the end of each month the

Survey Officer should furnish the Treasury Office 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 wider 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

ARTICLE 25. When a hostel is provided for a Government educational institution the 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 returns in Common Form 307 and in the monthly returns of residential buildings sent to the Accountant-General by the Executive Engineers 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

ARTICLE 26. (a) The duty of realizing fines and of checking the receipts and refunds rests with the departmental Government servants concerned, Under the rules of the Criminal Rules of Practice, 1966, 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 fine. 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 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 the month, for verification of the amounts shown as remitted into treasury with the credit appearing in the Treasury Account. The Treasury Officer should certify as to the correctness or otherwise of these amounts. When there is any discrepancy between a consolidated statement and the Treasury Account, 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

ARTICLE 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 Forest 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 produce received monthly from the District Forest 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 outstanding are collected as promptly as possible and that any apparent irregularities, etc., which would have an adverse effect of the district are fully investigated.

Collection of amounts due to Government commercial concerns

ARTICLE 28. If the Government servant in charge of a Government commercial concern adopts the procedure of collecting amounts due to it by drawing bills on purchasers payable at a bank, he should make the bills payable at the State Bank at places where it has a branch or Pay Officer, 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 authorizing 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 realizing.

Government Educational Institutions - Fees for students belonging to the State and for others

ARTICLE 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 student whose father or mother (if living) or guardian (if the father is not living) has been resident (apart from temporary absences) in the State for the two years immediately before the student's admission, and

(2) any student 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 case 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 Training of Private Persons at Government Medical Institutions

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

ARTICLE 30-A. Fees for the services rendered by the Director, Scientific Section, Criminal Investigation Department. Branch, Andhra Pradesh, Hyderabad.

The rules regulating applications for and payment of fees for the services of the Director, Scientific Section, Criminal Investigation Department branch are printed in Appendix 26. (Memo.No. 937/Accts/59-3, Dt. 7-1 1-1959)

Miscellaneous dues and Special recoveries

ARTICLE 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 department, 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 Revenue

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

ARTICLE 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 refund 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 the 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.

ARTICLE 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 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 acknowledgment granted to the payer) should, if possible, be taken back and destroyed.

Time-limits for claims for refunds of revenue

ARTICLE 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 (4) 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.

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.

Note 2 : - Under the rules for the levy of fees for work done by the Industrial Engineering Branch of the Agriculture Department, the Director of Agriculture 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 lure charge collected from him. In 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 limitations under the Indian Limitation Act, 1963 (India Act No. 36 of 1963), or any other law or rule having the force of law. — (See also subsidiary Rule 27 under Treasury Rule 16).

Note 3 : —The time limit for claims of refunds of excess collection of hospital stoppages is three complete financial years from the date of issue of intimation to the individuals concerned apprising them of the refunds due.

Note 4 : - An order for refund of revenue shall remain in force for a period of three months only from the date on which it was issued except as otherwise provided by any law or rule or Departmental regulation, and no payment shall be made on its authority thereafter unless it is got revalidated by the sanctioning authority.

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

(i) refunds of unclaimed assets and money 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.

(ii) refunds of court-fees regulated by the Court Fees Act, 1956 (A.P. Act No. 8 of 1956), which authorizes a court to issue certificates to parties entitling them to refunds of court-fees in certain cases.

(iii) refund of execution fees collected by the Co-operative Department.

(iv) renewal or refund of the value of non-judicial stamps which have been spoiled or rendered useless, and

(v) refunds of the cost of unused milk coupons and the cost of milk bottles returned to the Dairy-cum-Bull Farm, Visakhapatnam, which are made by the Superintendent of the Farm from his permanent advance.

Remissions

ARTICLE 36. (a) Full information as to the powers of the various authorities competent to sanction remissions 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. All remissions sanctioned under executive orders of Government should also be included in such statement. 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 the 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 remitted under each class of remissions, and should include a brief explanation of the circumstances leading to the total remission under each class.

Audit of receipts

ARTICLE 37. The regulations and rules relating to the audit of departmental receipts by the Accountant-General are printed in Appendix- 10.

CHAPTER IV**EXPENDITURE — GENERAL PRINCIPLES AND RULES****General Principles**

ARTICLE 38. As has been stated already in Article 3 no Govt. 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 authorized 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 day longer than is absolutely necessary.

ARTICLE 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 from 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.

ARTICLE 40. The Andhra Pradesh Budget Manual contains the rules regarding the preparation, examination and consolidation of the budget estimates, their passage through the Legislature, the distribution of appropriations 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.

ARTICLE 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 any one of them, and subject to the limitations mentioned in Article 62 in regard to certain posts.

ARTICLE 42. An authority subordinate to the Government may sanction expenditure or advances from public moneys in those cases only in which it is authorised 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.

The powers delegated by the Government to the Collector and Special Chenchu Officer, Kurnool, in regard to expenditure required for the reclamation of the Chenchus are specified in Appendix-3.

ARTICLE 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).

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

Communication of Sanction

ARTICLE 45. A copy of every order sanctioning expenditure should be communicated to the Accountant General/Pay and Accounts Officer, Hyderabad by the authority which accords the sanction. Copies of such orders involving the withdrawal of moneys from the Consolidated Fund, the Contingency Fund in the public accounts of the State of the Andhra Pradesh shall be authenticated by an officer not below the rank of a section officer in any Department of the Secretariat.

(Memo.No. 45155/A/719/Accts/73-9, Dt. 16-8-74)

Sanction covered by the items 1 to 4 enumerated below may be communicated direct to Accountant General /Pay and Accounts Officer, Hyderabad by the Administrative Department over the Signature of a Gazetted Officer of the Department, dealing with the subject matter of the sanction. Two copies of the sanction order should be communicated and the Finance one and Planning (BG) Department and the other to the concerned section in Finance and Planning (Fin-Wing) Department.

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

(2) Cases sent to the Finance and Planning (Fin-Wing) Department in the proposal stage and accepted by them but not sent in the draft stage.

(3) Cases sent to the Finance and Planning (Fin-Wing) Department in the proposal stage and modified by them and accepted in the draft stage with modification.

(4) Cases sent to the Finance and Planning (Fin- Wing) Department and objected to by them in the proposal stage but in regard to which orders in circulation have been taken in accordance with business Rules and drafts seen by Finance.

A paragraph to the effect viz., “The order/memo, issued with the concurrence of the Finance and Planning (Fin-Wing) Department vide their U.O. No, dated” may be added in the proceedings (Government orders, memo, letter or endorsement) in the above cases.

In respect of cases where the file of the administrative department was seen in the Finance and Planning (Fin-Wing) Department and objection was raised but orders were taken in circulation in accordance to the business rules and drafts issued without Finance and Planning (Fin-Wing) Department seeing before issue. Or any other similar cases wherein orders have been issued without the Finance and Planning (Fin-Wing) Department being consulted or where the advise of Finance and Planning (Fin- Wing) has not been followed and orders issued by an administrative department on its individual responsibility due to reasons of urgency, three copies of the relevant sanctions should be sent to Finance and Planning (Fin-Wing) Department for being communicated to the Accountant-General. In such cases two copies may be sent to the concerned section in Finance and Planning (Fin-Wing) Department for being communicated to Accountant-General and one to the Finance and Planning (BG) Department.

In respect of cases where the concurrence of the Finance and Planning (Fin-Wing) Department is not necessary with reference to Delegation Rules issued by the Finance and Planning (Fin-Wing) Department sanction may be communicated to the Accountant-General direct with an endorsement in order as follows—

“The order/memo does not require the concurrence of the Finance and Planning (Fin- Wing) Department, under the rules or orders on the subject “.

Two copies of every such sanction should be marked to Finance and Planning (FinWing) Department, one to the Finance and Planning (BG) Department and the other to the concerned section in the Finance and Planning (Fin-Wing) Department.

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. Copies of orders involving the withdrawal of moneys from the Consolidated Fund, the Contingency Fund and the Public Accounts of the State of Andhra Pradesh shall be authenticated by an Officer not below the rank of a Section Officer in any Department to the Secretariat.

(Memo.No. 45155-A/719/Accts.&L/73-9, dated 16-8-1974).

In no case should the sanction be communicated to Audit Officer over the signature of a non-gazetted Ministerial Officer. The signature of the Gazetted Officer on any order communicated to the Accountant-General should only be in ink and not in stencil or facsimile.

ARTICLE 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.

ARTICLE 47. Every order sanctioning a 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 the details necessary to enable him to audit the sanction accorded.

ARTICLE 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 Andhra Pradesh Gazette, a separate copy need not ordinarily be sent to the Accountant-General. An order of 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 statements 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

ARTICLE 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 Andhra Pradesh Gazette statutory rules made by the State Government which are not required by law to be published take effect from the date of order issuing the rules. Sanction of the Government or authority subordinate to the Government takes effect from the date of order conveying the sanction.

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 specified date, they take effect accordingly.

Lapse of sanction

ARTICLE 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 a year, unless it is specifically 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 ; and

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

Note (1) :—The period of one year laid down in the Article 50 of this code shall be reckoned from the date of issue of the sanction which should be considered to have been acted upon, if payment in whole or in part has been made within the stipulated period, subsequent payment of the balance, may, subject to the existence of the budget provision, be made without a fresh expenditure sanction. The bill for subsequent payments should contain a reference to the number and date of the voucher under which the payment was made, besides giving reference to the expenditure sanction.

Note (2) :—When there is a specific provision in a sanction for any fresh charge that the expenditure would be met from the Budget provision of a specified financial year. such sanction will lapse on the expiry of the specified financial year and will not be operative for one year from the date of sanction.

Note (3) :—Sanction of a provident fund advance under Rule 14(1) of General Provident fund (Andhra Pradesh) Rules and the corresponding rules of other provident funds will remain operative for a period of three months and should be deemed to have lapsed after this period unless it specifically renewed.

(Memo 47108/Accts/60-1, dated 31-5-1960).

Contracts

ARTICLE 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 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 misconstruction of 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 classes of cases in regard to which the departmental codes or the Govt. Orders issued from time to time contain clear and complete instructions. Contracts 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 the rates mentioned in the contracts 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 subordinates 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.

Note :—For Provisions relating to EPC Works see page 314-A.

(b) Appendix—4 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 order as to conditions, forms, etc., and all contracts containing unusual 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.

Arrear Claims

ARTICLE 52. No claims against the Government, other than those by the one Department against another or by the Central Government or by a State Government not preferred within a year of their becoming due can be presented without an Authority from the Accountant-General/Pay and Accounts Officer, Hyderabad provided that, such claims not exceeding Rs. 500/- presented within three years of their becoming due may be paid without pre-audit by the Accountant-General/Pay and Accounts Officer, Hyderabad, Provided further that this rule shall not apply to the following Categories of such claims.

(a) Claims on account of pensions, the payment of which is regulated by S.R. 86, under T.R. 16.

(b) Claims on account of pay and allowances, other than travelling allowance, of such non-gazetted Government servants whose names are not required to be shown in the pay bills in accordance with S.R. 9 under T.R. 16.

(c) Claims on account of interest on Government Securities, and

(d) Any other class of payments 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 allowances or for an increment which has remained in abeyance for over six months will be subject to the discount mentioned in Article 54. Arrears of pensions or other such allowances governed by the rules in Board's standing Order No. 67 may also be paid at any time without pre-audit by the Accountant-General. Arrear claims made by local bodies are governed by Article 312 and those made on account of service pensions by Articles 956 to 960 of the Civil Service Regulations. 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 late.

Note (1) :---The limit of Rs. 500/- applies to the amount of each individual monthly claim and not to the total of monthly claims of several individuals included in a single bill.

Note (2) :—Arrear claims for the period from 1-10-1971 onwards relating to the officers situated in Hyderabad and Secunderabad cities shall be referred to the Pay and Accounts Officer, Hyderabad for pre-audit.

Note (3) : 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. Counter-signing officers should refuse to countersign bills presented after this period.

However, in respect of journeys performed by 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.

In the case of 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 3 months in respect of all the journeys performed in that month, shall be reckoned from the date of completion of last journey in 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 (4) :—Bills which under the rules should be pre-audited by the Accountant-General before payment should be subjected to pre-audit irrespective of whether they are payable in cash or by book adjustment i.e., even when there are no balances for payment.

The Government have made the following arrangement with the Indian Railways and the Customs Department of the Central Government in regard to claims made by the Government against them and by them against the Government

(a) Claims made against each other by the Government and any Indian Railways on account of over-charges, and under-charges, respectively of Railway fares and freights will be accepted :-

(i) in the case of cash payments, if preferred within six months from the date of payment, and

(ii) in the case of warrants and credit notes, if preferred within six months from the date of presentation of the bill by the Railway Administration.

A Railway Administration will refund voluntarily without awaiting a claim any over-charge of Rs. 5 or more on account of Railway freight paid in cash that is detected in audit within six months from the date of payment.

Explanation :—The terms “over-charges” and “under-charges” used in this clause refer to excesses and shortages in the items included in a bill which has already been rendered; the omission of an item is not an “over-charge”.

(b) The Central Government have agreed to admit a claim preferred by a Government department for the refund of excess customs duty charges on goods imported by it if the department makes the claim within one year from the date on which the goods are cleared from the custom house or, if the goods are not landed, from the date of order authorizing the removal of the goods under Section 89 of the Sea Customs Act, 1878 (Indian Act VIII of 1878). Claims by the Central Government for customs duty short-levied will be admissible if made within three months of the first assessment or of the order sanctioning a refund. These arrangements do not apply to customs duty collected otherwise than by book adjustment. By mutual agreement between the Government and the Central Government, no claim will be made for a refund of customs duty charged in excess or a recovery of customs duty short-levied when the amount involved is under five rupees.

Note (5) :—For the purpose of this Article the date on which the claim is presented at the Treasury or any other office of disbursement should be considered to be the date on which it is referred.

Note (6) —No claim for drawal of arrears of TA. is admissible consequent on the fixation of Pay in the revised scale when revision is made.

GOVERNMENT INSTRUCTION

Arrear Claims - Delegation of powers to the Heads of Departments for issue of Adhoc Sanction - Procedure to be adopted by the District Treasury Officer/Pay & Accounts Officer, Hyderabad.

(G.O.Ms.No. 161, Fin.&Plg., dated 27-4-1991)

REF :—1. G.O.Ms.No. 380, Fin.& Plg., date 15-10-70.

2. G.O.Ms.No. 53, Fin. & Plg., date 21-12-84.

ORDER :—In the GO. first read above, instructions were issued that arrear claims relating to Government employees may continue to be sanctioned in terms of Government Orders already issued in the matter in consultation with the Finance Department and in all such cases the Department should take action for fixing the responsibility for the administrative delay and also take suitable action against the persons held responsible, under intimation to Government in Finance Department.

2. Orders were also issued that since it is possible to verify the arrear claims with reference to the office copy of the Pay Bills and TA Bills which are preserved as per the orders issued in G.O.Ms.No. 489, Finance (FR) Department, dt. 16.11.1962 and Art. 326 of the A.P. Financial Code, Vol. 1 (Pay Bills for 3, 5 years and T.A. Bills for 3 years) and Drawing Officer / Head of the Department, should preserve all the records relating to any particular Government Servant till his claim is finally settled and also take personal responsibility for the correctness of the claim on the basis of the records available with him.

3. The records in the possession of Audit i.e., Pay & Accounts Officer/Accountant General, Andhra Pradesh are preserved only for a period of six years and hence claims which relate to period of over six years cannot be verified with reference to these records. Therefore, a system of Adhoc Sanction was introduced as per Article 55 of A.P. Financial Code, Vol. 1 In the light of some glaring discrepancies found in such old claims, Government have reviewed the existing procedure with regard to arrear claims, which fall in any one of the following two categories, namely :-

(a) Claims which relate to a period of less than six years when they are preferred; and

(b) Claims which relate to a period more than six years.

4. In regard to the category of claims in item (a) above, as per the present procedure, the Accountant-General, Andhra Pradesh/Pay and Accounts Officer, Hyderabad are being authorised to pre-audit the claim and on its being found to be correct in audit, it is passed for payment. In regard to the category of claims in item (b), Adhoc sanction is being accorded by Government, for passing the claims on the responsibility of the Drawing Officer, for verification in Audit due to limited period of preservation of records.

5. In respect of claims within 6 years, the Accountant-General informed the Government that checking the claims with original vouchers is becoming difficult due to several factors and consequently the check is conformed to entries in the Service Books received with the claims. Pending issue of instructions, with reference to the above observation of the Accountant General,

the arrear claims relating to a period of less than six years should continue to be dealt with as per the existing procedures.

6. The claims which have arisen from a date more than six years before the date of detection, sanction is being accorded at present by Government for passing the claims on the responsibility of the Drawing Officer, in terms of Art. 55 of A.P.F.C. Vol. 1, as the claims are not susceptible for verification in audit due to the limited period of preservation of records. But the system of according Adhoc Sanction is to be given by the Government since there are no records or other information available at Government level to verify these claims, before according Adhoc Sanction more effective and to reduce the possibility of wrong claims, it has been decided to delegate the powers to the Head of Departments to accord sanction for arrear claims over six years. Keeping this in view, the following instructions are issued to deal with the cases of time-barred arrear claims of more than six years old prior to the date of presentation.

(i) the arrear claims which are more than six years old should be prepared in two bills, the first, relating to a period of six years and the second relating to a period of less than six years. The Drawing Officer should follow all the instructions in regard to the preparation and certification of the arrear claims

(ii) the arrear claims for a period of less than six years, shall be sent, after sanction, for pre-audit by Pay & Accounts Officer! Accountant- General, Andhra Pradesh as the case may be. These claims may be admitted after pre-audit as at present.

(iii) the arrear claims for period beyond six years on the date of presentation shall be sent to Head of Department for issue of Adhoc Sanction. After the issue of Adhoc Sanction by Heads of Department, the Pay & Accounts Officer/shall scrutinise the claims before admitting for payment by exercising the following checks at their level, namely

(a) correctness of the Pay Fixation Statement on which the arrear claim is based should be verified with reference to the records necessary for such verification

(b) due, and drawn statement should be verified with reference to the entries of Pay available in the Service Register of the individual taking into account the corresponding rates of D.A. etc., admissible as on those dates

(c) arrear claim should be supported by an Indemnity Bond executed by the Claimant agreeing to refund any excess or double or wrong payments;

(d) a certificate in clear terms should be obtained from the Drawing Officer that the claim has not been drawn previously and that the correctness of the claim has been verified from the records being maintained in the office of the Drawing Officer; and

(e) after the payment is authorised by the District Treasury Officer/Pay & Accounts Officer, Hyderabad, in respect of arrear claims, an entry to this effect should be recorded in the Service Register of the individual and attested by the District Treasury Officer/Pay & Accounts Officer, Hyderabad.

7. Government also direct that in the Districts all arrear claims though presented either at the Sub-Treasury or at the District Treasury, the bills shall be passed for payment only by the District Treasury Officer after scrutiny in his office, but payment can be made in the District Treasury or Sub-Treasury where the bill has been presented. Similarly, the bills presented in Twin-Cities shall be passed by the Pay & Accounts Officer, Hyderabad himself.

8. Government also delegate powers to the Heads of Departments to sanction arrear claims within six years after investigation by the Pay & Accounts Officer, Hyderabad / District Treasury Officer.

ARTICLE 53. Except as provided in Article 54 of this code, bills for arrears of pay need not ordinarily be submitted to the Accountant-General for Pre-audit. Doubtful or extraordinary cases should, however be specifically referred to the Accountant-General for pre-audit by appropriate authorities.

ARTICLE 54. Except under the special orders of the Government or of some other competent authority to which the power is delegated under this Article, the Accountant-General will not investigate any claim of a Government servant, whether gazetted or not, for arrears of pay or allowances or for an increment when the claim has remained in abeyance for over a year.

Note :—(1) The period of one year for the purpose of investigation of a claim by the Accountant-General under this rule will be reckoned as follows

(a) The period of one year for the purpose of investigation of a claim by the Accountant-General under this rule should be counted from the date on which the increment falls due for payment in the case of an ordinary increment and not with reference to the date on which the increment certificate is signed by the competent authority. Under Fundamental Rule 24, an increment has ordinarily to be drawn as a matter of course unless it is withheld. Consequently, in the absence of any specific order withholding an increment before the date on which it falls due for payment, the increment accrues automatically on that date.

Even where an increment is withheld it accrues from the date on which it falls due after taking into account the period for which it is withheld. On the expiry of that period the accrual of the increment is a matter of course. The period of one year should, therefore, be counted in such a case from the date on which the increment falls due after taking into the account period for which it is withheld.

(b) In a case in which the increment next above the efficiency bar is to be allowed under Fundamental Rule 25 or in which a premature increment is to be granted under Fundamental Rule 27, the claim for increment is to be supported by the sanction of competent authority. In such a case the time-limit should be reckoned from the date of sanction of the increment or the date of accrual of the increment, whichever is later.

(c) In the case of an increment which can be drawn only after the increment certificate has been passed by the Accountant-General, in terms of Subsidiary Rule 13 under Treasury Rule 16 of Andhra Pradesh Treasury Code, Volume I, the period of one year is to be, reckoned from the date of passing of the increment certificate by the Accountant-General or from the date of accrual of the increment, whichever is later.

(d) In a case where first and second increments due after commencement of probation are delayed for want of orders of completion and declaration of probation of the individuals the period of one year for the purpose of investigation of claim by the Accountant-General should be reckoned from the date on which the declaration of probation of the individual is signed by the competent authority.

(e) The period of limitation for approval of pay fixation is six months from the date of exercising option.

(f) In cases relating to fixation of pay on account of revision of scales of pay the period of one year for the purpose of investigation of the arrear claim by the Accountant General/ Pay and Accounts Officer should be reckoned from the date on which the pay fixation statement of the individual is signed by the Competent Authority.} (Added by G.O.Ms. No. 280, Fin., 22-10-1979)

Note :—(2) 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. However in respect of journeys performed by 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 six months from the date of completion of the journey.

In the case of non-Gazetted Officers the time-limit should be applied from the date of completion of the journey to the date of submission of the claim by the non-gazetted Officer himself (by means of travelling Allowance journal or other information) to the Head of the office, whether the latter is the drawing officer or not, for preferring the Travelling Allowance claim.

When the claim for Travelling Allowance is countersigned by the controlling authority after three months from the date on which the claim has fallen due, the controlling authority should append a certificate that the claim has been made in time.

The appointing authorities are empowered to authorise the Accountant-General to investigate into all the arrear claims of Non-Gazetted Officers irrespective of the period for which they have remained in abeyance. In the case of arrear claims relating to (Non-Gazetted Officers in respect of whom the government are the appointing authority the Supervisors in respect of whom the Chief Engineer, Irrigation and Power (General) is the appointing authority and Gazetted Officers (excluding Heads of Department), the Heads of Departments are empowered to similarly authorise investigation by the Accountant General Pay and Accounts Officer, Hyderabad even though they are not the appointing authorities.

In exercising this power, they should bear in mind that the investigation of such claims often involves an amount of work in the office the Accountant-General out of all proportion to the amount or important of the claims. They should therefore exercise the powers judiciously and only call on the Accountant-General for an investigation when it appears that there was a reasonable cause for the delay in submitting the claim and that prima facie the claim is reasonable. They should forthwith reject every petty arrear claim 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.

The appointing authorities in the case of non-Gazetted Officers and the Heads of Departments in the case of no Non-Gazetted Officers in respect of whom the Government are the appointing authority, the supervisors in respect of whom the Chief Engineer. Irrigation and Power (General) is the appointing authority and in the case of Gazetted Officers (excluding Heads of Departments) are empowered to sanction the amount actually found to be due, after investigation by the Accountant-General/Pay and Accounts Officer, Hyderabad subject to the condition that the payment of arrears should be limited to the amount found to be due under the claim on account of a period not exceeding three years immediately preceding the date of detection of under payment, irrespective of the amount involved. In cases, where the delay is attributed to the claimant the appointing authorities or the Heads of Departments, as the case may be, should impose a cut of 50% on the claims. In cases where it is proposed to pay arrears found to be due after investigation by the Accountant-General on account of a period in excess of three cases should be referred to the Government in the Finance Department through the administrative Department of the Secretariat for sanction of such payment, furnishing detailed reasons for the delay in preferring the claim, names of persons who were responsible for the delay and the action taken against the persons responsible. As regards the arrear claims of Heads of Departments the concerned administrative departments of the Secretariat are empowered to authorise the Accountant-General to investigate into the same and to Sanction payment of the amount actually found to be due after investigation by the Accountant-General, subject to the principles laid down above cases of arrear claims which cannot be verified in audit due to the limited period of preservation of records in the audit office, should be continued to be referred to the Finance and Planning (Fin-Wing) Department by the concerned administrative departments of the Secretariat before sanctioning payment.

The Heads of Departments are authorised to sanction arrear claims for more than three years when duly pre-audited by Accountant-General/Pay and Accounts Officer, Hyd. upto Rs. 5,000/- in case of each claim.

A claim of a Government servant including a part-time Government servant for arrears of pay or allowances or for an increment which has remained in abeyance for over six months will, in addition to the claim being restricted to the period mentioned above, be further subject to a discount of 15 per cent, except in a case where controlling authority has satisfied himself that the delay was not due to the negligence or carelessness of the claimant, or ignorance of rules 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 adjudged as not due to the claimant's negligence or carelessness should be furnished by the controlling authority concerned. If, in any particular case, it is considered that for special reasons a larger concession should be granted the matter should be referred to the Government for orders. For the purposes of this article the date of detection of an underpayment means the date on which the under-payment is detected by, or brought to the notice of the head of the department or office, or, if it is first detected in audit, the date when the Accountant-General detects it. 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.

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 3 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 to officers undertaking several tours in a month based on approved tour programme even though no minimum touring is prescribed for them,

The Additional Director of Fire Services can refer the case to Accountant-General or Government for pre-audit in cases of arrear claims.

Note :—(3) T.A. claims which are not preferred within three years of the performance of the journey should not be admitted.

SPECIMEN FORM

Under Article 54 of the Andhra Pradesh Financial Code, Volume I

(1) The Accountant General Andhra Pradesh/Pay and Accounts Officer, Hyderabad is authorised to investigate into the arrear claim of Shri for the period from to

(2) The claimant should be paid the amount found due for the entire period specified above (or for a period of one immediately preceding the date of detection of under-payment) in full as he is not responsible for the delay in referring the claim (or subject to a discount of 15 per cent.).

ARTICLE 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 Government's special sanction, and no such claim should be referred to the Accountant-General/Pay and Accounts Officer, Hyderabad for pre-audit unless the Government have already specially sanctioned the payment of the claim subject to its being found to be correct on pre-audit by the Accountant-General/Pay and Accounts Officer, Hyderabad. The Accountant-General will refuse to investigate any such claim unless the government have already specially sanctioned the payment of the claim subject to its being found to be correct on preaudit.

The period of limitation for arrear claims against the Government of 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 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

ARTICLE 56. Every Government servant who draws bills for pay and allowances or contingent expenses is primarily responsible for 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 reasons 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 :—The Inspector-General of Police may waive recovery of over- payment of pay and allowances upto a limit of Rs. in each individual case, where the amount becomes irrecoverable due to the death, desertion, dismissal or removal, invalidation or retirement of a Police subordinate, provided that the case does not disclose—

- (i) a defect in the system or in the rules, the amendment of 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.

He 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 cases involved and the total amount waived in a year.

ARTICLE 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 regular 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 issue 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.

ARTICLE 58. Recoveries may not ordinarily be made at a rate exceeding one third of Pay unless the Government servant affected has (a) in receiving or drawing the excess,

actual contrary to orders or without due justification or (b) taken an advance for a specific purpose for which the advance was sanctioned within the prescribed period and failed to refund the outstanding amount within the stipulated date. For the purpose of this rule, "pay" includes "Sterling Overseas Pay".

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

ARTICLE 60. An administrative authority should not ordinarily consider any representations 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

(i) INTRODUCTORY

Scope of the chapter

ARTICLE 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 services 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 Andhra Pradesh Legislature. The Fundamental Rules and the Subsidiary Rules under them and the Andhra Pradesh 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.

Power of the Government to create and abolish posts

ARTICLE 62. The Government have power to create or abolish any post 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 the 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

ARTICLE 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 5. The delegations specified here 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 re-appropriation by the sanctioning authority under its own powers without reference to the Government, and

(2) that the provisions of the Fundamental Rules and the Subsidiary 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 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

Note :- A Treasury Officer is authorised to pass upto a period of three months pay bills of Gazetted Officers and Non-Gazetted establishment which involves payment not covered by sanction when temporary establishments have actually been continued beyond the period covered by the original sanction provided the Head of the office attaches to the pay bill of Gazetted and Non-Gazetted establishment a certificate duly countersigned by the controlling officer empowered to sanction the TA. bill to the effect that “*certified that the sanction to the temporary establishment had expired on..... further continuance has been applied for and is awaited. Pay and allowances have been claimed in this bill at the same rate as drawn previously*”.

The Gazetted Officers availing the facility should attach to the bill a declaration countersigned by the controlling officer empowered to sanction the post to the effect that “I am holding the Post of originally sanctioned up to The sanction for the further continuance of the post has been applied for Pay and Allowances at the same rate as I was drawing previously in the post have been claimed in this bill”. In the case of Gazetted Officer who countersign their own TA. bills, the declaration shall be countersigned by the next Higher competent authority.

(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 Service Manual, Volume 11(1938 Edition).

Additions to establishments or increase in the employment of existing posts

ARTICLE 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 Service 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

ARTICLE 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 minima of the time-scales for the corresponding permanent posts. When the new post to be created will form an addition to a cadre which is divided into grades, the pay of 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 in 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 services 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.

Note :— In the case of establishments divided into separate units or cadres carrying different scales of pay, an authority competent to make appointments in that establishment on both the units or cadres may make excess appointment in a lower unit cadre against the equal or greater number of vacancies left unfilled in the higher unit or cadres.

Details to be furnished with establishment proposals

ARTICLE 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 section 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 services 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 will be difficult for the President to decide whether to accord his 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 taken into account. When it is impossible to determine in advance the exact amount of an allowance, it will be sufficient to include as accurate an estimate as possible of the amount required for the allowance.

Proposition statements

ARTICLE 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 involved creating or abolishing a post or granting or abolishing an addition to pay so as to require the sanction of the Government of the state 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 is 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.

(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 personal pay to a member or members of an existing establishment, or solely for a change in the designation of an existing post, and does not require the sanction of the Government of the State.

Instructions for preparing proposition statement

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

(i) The statement should relate strictly to the 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 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, 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

ARTICLE 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 proposal should be left for adjustment by the Accountant-General at the next periodical verification of the scale or establishment with reference to the annual return prescribed in Article 71.

Distribution of non-gazetted establishments into sections

ARTICLE 70. For the 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

(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 Serishatadar's section, Huzur Head Clerk's 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, Upper Division Clerk and Lower Division Clerk, each class or grade may form a separate section.

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

(f) Clerks, school masters, etc., should not, except in a small establishment, be combined with subordinates in the last grade service. Such subordinates 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 subordinates of the rank of Sub-Inspector or below should be furnished according to the several grades in the service.

Note 1 :—Parts of an establishment under the same head of an office which are charged for under different major heads should be treated as separate establishments. The pay of the prohibition establishments in Collector's offices should, however be included in a separate section of the main establishment pay bill of the office concerned and not in a separate bill.

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 statements, annual returns of establishments, proposition statements and other similar documents should be made in accordance with the section so prescribed.

Annual returns of establishments

ARTICLE 71. Early in March each year, the Head of the Department for establishments borne on a State Cadre and the Head of the Office for establishment not borne on State Cadre, should prepare a detailed statement of the permanent establishment of the Department or Office as on the 1st March in the Form, prescribed by the Comptroller and Auditor-General and send it to the Accountant-General as early as possible. In respect of establishments not borne on a State Cadre, the above returns should be sent by the Heads of Offices to the Accountant-General so as to reach his office not later than the 15th April of each year. In respect of establishments borne on a State Cadre, the Heads of Office should send the returns sufficiently early to the Heads of Departments so as to enable the latter to consolidate and send the returns to the Accountant-General by 15th May of each year.

The directions given by the Comptroller and Auditor-General with regard to the form, preparation and submission of this statement are contained in Appendix 6.

An up-to-date file of the instructions issued by the Accountant-General in this connection should be maintained for reference in each office.

(iii) CLAIMS OF GOVERNMENT SERVANTS

Due date for payment of pay, allowance, etc.

ARTICLE 72. (a) Except as provided in clauses (b) and (c) the pay and allowances, leave salary and other monthly recurring payments of all the State Government employees and also the salaries/wages to work-charged establishments and menials paid from contingencies become payable on the last working day of the month to which they relate except for the month of March which shall be paid on the first working day of April. In case the last working day of the month happens to be a bank holiday, the disbursement shall be made on the previous working day.

Note :—The teachers working in schools under all managements shall be paid their salary for the month of April on the 22nd day of April every year before the schools close for summer vacation. If in any year the date viz. 22nd April happens to be a public holiday, the salaries shall be paid on the next immediate working day. These orders shall also apply to the untrained and unqualified teachers appointed prior to 23-4-1977. The unqualified and untrained teachers who were appointed on or after 23-4-1977 shall however, be paid proportionate salary upto the last working day of the school in April.

(b)(i)(a). The persons become due for payment only on the expiry of the month to which they relate. However, when the first day (including Sunday) of the following month is a public holiday, on which funds for disbursement of pensions cannot be drawn from the Treasury or the Bank, as the case may be, the pensions shall be paid on the last working day of month to which they relate except for the month of March which shall be paid on the first working day of April. However, in such cases other than March if the last working day of the month also happens to be a Government holiday or Bank holiday, disbursement shall be made on the previous working day.

(b)(i)(b) Pensions which are paid through Banks and Post Offices are to be paid on the last working day of each month except for the month of March which shall be paid on the first working day of April. However, in such cases other than March if the last working day of the month happens to be a Bank or Postal holiday disbursement shall be made on the previous working day.

(c) 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.

Note 1 :—When 1st July and 1st January or last day of the previous month happens to be a Public holiday, the pay and allowances and pensions for the month of June and December shall be paid on the last working day itself (at places when the funds are drawn from banking/treasuries/sub-treasuries/Pay and Accounts offices only).

Note 2 :—The above provisions and the note above shall also be applicable to salaries, wages paid to work-charged establishment and to menials paid from contingencies.

(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 Forest Department, or

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

(iii) from one department to another so that there is a change in the 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 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 up to the day preceding that on which the commutation takes effect should be paid along with the commuted value of the portion commuted.

Note :—When it is permissible for a Government servant to draw his emoluments up to the date of transfer under sub-clause (2) of clause (c) 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 appointments should always be clearly specified in bills.

Signing and presentation of pay bills

ARTICLE 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 Pay Bills may be presented at the Treasury duly signed five days before the last working day to which they relate.

Note :—Bills claiming grant-in-aid for aided institutions may be presented at the Treasury or at the Accountant-General's office as the case may be, duly signed by the departmental officers five days before the last working day of the month to which they relate, so that the bills can be passed before the end of the month to enable the staff of the aided institutions to receive their pay on or immediately after the 1st of the succeeding month.

Drawal of pay above an efficiency bar

ARTICLE 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 facts and information, that the Government servant concerned is really fit to pass the bar.

Drawal of an increment in pay

ARTICLE 75. The drawing officer should attach an increment certificate (in form 49 signed by him) to every bill on which a periodical increment in pay for a Government servant is drawn. 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 him 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

ARTICLE 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 1(d) under Treasury Rule 19.

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

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

Reports of transfers of charge of Gazetted Government servants

ARTICLE 78. Every transfer of charge of a 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. 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 a manual which should contain an endorsement to this effect.

Whenever the transfer of a divisional, sub-divisional or other executive charge in the Public Works Department or in the Electricity 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 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 the time as is held to be in excess of the reasonably necessary.

Note :—A similar procedure will be followed in the case of transfer of charge of District Officer, Station Officer, Junior Superintendent in-charge of stores or other Executive Officer in the Andhra Pradesh Fire Service. The powers of the Superintending Engineer will be exercised by the Additional Director of Fire Service.

Specimen signatures required by the Accountant-General

ARTICLE 79. Two specimen signatures of every gazetted Government servant who desires to draw leave salary or other allowances in another State should be forwarded to the Accountant-General along with the report of transfer of charge for despatch to the Accountant-General within whose jurisdiction the payments are to be made, so that the signatures on the bills may be verified.

Pay, etc., due to a deceased Government servant

ARTICLE 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 effect the claim.

Note : — ‘Day’ for the purpose of this article should mean a calendar day beginning and ending at midnight. (G.O.Ms.No. 120, Fin. & Plg., Department, Dt. 6-5-1988).

(B) Subject to the provision of T.R. 16 the pay and allowances of all kinds (including Travelling allowances claims) claimed on behalf of deceased Government Servant may be paid without production of the usual legal authority:

(a) If the Gross amount of the claim does not exceed Rs. 5,000/- under orders of the Head of the Office in which the Government Servant was employed at the time of his death, provided that the Head of the Office is otherwise satisfied about the right and title of the claimant.

Note :—Where the Head of the Office is a non-gazetted Government Servant, the Gazetted Officer immediately superior to the Head of the Office shall make the payment after satisfying himself about the right and title of the claimant.

(b) If the gross amount/exceeds Rs. 5,000/- under orders of the Department of the Government or the Head of the Department or the Administrator, as the case may be, on execution of an indemnity bond (Form 6) duly stamped for the gross amount due for payment with such sureties as may be deemed necessary: Provided that the authority mentioned in clause (a) above may subject to the condition prescribed in that sub-clause, make anticipatory payment of an amount not exceeding Rs. 5,000/-.

Note .1 :—The Head of the Department here be a Head of a Department defined in Article 6 of the Code.

Note 2 :—Normally there should be two sureties, both of known financial stability, unless the gross amount of the claim is less than Rs. 500/- in which case the authority accepting the indemnity bond in Form 6 for and on behalf of the Governor of Andhra Pradesh should decide on the merits of each case, whether to accept only one surety instead of two.

Note 3 :- The obligor as well as the sureties executing the indemnity bond should have attained majority so that the bond may have legal effect or force. The bond is also required to be accepted on behalf of the Governor of Andhra Pradesh by an officer only authorised.

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

(D) The procedure to be followed in regard to the preferment, withdrawal, disbursement of claims of deceased Government Servants to their rightful claimants will be as under:

[On receipt of the claim for payment of pay and allowances of all kinds including travelling allowances claimed on behalf of a deceased Government Servant from his/her heirs, the head of office in which the Government Servants was last employed should draw the amount in the appropriate bill from the treasury.]

(Amended by G.O.Ms.No. 120, Fin.&Plg., Dated 6-5-1988).

The claims 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 certificates which solely depend on the personal knowledge of the Government servant and which obviously cannot be furnished by the Head of the Office, the Head of the Office should record, if he is satisfied about the correctness of the claim and furnish a

certificate to the effect that the claim is not susceptible of verification but is considered reasonable.

In the case of Gazetted Officers, the Head of the Office has to satisfy himself by reference to the Accountant-General, the Departmental authorities concerned, if any, on his own accord that there are no demands outstanding against the deceased Government servant. In the case of other Government servants payments may be made without reference to the Accountant-General on the responsibility of Head of the Office concerned. The amount should be disbursed to the claimant/claimants by the Head of office of his own, where the gross of such amount of claim does not exceed Rs. 5,000/- in terms, of sub-rule (1)(a) above, and under order of higher authorities if the gross amount of the claim exceeds Rs. 5,000/- as mentioned in sub-rule (1)(b) above. A formal receipt stamped where necessary should be obtained from the claimant(s).

Note :—The procedure prescribed in these rules shall apply to any claim for payment of dues or honorarium payable to deceased non-officials, including deceased non-official members of any commission/committee, whether statutory or not as it applies to the claim for payment of pay and allowances including travelling allowances of a deceased Government servant.

Pay due to a Government Servant whose whereabouts are unknown

ARTICLE 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

ARTICLE 82.(a) A travelling allowance bill requiring the counter signature of the controlling officer should ordinarily be countersigned by him before it is paid. If, however, the payment of travelling allowance bills before counter signature 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 bill 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 :-

“Certified that the amount 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 bills paid at the treasury/Sub- Treasury	Amount	Amount disallowed	Reasons
(1)	(2)	(3)	(4)

(b) The travelling allowance bills 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 bills before countersignature has not been authorized by the Government, he should obtain the countersignature of the controlling officer before cashing the bill.

Travelling allowance of non-gazetted Police Officers

ARTICLE 83.(a) When the District Superintendent of Police is absent from his 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. The office copy of every bill so drawn should be submitted to the District Superintendent of Police for approval as soon as he returns to the headquarters.

(b) Motor bus warrants are issued to Inspectors, Sergeants, sub-Inspectors, Head Constables and Constables 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. When the amount of such deductions representing the payment due to a particular motor bus-owner accumulates to a substantial figure, he should be requested to send a bill for the amount due to him in Andhra Pradesh Treasury Code Form 53, supported by the motor bus warrants. The District Superintendent of Police should check the bill and countersign it in accordance with instruction 2 under Treasury Rule -16.

Note :—The above procedure may be adopted mutatis mutandis in respect of launch journeys at river side stations in the districts of East and West Godavary.

Travelling allowances of non-gazetted Excise Officers

(C) Motor Bus warrants are issued to Circle Inspectors, Sub- Inspectors, Head Constables, Tree Markers and Excise Constables in the Excise Department 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 Assistant Commissioner (Enforcement) or the Excise Superintendent Office should maintain a separate Account of these deductions showing the amount due to each motor bus owner. When the amount of such deduction representing the payment due to a particular Motor Bus owner accumulates to a substantial figure, he should be requested to send a bill for amount due to him in A.P.T.C. Form

53 supported by the Motor Bus warrants, the Assistant Commissioner (Enforcement) or the Excise Superintendent concerned should check the bill and countersign it in accordance with the instruction 2(a) under T.R. 16

Advances of travelling expenses for tours

ARTICLE 84. When satisfied that it is really necessary, the competent authority may grant to a Govt. 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, provided that no such advance is sanctioned to a temporary Govt. servant, unless a personal security bond is furnished in Form 11 duly executed by the borrower together with a permanent Government servant drawing a pay not less than that of the borrower as surety guaranteeing the repayment of the advance. 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, and should also not exceed the sum likely to be required to meet the Government servant's personal travelling expenses for a 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 when the Government servant returns to headquarters on completing the tour, if it has not already been fully adjusted. When a Government servant has drawn an advance of this kind, he should not be granted a second advance of the same kind until the first one has been fully adjusted. The advances should be drawn in Form 22 in the case of both 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.

Treasury officers also should maintain 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 and their adjustment before passing bills for tour advances of gazetted officers.

Note : —(1) An advance of travelling allowance under this rule may be sanctioned to a temporary Government servant without insisting on a surety from a permanent Government servant by the sanctioning authority in respect of Gazetted Government servants and by the Head of the Department concerned in respect of non-gazetted or Class IV servants. The advance should be restricted to a month's pay of the officer concerned and in regard to non-gazetted and class IV servants the condition laid down in item (c)(5) under Article 239, will also apply. This does not also preclude sanctioning an advance on the same basis as for a permanent Government servant, provided surety from a permanent Government servant is obtained.

Note : —(2) All Advances of travelling allowance on tour should be adjusted on the completion of tour or by the 31st March, whichever is earlier. Travelling allowance advances on tour drawn in the month of March may be adjusted on completion of the journey or by the 30th April, whichever is earlier.

Note : —(3) A second advance may be allowed to be given provided that an amount of the first advance has already been rendered to the controlling officers and that the Travelling Allowance Bills are under their scrutiny. The bills for the second advances should be accompanied by a certificate from the controlling officers that the detailed bills for the previous advance bills have

been received by them. In the case of officers who are their own controlling officers the said advance may be allowed only if the adjustment bill for the previous advance is submitted to the Accountant-General or Treasury Officer as the case may be.

<i>Government Servants eligible for the advance</i>	<i>Authority competent to sanction the advance.</i>
(i) Non-Gazetted Government Servants-	
(a) Non-gazetted Government servants and subordinates in last grade service who tour or occasionally travel independently under proper sanction or who accompany a Gazetted or non-Gazetted Government Servants on tour.	The Head of the Office, 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 Head of the office.
<i>Note:-</i> (1) All Government servants who are authorized to draw pay and Travelling Allowance bills of establishments are authorized to sanction advances of traveling allowance.	
<i>Note:-</i> (2) Government servants authorized to draw pay and Travelling Allowance bills of establishments may sanction advances of traveling allowances to themselves.	
(b) Peons attached to - A Conservator's Office A District Forest Office A Ranger's Office	Manager of the Office. Head Clerk of the Office. Ranger.
(c) All subordinate working under the Sericultural Expert, Assistant Sericultural Expert, Hindupur, in Sericultural Section.	Sericultural Expert, or Assistant Sericultural Expert, as the case may be.
(d) Officiating Police personnel who are approved probation-	Superintendents of Police, Commandants and other Heads of Offices who are equivalent and higher in rank in the Police Department without insisting on a surely from permanent Government Servant provided the drawing officer is satisfied that the Govt. servant is likely to continue in service and that there is every possibility of recouping the amount of advance sanctioned.
(ii) Gazetted Government Servants - All Gazetted Government Servants.	Can sanction advances to themselves. In the case of temporary Gazetted Government servants who do not hold a substantive post in any category the 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 Dept.

Note :—The Administrator-General and Official Trustee, Andhra Pradesh may sanction advances of Travelling allowance to himself for the tour undertaken by him in connection with his officials duties.

(iv) DEDUCTIONS FROM PAY BILLS OF GOVERNMENT SERVANTS

Fund Deductions

ARTICLE 85. Every Government servant who draws any pay bill should enter in it correctly the deductions, if any, to be made on account of 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.

Detailed instructions regarding the procedure that should be adopted by the drawing Officer in making deductions from the pay bills on account of prima of Postal Life Insurance and Andhra Pradesh Government Life Insurance Policies are given in Appendix 26 of A.P.F.C. Vol. II.

Deduction of income-tax

ARTICLE 86.(a) Every disbursing officer who disburses the salary of any Government servant should make the appropriate deduction of Income-Tax from it at the time of payment in accordance with the Indian Income Tax Act, 1922 (India 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.

Attachment of pay and allowances by civil courts

ARTICLE 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, 1908 (India Act V of 1908) as subsequently amended by the Code of Civil Procedure (Amendment) Act, 1976, brought into force from 1-2-1977. Following are the relevant provisions of the Section

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 first four hundred rupees and two thirds of the remainder in execution of any decree other than a decree for maintenance

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

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

(1) any allowance forming part of the emoluments of any servant of the Government, which the appropriate Government may, by notification in the official gazette, declare to be exempt from attachment, and any subsistence grant or allowance made to any such servant while under suspension.

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Explanation-II :—In clauses (i) and (i)(a) “Salary” means the total monthly emoluments, excluding any allowance declared exempt from attachment under the provisions of clause (e) derived by a person from his employment whether on duty or on leave.

Explanation-III —In Clause(1), ‘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 or a servant of any other local authority, the State Government.

Explanation-IV : —For the purposes 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 exempted from attachment by order of a court, namely;

- (i) All kinds of travelling allowances.
- (ii) All Kinds of conveyance allowances.
- (iii) All allowances granted for meeting the cost of—(a) Uniforms; and (b) Ration.
- (iv) All allowances granted as compensation for higher cost of living in localities considered by the Government to be expensive localities including bill stations
- (v) All house-rent allowances
- (vi) All allowances granted to provide relief against the increased cost of living.
- (vii) Children’s Education Allowance
- (viii) All amounts paid by way of reimbursement of medical expenses.

(b) The maximum amount attachable by a 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 recognised by Government, taxes on income payable by the Government servant and debts due to Government should be made from the non-attachable portion of Government servant’s salary.

Explanation :—If total gross emoluments earned are represented by ‘X’ allowance to be 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 1st June, 1937 is—

$$\frac{X - Y - 100}{3}$$

Note :—The decrees awarded by the Courts prior to 1 -2- 1977 would have been based upon the limit of first hundred rupees and one half of the remainder. Such decrees would continue to be valid until revised by the Courts. (G.O.Ms.No. 70 Fin & Plg. (Accts.) II Dept., Dt. 5-2-1980)

(d) 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 Sub-Rules (a), (b) and (c).

(e) 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 :—

- (1) Particulars of the existing attachment.
- (2) Particulars of the amount withheld and paid into the Court concerned upto date; and
- (3) amount remaining un-covered.

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

ARTICLE 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 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 or 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 Register of Court attachment of pay etc., in the Andhra Pradesh Treasury Code Form 41-C, 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).

Recoveries of Amounts due to Co-operative Societies

ARTICLE 88-A. Recoveries from the salaries of Government servants on account of dues of Co-operative Societies, registered under the various Co-operative Societies Acts, where such acts impose a statutory obligation on the Government to make such deduction, shall be made by the Drawing and Disbursing officer, in the case of Non-gazetted Government servants who do not draw their own bills and in other cases by the

Treasury Officer on the advice of the Accountant-General or by the other appropriate Disbursing Officer concerned, as the case may be, in accordance with such procedure as may be laid down by Government from time to time.

ARTICLE 88-B. A Disbursing Officer in a place outside the territorial limits covered by the Act under which the Co-operative Society was registered may effect recoveries on account of dues of such a Co-operative Society from the salary payable to a 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.

Hospital stoppages

ARTICLE 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 allowance, or in cash.

Fines

ARTICLE 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.

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.

CHAPTER VI

CONTINGENT CHARGES

Definition

ARTICLE 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. e.g., expenditure on clothing and other equipment in such departments as the Jail and Police Department, 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, purchases of plant, machinery and laboratory equipment in colleges and schools, raw materials for conversion into manufactured articles in the Jail Department, workmen’s wages, purchases of live-stock for the manufacture of sera and vaccine, 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

ARTICLE 92. The rules in this Chapter apply primarily to contingencies of the kinds mentioned in the preceding Article, but expenditure, on petty construction and repairs, deal within Chapter VIII, and other miscellaneous expenditure, dealt with 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.

Authorities competent to sanction contingent charges

ARTICLE 93.(a) Heads of offices have been empowered to incur or sanction expenditure on ordinary and recognise 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 the same 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 this 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 7), 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.

Note :—The Electrical Inspector may incur recurring expenditure upto Rs. 25 per month for a period not exceeding six months.

(b) The heads of an office may delegate his power to incur or sanction expenditure on contingencies to any gazetted Government servant serving under him subject to any further condition 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 or 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.

Note :—The District collectors may authorise, under this article, District Welfare Officers of their districts to draw contingent bills of the Government hostels under their jurisdiction in the districts.

(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.

N.B. The charges connected with Andhra Pradesh Public Service Commission will be governed by Regulation 13 of the Andhra Pradesh Public Service Commission Regulations, 1963, issued in G.O.Ms.No. 489, General Administration dated 23-4-1963, Andhra Pradesh Public Service Commission may incur such charges as may be necessary subject to the availability of budget provision.

Permanent advances

ARTICLE 94. As a general rule, a Government servant is only permitted to draw money from the treasury on presenting a proper voucher prepared in accordance with the rules so as to show the precise nature of the expenditure, and as a general rule no money may be drawn from the treasury until it is required for immediate disbursement. The permanent advance system is an exception to these general rules. Unforeseen expenditure often has to be incurred urgently, and it would sometimes be very inconvenient to postpone such expenditure whilst fulfilling the formalities ordinarily required for drawing money from the treasury to enable him to make disbursements of this kind before drawing the necessary bills, a Government servant may be granted a permanent advance, the amount of which should be limited to what is absolutely essential to meet his ordinary requirements.

ARTICLE 95. 'For sanction of Permanent advance or for revision of the existing permanent advance in respect of the Heads of Departments and Subordinate Offices under their control, the departments of Secretariat concerned should send the proposal to Fin. & Plg. (FW) Department for concurrence'. (Subs. by G.O.Ms.No. 87, Fin. & Plg., Dt. 1-6-92).

Note : - The Additional Director of Fire Services may exercise the powers of the Heads of the Department in respect of Fire Service Department.

“ARTICLE 96.(a) The Permanent Advance is primarily intended for meeting emergent contingent expenditure. However, the holder of the advance may at his discretion, utilise it to meet any other bonafide expenditure on Government Account except for grant of Advance of pay.

(b) The accountability for the advance and its utilization on bonafide Government Account in accordance with these rules and regulations shall rest wholly on the holder.

(c) Copies of sanctions along with monthly statements of expenditure showing the amount of contingent bills cashed with classified details of items of expenditure should be furnished to the sanctioning authority in the following month.

(d) The quantum of permanent advance for any organisation should not as a rule exceed the monthly average of contingent expenditure for the preceding twelve months. In case of a new organisation the amount of advance should be fixed on a conservative basis, subject to review after six months.

(e) The advance should be recouped atleast twice a month so that the amount sanctioned does not exceed half the amount of average monthly contingent expenditure calculated as in (d) above.

(f) These advances should not be multiplied unnecessarily.”

(G.O.Ms.No. 87, Fm & Plg., Dt. 1-6-92).

“**ARTICLE 97.** No permanent advance should be granted unnecessarily and no such advance should be larger than absolutely necessary in view of the obvious objections to the retention of the money outside the treasury. A permanent advance sanctioned for the use of the head of an office should be so fixed as to meet the needs of every branch of his office.”

(G.O.Ms.No. 87, Fin & Plg. Dt. 1-6-92)

ARTICLE 98. On the 15th April every year and whenever there is a change of incumbent of the post concerned or in the amount of advance sanctioned, the officer in whose favour their permanent advance is sanctioned shall send an acknowledgment to the sanctioning authority in the form given below for the amount due for and accountable for by him as on 31st march proceeding or the date of change in the incumbency proceeding or on the date of change in the incumbency of the post or in the amount of advance sanctioned. The sanctioning authority shall maintain a register of permanent advances in Form 27 which will be scrutinised by the Accountant General during local audit.

PERMANENT ADVANCE ACKNOWLEDGMENT FORM

I hereby acknowledge the amount of Rs..... (in words)..... as permanent advance due from and accountable for by me as on 31st March..... (or any other occasion) necessitating the furnishing of the Certificate.

The details are noted below.

1. Cash on hand as on.
2. Unrecouped vouchers.
Form No to No)
3. Bills under audit.
4. Dissallowed amounts, if any
5. Others.

Total sanctioned permanent advances

Signature of the Holder of
the Permanent Advances.

Station :

District :

Date :

Designation (in full)

Local address:

Note : —When a portion of an officer’s permanent advance is held by his subordinates, he should detail on the reverse of the acknowledgment the outstanding against each, taking similar acknowledgment(s) from them to be filed in his own office under Article 98 of the A.P.F.C.).

Details of permanent Advance acknowledged

Officers Designation	Amount	Remarks
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The Government Servants who are drawing officers and who are responsible to account for the permanent advance held by them shall also enclose a true copy of permanent advance acknowledgment sent to the sanctioning authority to their own salary bills for the month of April every year. The Treasury Officers/Pay & Accounts Officers, Hyderabad are empowered to return the claims of such drawing officers for April unpassed if they are not accompanied by a true copy of the permanent advance acknowledgment.

Temporary advances for specific purposes

ARTICLE 99. When a temporary advance is considered necessary for the purposes of meeting contingent expenditure of a specified kind or on a specific occasion and it is not covered by standing sanction given by the Government, an application for sanction should be submitted to the Government. Occasionally the Government accord a standing sanction for the grant of such temporary advances on all occasions of a particular kind. "In regard to the examination held under the direction of the Andhra Pradesh Public Service Commission, the Chief Superintendent of Hyderabad Centre and the Chief Superintendents of Centres situated in the districts of the state are authorised to draw an advance not exceeding Rs. 1,500/- and Rs. 1,000/- respectively to meet the contingent expenditure in connection with any examination. If further advances are required they can be drawn by the Chief Superintendent at Hyderabad and the Chief Superintendents of Centres situated in the districts of the State on the strength of the specific sanction issued by the Andhra Pradesh Public Service Commission in each case according to the needs.

The advances should be adjusted by the detailed bills and vouchers as possible.

The director of Archaeology and Museums is empowered to draw half of the total estimated cost or Rs. 2,500/- whichever is higher, on an abstract bill in each case on conservation and other building works and to recoup the bill as and the money is spent and finally close the account by adjusting the advances drawn within a period of one month from the date of completion of the works.

The S.S.P. and Comdt. of APSFP Bns., are authorised to draw temporary advance to the extent of Rs. 30,000/- on abstract contingent bill for making payment to the dealers of the Indian Oil Corporation and the other petrol Dealers and also in places where there are no Indian Oil Corporation Dealers and when the Indian Oil Corporation refuses to supply Petroleum Products to the Police Department provided budget allotment is not exceeded and subject to the conditions that they should submit detailed, account with vouchers to the Accountant-General Andhra Pradesh, Hyderabad within a month from the date of drawal of the amount.

The Commissioner for Government Examinations, Hyderabad, may, sanction advance not exceeding Rs. 150 (Rupees one hundred and fifty only) on an application to each Chief Examiner who is not a Government servant, for every examination conducted by him, towards postal charges for the despatch of answer scripts to the office of the Commissioner for Government Examinations, Hyderabad.

The advance should be adjusted by detailed bills and vouchers as soon as possible. Second advance can only be drawn when the first advance is adjusted.

The following officers of the Industries Department and Education Department may draw advances up to the maximum noted against each, for one or other purposes covering the requirements of the department subject to the following conditions

(1) The prior sanction of the authority competent to incur the expenditure should be obtained :

A Treasury or sub-treasury officer is authorised to advance under a standing sanction such amount not exceeding Rs. 1,000/- at a time as may be required to meet contingent expenditure and expenditure on payment of remuneration to the Invigilating staff in connection with the examination to the Chief Superintendent of any examination held under the direction of the Commissioner for Government Examinations. The advance should be adjusted by detailed bills and vouchers as soon as possible. Second advance can only be drawn when the first advance is adjusted.

(2) The expenditure cannot be conveniently incurred by drawing a regular contingent bill or from the permanent advance

(3) The advances are accounted for with proper vouchers soon after they have been utilised; and

(4) Each office may draw advances only up to the limit of his powers to incur the particular items of contingent expenditure and if, in any case, the amount of the expenditure is to exceed his powers and he seeks the sanction of a higher authority therefor, he may at the same time ask for his permission to draw the advance also, furnishing a certificate as indicated in item (2) above.

<i>Name of officer</i>		<i>Maximum amount of advance Rs.</i>
1.	Industrial Engineer, Andhra Pradesh	500
2.	All Assistant Directors of Industries and Commerce	200
3.	General Manager, Andhra Paper Mills, Rajahmundry	300
4.	Ceramic Expert, Government Ceramic Factory, Gudur	200
5.	Glass Technologist, Gudur	100
6.	Principal, Oil Technological Institute, Ananthapur	200
7.	Sericultural Expert, Sericultural Section, Hindupur	1,000
8.	Assistant Sericultural Expert, Manair	200
10.	(i) Estate Engineers, Industrial Estates, Sanathnagar and Visakhapatnam	Rs. 300 each
	(ii) Deputy Estate Engineers, Industrial Estate, Vijayawada	Rs. 300 each
	(iii) Assistant Estate Engineers, Industrial Estates, Samalkota and Warangal	Rs. 300 each
11.	Headmasters of Govt. Schools for handicapped with Hostels attached in the State.	Rs. 20 P.M. per pupil reading in schools or the actual requirement whichever is less.
14.	Director of Mines and Geology, Hyderabad	1,000

The Director of Archaeology and Museums is empowered to draw an estimated amount or an amount of Rs. 2,500/- whichever is less towards Excavations, and an estimated amount of Rs. 250/- whichever is less towards Explorations as works advances for each scheme and to recoup the amounts as and when they are spent and finally close the accounts by adjusting the advances within a period of one month from the dates of closure of the excavations or explorations as the case may be.

The Director of Archaeology and Museums is empowered to draw as works advances an amount of Rs. 2,500/- towards excavations and Rs. 250/- towards exploration for each scheme and to recoup the bill as and when the money is spent and finally close the accounts by adjusting these advances within a period of one month from the date of closure of the excavations and explorations as the case may be.

The Director of Archaeology and Museums is also empowered to draw temporary advances in connection with the Archaeology and Museums publications as and when required within the financial power delegated to him and render detailed accounts to the Accountant General, within two months form the date of drawal of the temporary advances.

The District Health Officer, Chittoor may draw on abstract bills an advance upto Rs. 1,000/- for the purpose of making sanitary arrangements at Horsley Hills in connection with the stay of the Governor, there, every year before the commencement of the stay and refund the unspent balance, if any, as abatement of the charges, if the refund is made, within the financial year in which the advance is drawn and obtain formal sanction of the Govt. for the expenditure actually incurred and adjust the same by detailed bills.

The Director of Information and Public Relations and Tourism may draw advance up to Rs. 2,500/- in each case against the financial sanction accorded by him under powers vested with him, subject to availability of funds. The advances so drawn should be adjusted by detailed bills and vouchers.

The following Officers of the in respect of the items of expenditure availability of Budget provision.

<i>Item of expenditure</i>		<i>Name of officer</i>		<i>Maximum amount of advance Rs.</i>
(1)		(2)		(3)
				Rs.
1.	Training of farmers in Animal Husbandry Practices.	(i)	Dy. Director and Officers of similar rank.	1,000 One (thousand)
2.	Expenditure in connection with cutting of grass slips and transportation charges.	(ii)	Regional Asst. Director, Sheep and Goat development officer, Special Officers, Live stock Farms, Special Officer, Mass Castration Scheme and other officers of similar rank.	500

3.	Purchase of manures, seeds and fertilizers for agricultural operations.	(iii)	Dist. Veterinary officers, Superintendents of all Live stock Farms, Cattle-cum-Dairy Farms, Poultry
4.	Transportation charges of live-stock		Research station and other officers of similar rank in-charge of institutions.
5.	Transport charges of Semen.		
6.	Purchase of raw material institutions, like Regional Poultry Farm, etc., where seeds are prepared and supplied to other units.		
7.	Payment to breeders in Egg Poultry Marketing Centres.		
8.	Renovation of cattle sheds and petty repairs.		
9.	Purchase of tyres and tubes required for Jeep, Cycle and Tractors.		
10.	Purchase of Carcasses for the Carcasses utilization plant at Kesarapally.		

Note : —Notwithstanding anything contained above, the Commissioner for Government Examinations may sanction an advance not exceeding Rs. 100 (Rupees one hundred only) on an application to each Chief Examiner for every Examination conducted by him, towards the postal charges for the despatch of answer scripts to the Office of the Commissioner for Government Examinations, Hyderabad. The advance should be adjusted by detailed bills and vouchers as soon as possible.

All the District Collectors may draw as and when necessity arises a temporary advance upto Rs. 750 on abstract bills to incur expenditure in connection with each visit of the President, Vice-President or the Prime Minister of India or the Governor to the Districts for making arrangements. They may refund the unspent balance, if any, soon after the visit is over and obtain sanction of the Government for the expenditure incurred and adjust the same by detailed bills.

The Commissioner of City Police, Hyderabad, the Superintendents of Police, in the Districts mentioned below and the Commandant, Special Armed Police, Central Police Lines, Hyderabad may draw as and when necessity arises, temporary advances under feeding charges subject to the maximum limits noted against each, on abstract bills to meet the expenditure on feeding Policemen on bandobust duty, during occasions of festivals, visits of high personages, general strikes, etc. The amount should be remitted to the Government immediately after the necessity ceases by presenting the adjustment bills and cash if need be.

Name of Officer	Maximum amount of advance
1. Commissioner of City Police	Rs.5,000
2. Superintendents of Police of Districts : Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, Nellore, Chittoor, Kurnool, Warangal, Hyderabad, Nalgonda, Khammam, Railway Police at vijayawada & Secunderabad.	Rs.2,000
3. Superintendents of Police of other districts : Ongole East, Cuddapah, Anantapur, Nizamabad, Medak, Karimnagar, Adilabad, Rajahmundry and Mahabubnagar.	Rs.1,000
4. Commandant, Special Armed Police, Central Police Lines, Hyderabad.	Rs.2,000

The Director of Medical and Health Services is empowered to draw temporary advances not exceeding Rs. 1,000 at a time and to authorise Gazetted Officers subordinate to him and declared as Heads of Offices to draw to the extent of Rs. 500 on specific sanction by the Head of the Department to incur expenditure on propaganda, arranging Seminars, participating in exhibitions, release of vehicles, equipment, skimmed milk from Madras and Bombay.

Director-General of Police is authorised to draw advance for expenditure in connection with Sports, on abstract bills not exceeding Rs. 3000/- in a year and to furnish detailed accounts to audit later.

The Director of Printing, Stationery and Stores Purchase may draw advances upto a maximum of Rs. 5,000 for the purchase of raw material stores or for carrying out urgent repairs to machinery in the printing wing.

The Director of Agriculture and Deputy Director of Agriculture are empowered to draw temporary advances on A.C. Bills not exceeding Rs. 5,000/- and Rs. 2,500/- respectively only for the items of expenditure when advance payment is insisted upon or cash payments towards labour, purchase of stores become inevitable. A certificate to that effect shall be appended by those drawing Officers when A.C. Bill under this delegation becomes necessary.

[The Director General and Inspector General of Police is authorised to draw the amount as and when required, upto the limit of provision available in the budget, on Abstract Contingent Bills, for making payments to the ordinance factories of Government of India towards the cost of Arms and Ammunition (including freight and other incidental charges) required by the Police Department basing on the proforma invoices of the ordinance factories, subject to the condition that the D.C. Bills for the amounts drawn on Abstract bills shall be sent to the Pay and Accounts Officer, Andhra Pradesh, Hyderabad within one month from the date of drawal of Abstract bill. Further advance shall not be drawn unless the D.C. bills are sent to the Pay and Accounts Officer, Andhra Pradesh, Hyderabad for the earlier advance].

[Added by G.O.Ms.No. 199, Fin. & Plg. (FW TFR), Dt. 12-8-1996]

Advances for contingent charges to be incurred on tour

ARTICLE 100. When satisfied that it is really necessary, the head of an office may sanction an advance to himself or his assistant or deputy to cover contingent charges during a journey on tour, provided, that no advance is sanctioned in respect of the

contingent charges, such as those for the hire of conveyances or animals for the carriage of records, tents or other Government property, for a month or for the probable duration of the tour, whichever is shorter. Except in the Forest Department, no part of any such advance may be applied to any expenditure of a gazetted Government servant for which his travelling allowance is intended to provide (see also Article 84). The advance should be charged to the final head of expenditure concerned. It should be adjusted in full at once when the Government servant returns to headquarters on completing the tour, if it has not already been fully adjusted. When a Government servant has drawn an advance of this kind he is not eligible for a second advance of the same kind until the first one has been fully adjusted.

Advances of law charges

ARTICLE 101. A Government servant who has been duly authorized to incur any expenditure on law charges in connection with law suits to which the Government are a party may draw an advance for the purpose of meeting the expenditure. The advance should be drawn and accounted for as a contingent charge under the final head of expenditure concerned. For special rules and restrictions in regard to law charges, see item 33 in Appendix 7.

Classification of contingent charges

ARTICLE 102. For purpose of control and audit, contingent charges are grouped as follows :-

- (1) countersigned contingencies, and
- (2) non-countersigned contingencies.

Expenditure incurred by a Government servant on countersigned contingencies is under the direct supervision of a higher authority, known as the controlling officer or authority, who signs the detailed bills relating to them. Countersigned contingencies are subdivided into contingencies which require countersignature before payment and contingencies which require countersignature after payment. The detailed bills for the former are submitted to the controlling authority for security and countersignature, and then presented at the treasury duly countersigned, for payment. The monthly detailed contingent bills in respect of countersigned contingencies that require countersignature only after payment are submitted to this controlling authority for close scrutiny and counter signature, and the full details of the charges are not therefore entered in the abstract bills presented for payment at the treasury. Appendix 8 contains a list of the contingent charges that require the countersignature of the controlling authority.

No detailed bills are sent to the controlling authority for non- countersigned contingencies each contingent bill for non-countersigned contingencies presented for payment at the treasury should therefore contain full details of the expenditure, and the sub- voucher for any individual payment exceeding Rs. 1000/- included in the bill should be attached to it. Such bills are sent straight to the Accountant-General for audit without any scrutiny by a controlling authority, and the contingencies in this category are therefore also called audited contingencies.

Contingent charges should be recorded and treated in the accounts as charges of the month in which they are actually disbursed from the treasury.

Contingent Register

ARTICLE 103. Every item of contingent expenditure, whether the charge is to be countersigned or not should be recorded in a register to be maintained in each office.

Separate registers may be opened, if convenient, for the countersigned and the noncountersigned contingencies, respectively. The unit for these registers should be the major head of account, and the general arrangement should be as in Form 7. The number of columns to be opened in the register, the sub-heads of appropriation and detailed account heads to be included, and the further detailed classification, if any, required for purposes of control and audit, cannot be the same for all departments, and offices. The controlling authority should pass orders on these points, in consultation with the Accountant-General, in the manner best suited to the conditions of each department or office. The accounts maintained at the Treasury and by the Accountant-General contain no further details beyond the figures, under detailed account heads, but the contingent register should show the expenditure classified in detail under the several items falling under a detailed account head for departmental purposes, e.g., the preparation and check of contingent bills, the preparation of estimates, and financial control both by the head of the office and by superior authorities (See Article 118). The expenditure on the less important items may be shown as a whole in one column, and the charges under each of these items need not then be accounted for or watched separately. Any charge for which a special explanation is required should be described in the column headed "Description," though the amount need be entered only in the relevant separate column. The column headed "Description" should be used also for noting the month or period to which any recurring charge (e.g., rent or pay of punkah pullers) entered in one of the other columns relates.

ARTICLE 104.(a) Whenever the cashier makes a payment under the head of contingencies, he should enter the proper columns of the contingent register the date, the name of the payee, the amount and the number of sub-vouchers. If any charge requires any explanation, he should make the necessary entry in the column headed "Description" and obtain the initials of the Government servant who incurred the charge against the entry.

(b) The head of the office or the gazetted Government servant whom he has authorized to incur contingent expenditure should initial against the date of payment in respect of each item. If, owing to his absence, the entries in the register have been initialled by a non-gazetted Government servant, the register should be reviewed and the entries re-initialled by the head of the office or the gazetted Government servant concerned as soon as he returns to headquarters.

ARTICLE 105.(a) Advances made from the permanent advance, such as advances to peons for railway fares, advances for office expenses in camp, etc., should be entered at once in the proper column of the contingent register, i.e., the column headed "Advances". When each advance is subsequently adjusted, the fact should be noted in the remarks column.

(b) The amount of bills paid by book transfer should be entered in the contingent register in red ink, and the balance available should be reduced accordingly.

(c) A progressive total for each column should be struck monthly immediately after the monthly total. It should include all payments and bills paid by book transfer under each head from the beginning of the year up to the end of the last completed month.

Recoupment of permanent advance

ARTICLE 106. At the end of the each calendar month, and also when, in the course of calendar month, a transfer of charge takes place or it is found necessary to draw money for contingent expenses, e.g., when the balance of the permanent advance in hand

has become inconveniently small, the cashier should rule a red-ink line across the page of the register or registers referred to in Article 103, add up the several columns and post the several total for the different classes of contingent charges in the bill or bills. The forms of the bill for countersigned and non-countersigned contingencies respectively and the instructions to be observed in preparing the bills are laid down in the Andhra Pradesh Treasury Code (See subsidiary Rules 18 and 19 under Treasury Rule 16).

The cashier should then lay the bill with the sub-vouchers and registers before the head of the office, or the gazetted Government servant whom the head of the Office has authorised to incur contingent expenditure under Article 93(b) and to sign contingent bills for him. The head of the office or the gazetted Government servant acting for him should carefully scrutinize the entries, initial each entry in the contingent register if this has not already been done, and sign the bill, if it is in order, and also the separate certificates if any. He should also invariably make suitable entries on the original sub-vouchers to show that they have been paid, so that it will be held personally responsible if a second payment is made in respect of any item on account of his not carrying out this instruction properly. The cashier will then date and number the bill and present it at the treasury for payment.

ARTICLE 107.(a) When the permanent advance is running short and a payment which exceeds the balance of the advance is due to be made, the amount of that payment may be entered in the contingent register with the number that the sub-voucher will bear when the payment has been made, and included in the bill. The payment should be made immediately after the bill is cashed.

(b) In an office in which the charges under several major heads have to be met from a single permanent advance, it is not necessary to prepare bills in respect of those heads under which there has been little expenditure on every occasion when the permanent advance runs short. The expenditure under such heads should be totalled and the bills prepared only at the end of the month in order to begin the following month with the full amount of the permanent advance, or when there is a transfer of charge so that the relieving Government servant may send the Accountant-General his acknowledgment of having received the whole of the permanent advance in cash.

Detailed monthly bill for countersigned contingencies

ARTICLE 108. For contingencies that required countersignature by the controlling authority after payment and in regard to which the permanent advance is recouped by presenting abstract bills at the treasury, the head of the office submits a monthly detailed bill in form 8 signed by himself to the controlling authority for countersignature and transmission to the Accountant-General. The detailed bill should reach the controlling authority not later than the 10th of the month succeeding that to which it relates, supported by all sub-vouchers for individual payments above Rs. 50 (Memo. No. 50239/ Accts./60-1, Dt. 11-6-1960) and with a certificate regarding the check and defacement of all sub-vouchers for amounts of Rs. 50 (Memo. No. 50239/ Accts./60-1, dated 11-6-1960) or less. It should be headed "not payable at the treasury" detailed items by which accounts are kept in the contingent register should be entered in the detailed bill, and at the foot of the bill a memorandum should be added showing the number and date of every abstract contingent bill cashed at the treasury during the month to which the detailed bill relates and sub-vouchers included in each. The total amounts of the detailed bill and the

total charges shown in the contingent register for the month should be fully explained. If any amount drawn on any abstract contingent bill cashed during the month has been refunded into the treasury, the date of refund should be stated.

ARTICLE 109. The Government servants referred to in Annexure-I to Appendix 7 of A.P.F.C. Vol. II shall be primarily responsible for the drawal of funds to the extent of absolute necessity within the allotment placed at their disposal and for proper accounting of the same following the procedure laid down in item 50 of Appendix 7.

(G.O.Ms.No. 11, Fin. & Plg. Dt. 2-1-1987)

Countersigning authority's contingent register

ARTICLE 110. As soon as the monthly detailed bill is received in the office of the countersigning authority, the figures should be transcribed from it into register in the same form as the disbursers register (Form 7) together with a full description of any item that requires explanation. The countersigning authority should review the bill with the sub-vouchers. If he disallows any item, the fact should be noted in the bill and in the "Remarks" column of the register together with the number of the sub-voucher concerned and the reasons for disallowance, and the amounts shown in the register in the columns affected should be corrected in red ink. The countersigning authority should then enter the date of submission in the register under his initials, sign the bill and despatch it to the Accountant- General not later than the 20th of the month with all sub-vouchers for individual payments above Rs. 1000/-. His signature on the certificate that he is required to furnish on the bill takes the place of the sub-vouchers for amount above 50/- but not above Rs. 1000/- (G.O.Ms.No. 152, Fin & Plg., Dt. 19-5-1979). The countersigning authority should return the sub-vouchers for the amounts above Rs. 50/- but not above Rs. 1000/- to the drawing officer so as to enable the Accountant-General, Andhra Pradesh, Hyderabad to test check all the sub-vouchers at the time of local audit.

A Countersigning authority may authorize a responsible gazetted Government servant serving under him to examine and countersign the detailed monthly contingent bills on his behalf when he is absent from head- quarters.

Note :—In the Revenue Department, the Personal Assistant to the Collectors may countersign the detailed contingent bills on behalf of the Collectors.

A countersigned detailed contingent bill forwarded to the Accountant- General should invariably be sent in a sealed cover. The despatching clerk should personally put each bill into the cover and seal it.

Note (1) : —A monthly return of A.C. Bills drawn and D.C. Bills submitted should be sent in A.P.F.C. Forms 23 & 26 to the countersigning Officers/Superior Officers with a drawing Officer (if the countersigning Officer) before 15th of the following month. The controlling officer may verify it with the register to refer to in this Article when take action for expeditious submission of D.C. Bills to the Accountant-General.

In respect of D.C. Bills which do not require countersignature and sent direct to the Accountant-General, reference to the forwarding letter number and date should be quoted.

(G.O.Ms.No. 248, Finance, Dt. 20-7-1977).

Note (2) :—The drawing officer should cancel all the sub-vouchers irrespective of the fact whether they are retained with him or sent to the Controlling authority or sent the Accountant General, Andhra Pradesh, Hyderabad, in accordance with the instructions 2(a) and under Treasury

Rule 32 of Andhra Pradesh Treasury Code, Volume I to avoid the risk of uncanceled sub-vouchers being removed and used fraudulently for a second time. (G.O.Ms.No. 341, Fin. & Plg. Dt.23-12-83).

ARTICLE 111. In the countersigning authorities' contingent register, the date of receipt of a detailed bill should be entered in the column headed "Date of detailed bill," and the date of its despatch to the Accountant-General should be entered in the column headed "Date of admission with initials." In the disbursing authority's register the date of recovery or any amount disallowed should be entered in the column headed "Date of admission with initials," and also the date of any letter from the countersigning authority finally passing an item disallowed but not yet actually recovered. The particulars of any amount disallowed should be recorded in the "Remarks" columns of both registers on the same line with the figures affected.

Amounts disallowed by the countersigning authority

ARTICLE 112. As soon as the bill has been despatched to the Accountant-General the countersigning authority should communicate to the disbursing authority the items if any disallowed. The disbursing authority should, without fail, refund the amount disallowed by deducting it from the total of the next contingent-bill which he cashes on behalf of the same department. The gross amount of each sub-voucher should be entered in that bill, but below the total an entry in the form "Deduct amount disallowed from contingent bill No..... dated..... Rs....." should be made. The receipt given should be only for the net amount drawn. If the countersigning authority finally withdraws the objection to an item, the amount should be re-drawn; after the total of the sub-vouchers included in the next contingent bill that the disbursing authority cashes on behalf of the same department as entry in the form "Add amount disallowed from contingent bill No..... dated....., refunded by deduction from contingent bill No..... dated....., and re-allowed in letter dated..... of....." should be made. The receipt given should be for the gross amount, and item should be included again in the next monthly detailed contingent bill submitted to the countersigning authority.

The total in the disbursing authority's register are the total of the amounts charged, not of the amounts admitted by the countersigning authority, but, when an amount that has been disallowed is adjusted by deduction from the total of a subsequent bill, be the actual charge for each head may be worked out by entering the amount retrenched in black ink with a minus sign in the column for the retrenched head on the line of totals for the bill in which the adjustment is made; the totals carried forward will then be correct.

List of Abstract contingent bills

ARTICLE 113. The Accountant-General will send each controlling authority every month a complete list of abstract contingent bills cashed by Government servants under the authority's control for which countersigned detailed bills have not been received. The controlling authority should immediately call for the detailed bills and the reasons for the delay in submitting them, and return the list to the Accountant-General as soon as possible with a note as to the action taken.

All the drawing officers will send to the respective controlling authorities every month a complete list of Abstract contingent bills cashed by them for which detailed bills have not been sent. (Memo.No. 20894/ Accts./- 60-13, Dt. 3-1-1961).

Endorsement of contingent bills in favour of private parties, etc.

ARTICLE 114.(a) When a contingent charge of not less than Rs. 100/- (G.O.Ms.No. 274/Fin, dated 24-5-1963) is payable to a single private party and the amount cannot conveniently be provided from the permanent advance, a separate contingent bill should ordinarily be prepared for the amount and endorsed for payment to the party concerned, whether he resides in the district in which the claim arises or not. This procedure is not applicable when the funds required for contingent expenditure are obtained by drawing the cheques on the treasury, or when a Government servant in the mufassal has to pay for a purchase in Hyderabad city, or when a payment has to be made outside the State. When a drawing officer is satisfied that there are special and exceptional reasons which make it desirable to endorse a contingent bill for an amount below Rs. 100/- (G.O.Ms.No. 374/Fin, dated 24-5-1963) in favour of a Private Party or to pay in cash a Contingent Charge of Rs. 100 (G.O.Ms.No. 374/Fin, dated 24-5-1963), or more due to a private party, he may record the reasons and act accordingly.

Note 1 :—The Director, Printing, Stationery and Stores Purchase, is authorized to endorse for payment to a private party

(1) a contingent bill for an amount not less than Rs. 25 payable to a single private party; and

(2) a contingent bill for printing work done by a private press, whatever the amount of the bill may be.

Note 2 :—When a payment is desired wholly or partially in Government Drafts a formal application for them shall be presented with the bill, and the manner in which drawer's payment is desired shall also be indicated in the drawer's receipt on the bill.

Payment of third party claims at Treasuries and Sub-Treasuries under the jurisdiction of an Accountant-General other than the one in whose books the charges are finally adjustable, should as far as possible be made by Reserve Bank of India, Government Drafts to be obtained in accordance with the provisions of the subsidiary rules and instructions in Section C of Chapter VI of the Andhra Pradesh Treasury Code Vol.-I. In cases where banking facilities are not available the Accountant-General in whose books charges are finally adjustable should issue authorizations for payments to private parties outside the states to Treasury Officers or the disbursing officer concerned through the Accountant-General within whose jurisdiction the treasury or the disbursing office is situated.

The Charges on Account of exchange payable, to the Reserve Bank should be borne by the Department or officer concerned and treated as office contingencies.

A certificate to the effect that the payment has been made to the proper person and that proper acknowledgment has been obtained and filed in his office shall be sent to the Accountant-General by the Drawing Officer and as and when the payment is made to firms of private located in other States through demand drafts.

(G.O.Ms.No. 300, Finance, Dt. 24-8-1977).

Contingent bills payable at treasuries on account of rents, rates, taxes, etc., due to local bodies which have a banking account at the treasury may be endorsed without any money limit. A single bill should be prepared at intervals of not more than a month for all the items due to anybody.

(b) A Contingent bill payable at a mufassal treasury should not ordinarily be endorsed for payment to private party in March after the 15th. This restriction applies also to contingent bills payable in Hyderabad city if the claims relate to mufassal district.

A local contingent bill payable in Hyderabad city should not be endorsed for payment to a private party in March after the 25th.

(c) No endorsement on a contingent bill remains valid for longer than three months, counting from the date of issue. Whenever any contingent bill issued in the last quarter of the year is endorsed for payment to a private party, it should be stated in the endorsement that the payment order will remain valid only up to the end of March.

(d) Whenever a contingent bill is endorsed for payment to a private party, the drawing office should immediately send an advice direct (Not through the endorsee) to the treasury at which it is to be paid, giving all the particulars of the bill. He should see that the item is entered at once in the contingent register in red ink with a note to the effect that the amount has been drawn and attest the entries by his initials. He should also see that the slip in A.P.T.C. Form 100 accompanying the bill is received back from the treasury duly filled in-See Subsidiary Rules 2(u) and 3 2(i) under Treasury Rule 16.

(e) A drawing officer may endorse a contingent bill in favour of a Government servant subordinate to him. A private party in whose favour a contingent bill has been endorsed may re-endorse it in favour of a bank or a messenger for collection, and a bank in whose favour such a bill has been re-endorsed may re-endorse it in favour of a messenger for collection.

(f) When a bill for supplies made to the Government has been endorsed for payment to a contractor and is re-endorsed by him in favour of a bank, he should sign the receipt on the bill as well as a separate endorsement in favour of the bank-See subsidiary rule 3 6(c) under Treasury Rule 16.

(g) A contingent bill must not be used as a negotiable instrument except to the limited extent permissible under this Article.

(h) Whenever a contingent bill is endorsed in favour of a private party/Contractor as referred in (e) and (f) above, he may re-endorse it in favour of a banker. The banker can in turn endorse it to a messenger or an agent for collection only. See clause (2) under S.R. 2(q) under T.R. 16 with note (2) thereunder and Instruction 67 under T.R. 16. of Andhra Pradesh Treasury Code Vol. I. (G.O.Ms.No. 23, Finance, Dt. 29-1-1977).

Inter-departmental transfers

ARTICLE 115. The conditions under which a department of the Government may make charges for service rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts are given in Chapter 4 of the Andhra Pradesh Account Code, Volume I.

In the case of work done by a Government factory (such as a jail or workshop) or other authorised transfer, the officer in charge will, if the adjustment is to be made by book transfer, prepare an invoice of the quantity and price of the work done, and forward it in triplicate to the officer served, who, on approving the invoice, will countersign all, and return one copy to the supplying officer. Another copy h will file in his

own office, and the third he will attach to the contingent bill for the current month, noting the amount in the statement of account at foot, in order to work out the available balance of his appropriation, but not including it as disbursement among the charges of his bill. Before despatching his monthly bill, however, he should post the amount of the bill paid by book transfer in his contingent register, and include it in the forward total in order that he may agree that forward total with that shown in the statement of account on his contingent bills; in the register of the countersigning authority the amount of such a bill should in like manner be separately entered. See Article 105. Such invoices will never be retained by the countersigning officer.

Note 1 :—The officer served cannot charge the amount in his contingent bill as no cash payment is made, but only a book adjustment in the account office; but the amount available for contingent expenditure is reduced and so, to work out the available balance, note is made in the register of contingent expenditure and in the statement of account at the foot of the bill.

Note 2 :—The procedure for the adjustment of the cost of supplies made in the following cases is laid down in the rules noted against them:

(a) Supplies made to the village service establishments Local Ruling II under Article 95-99, Andhra Pradesh Account Code, Volume II.

(b) Supplies made by the Public Works and Electricity Departments Articles 180-189, Andhra Pradesh Account Code, Volume III and the Local Rulings thereunder.

The special rules applicable to Public Works Workshops, Hyderabad Dowlaishwaram and Vijayawada are continued in Local Ruling 2 under Article 182 of the Andhra Pradesh Account Code, Volume III.

(c) Supplies made by or to the Forest Department Article 242 Andhra Pradesh Account Code, Volume II, and the Local Ruling under it.

Note 3 :—In the case of telephones supplied by the Government Telephone Department, bills for telephone and trunk call charges for amounts exceeding Rs. 50 each will be received in duplicate and the officer served, on approving the bill, will countersign both and return one copy to the supplying officer. He will submit the other copy with the contingent notes in his contingent register. In the case of bills for amounts not exceeding Rs. 50 payment will be made in cash or by cheque. Both the copies of the telephone bills should be presented at the Post Office where the official concerned will, after receiving the cash, impress both copies with the date stamp and return one copy to the party along with a separate receipt. The copy returned, together with the receipt, should be retained by the officer served for record in his office. Payments should be made at the convenient Head or Sub-Post Office. Payments are not to be made to the Postal Department at the treasury. Machine impressed receipts issued by the Manager, Telephones Madras, on a copy of the bill under the facsimile signature of the administrative Officer may also be accepted instead of separate receipts.

Note 4 :—When an officer countersigns an invoice for stores supplied of work done for him by a Government factory or department, he should clearly note on the invoice the major, minor and sub-head and the unit of appropriation to which the charge is debitable as also the authority for the expenditure.

In respect of work done or supplies made by the Public Works Workshops, Hyderabad, Dowlaishwaram or Vijayawada, the officer countersigning the invoice should indicate the cost deposited in advance into the treasury with date and the difference requiring adjustment with reference to the final cost.

Note 5 :—Bills in respect of stores, etc., purchased through the Indian Stores Department are not governed by this Article, but by the special rules framed by the Government of India. In

the case of such bills, unless there are instructions to the contrary, the consignee should retain only one copy of the bill for record in his office, the particulars and amount thereof should be noted in the memorandum of expenditure in his contingent bill which need not be supported by a copy of the bill as is required in the case of other bill paid by book transfer.

Contingent charges incurred on behalf of other Government servants

ARTICLE 116. It is often expedient for a Government servant to make official purchases or incur expenditure on behalf of the Government in another district making his arrangements through the Government Servant in the latter district. If the amount to be paid on account of contingent expenditure incurred in this way is not less than Rs. 50, payment should be made by Government Draft, but otherwise every Government servant who actually incurs expenditure in this way should treat it as expenditure of his own office, and not demand payment from the government servant at whose request he, as an agent, has incurred the expenditure. The charge should however be recorded in the accounts as expenditure of the department in which the Government servant who asks for the expenditure is serving. A Government servant should therefore address his application for any service of this kind to principal Government servant of his department in the district indented on e.g., a Police Officer should ask the District Superintendent of Police and not the District Magistrate, to purchase blankets from him. If the District Magistrate receives any such indent from Police Office, he should pass it on to the District Superintendent of Police, who should deal with the charge (if it is less than Rs. 50) as a final charge of his own office and apply to the proper authority for an extra appropriation if his own appropriation will not be sufficient for the financial year. The government servant who asks for the expenditure to be incurred is always responsible for obtaining proper sanction for the expenditure.

Note : —This rule does not apply to payments for purchases made in Hyderabad City. A Government servant in the mufassal who has to pay for a purchase in Hyderabad City may send the amount by Government Draft if it is not less than Rs. 25 and by postal money order if it is less than Rs. 25.

Special instructions regarding bills of offices in Hyderabad City.

ARTICLE 117.(a) The folk-wing precautions should be observed by heads of departments and offices in Hyderabad City in regard to contingent bills and bills for miscellaneous payments that are to be paid at mufassal treasuries.

(1) Every such bill should invariably be despatched in sealed cover and by registered post, whether it relates to contingent charges, including those incurred by a non-official, or to remuneration payable to a Government servant or a non-official. The despatching clerk should personally post each bill into the cover and seal it.

(2) Whenever a bill is made payable to a named person, an advice showing the name of the payee should be sent to the treasury or sub-treasury which is authorised to make the payment and the bill should, after countersignature, be forwarded to the payee direct, for presentation at the treasury concerned.

(b) Bills for miscellaneous payments payable in Hyderabad City to persons who are not Government servants should be collected together and forwarded to the Accountant-General duly countersigned in a batch, as often as may be necessary, with a covering letter and a detailed statement showing the names and addresses of the payees and any

other necessary particulars. These bills will be paid at the office of the Accountant-General. The head of the office concerned should request each payee to present himself at the office of the Accountant-General for payment within ten days from the date when the bill was sent to the Accountant-General, and to produce there in original the intimation received from him (the head of the office) and also that received from the Accountant-General stating that the bill has been passed. The payee is required to deliver to the office of that Accountant-General the intimation that he received from the Accountant-General and a receipt for the amount, duly stamped when necessary, before the amount, is paid to him.

(c) An office which issues a contingent bill or a bill for miscellaneous payment payable to a named person should enter on it the name of the office at which the payment is to be made by means of separate stamp in the form "Payable at the Treasury/Accountant-General's Office. If the bill is made payable at a treasury or sub-treasury, the issuing office should also obtain a report of the payment of the bill, and verify that it was cashed at the treasury or sub-treasury specified on it. Payment should not be made at an office different from that mentioned in the bill except with the consent of the drawer of the bill.

The bills and advices should invariably be stamped with a special seal kept in the personal custody of the head of the office, if any such special seal is available for the purpose in the office, in order to enable the Accountant-General of the Treasury or Sub-Treasury Officer concerned to verify genuineness of a bill presented to him, wherever possible, by comparison of the stamp on the advice with that on the bill.

Control of contingent expenditure against appropriation

ARTICLE 118. Every Government servant who incurs contingent expenditure should take special care to see that he gets the best possible value for the money spent, that no unnecessary expenditure is incurred and that he does not spend more than the amount placed at his disposal for the financial year. Chapter VII of the Andhra Pradesh Budget Manual contains instructions as to the general procedure for the control of expenditure against appropriation. Further special instructions are necessary in regard to contingent expenditure, since it is incurred without the sanction of any higher authority except in certain specified cases, and the government servant concerned has, to a considerable extent, a free hand in incurring expenditure up to the limit of the appropriation. Moreover an appropriation for contingent charges under a particular detailed account head often covers expenditure on a number of distinct and individually important objects or classes of expenditure, e.g., the detailed head "Contingencies Miscellaneous" may include charges and account of "purchase and repair of bicycles" "Stationery Local Purchases" "Gardening", "Hot and Cold weather charges" and "Office Expenses." The special instructions for the control of contingent expenditure are as follows :—

(1) The appropriation under each detailed account head should be distributed among the important items comprised in it. If some of the items are not important, those items taken as whole may be treated as a single important item for purpose. The expenditure on each important item under a detailed head of account should be watched and controlled separately against the allotment for it, especially when the charges are of fluctuating nature. The contingent register prescribed in Article 103 is designed so that this can be conveniently.

(2) For countersigned contingencies the monthly detailed bills provide all the information required by the controlling authority for checking the expenditure against the appropriation. If, for any month, the expenditure exceeds the monthly proportion of the appropriation for the year, the disbursing officer should send a report to the controlling authority along with the detailed bill, furnishing the special reasons for incurring the excess expenditure. The controlling authority should scrutinize the charges shown in each detailed bill carefully and see that no charge is unnecessary or excessive, that the sanction of the competent authority for an item requiring the sanction of a higher authority is attached, that the sub-vouchers required have been received and are in order, and that the calculations are correct.

(3) For non-countersigned contingencies, the controlling authority should get periodical statements from each disbursing office, (monthly or at least quarterly) of the progressive expenditure compared with the allotment under each item for which there is a specific appropriation or allotment. If the expenditure is progressing too rapidly, he should instruct the disbursing officer to curtail it to the necessary extent. He should also, during his local inspections, scrutinize the contingent registers of the offices under his control and satisfy himself generally that the charges are necessary and not excessive, the rates correct, the sanction obtained adequate, etc.

Service Postage Stamps

ARTICLE 119. Service postage stamps should be used only for pre-paying postage on communications which are bona fide on the service of the Government and for meeting other charges payable to the office for which service postage stamps are accepted. They may also be used by a body or bodies included in the list in Rule 354 of the Indian Post and Telegraph Guide. A Government servant who is associated with any public body not included in that list should, as required by Rule 355 of the same Guide, take care that service postage stamps are not used on any communications issued by him on behalf of that body (See also instructions 18 and 34 under Treasury Rule 10, instructions 8 and 31) (or under Treasury Rule 16 and item 52 of Appendix 7 to this Code)

Note : —The charges on account of Telegram may be paid in cash by all the offices of the State Government excepting those whose average telegram charges exceed Rs. 25/- in a month and who have been permitted to open a “credit account with the Post & Telegraph Office”.

(G.O.Ms. No. 299, Fin. Dt. 24-8-1977).

Rates and Taxes

ARTICLE 120. The following rules govern the payment of municipal and other local taxes on buildings, etc., occupied by departments of the Government or Government servants under their administrative control—

(1) *Taxes on buildings not occupied as residences—*

(a) If the building is occupied by a single department, that department should pay the taxes.

(b) If the building is occupied by more than one department, or if the taxes are payable in a lumpsum for a number of buildings in a municipal or other local area,

the taxes should be paid by the Revenue Department if it is one of the occupants, and otherwise by the Government department which occupied the major portion of the building, as decided by the Superintending Engineer in any case of doubt.

No part of the taxes so paid should be passed on to any other occupying department unless it is commercial department or a department not belonging to the Government of Andhra Pradesh (e.g., department of the Central Government or of a local body or a municipality). The Executive Engineer should calculate the portion to be borne by a commercial department or a department not belonging to the Government of Andhra Pradesh pro rata in proportion to the accommodation actually occupied. Before a department, which occupies only a part of a building pays the taxes on it, or, if payment cannot be delayed, as soon after payment as possible, it should obtain an acceptance from every other department which is liable to pay a share of the taxes.

When a portion of a State building is occupied by a commercial department or a department not belonging to the Government of Andhra Pradesh the proportionate tax on the portion so occupied should be borne for the whole half-year by the department which occupies it at the beginning of the half-year. If, later on, that department vacates the portion within the half-year, and if it is occupied by another department within the same half-year, the tax for the portion will be divided between the two departments in proportion to the period of their occupation, and necessary refund will be given to the first department. If, on the other hand, no other department occupies the vacated portion with the half-year, the first department will not be entitled to any refund except to the extent of any remission of tax that may be obtained on account of the vacancy.

(c) As a general rule, the tax paid by, or passed on to, a department occupying the whole or part of the building should be charged to the contingencies of that department. When, however, the whole or part of the tax is paid by the Public Works Department or another department, e.g., the Excise Department or the Forest Department, as the department in administrative control of the building (See Rules 4 and 5 below), the payment should be charged to the maintenance estimate of the building. When a building is occupied by more than one department and the entire tax is paid by one department under clause (b) above, the payment should be debited to "0606 Rents, Rates and Taxes" under the concerned departmental head of account.

(d) No municipal tax is payable on a public building situated in a cantonment.

(2) *Taxes on buildings occupied as residences—*

(a) The taxes on Government buildings occupied as residence, including those occupied by the Governor and his staff, should be paid by the Public Works Department or other department in administrative control of the building. The portion representing taxes in the nature of property or house-tax should be treated as part of the cost of maintenance of the building, and the rest, if any, should be recovered from the occupant.

(b) The Government servant who occupies a Government building as a residence is required to pay the service taxes recoverable from the occupant. When a municipal or other local tax on a Government building has to be borne partly by a Government servant who occupies part of the building as residence and partly by the

Government, the Government will pay the tax in full in the first instance, and then recover from the Government servant the amount payable by him. The department which maintains a building and pays the property tax will be held responsible for the due recovery of the service taxes payable by any Government servant who occupies the whole or any part of the building as a residence.

The total amount of rent and service taxes recoverable from any Government servant in respect of a Government residential building (whether owned or leased by Government) shall not exceed 10% of his emoluments. Government servants entitled to rent-free quarters shall be exempted from the payment of service taxes.

(3) *Amount of assessment—*

(a) If the assessment of any Government property to a local at appears to be excessive, the Government servant who will have to pay the tax on behalf of the Government should make every possible effort to obtain redress under the ordinary municipal or local law. It is open to the Government to have recourse to the special provisions of the Municipal Taxation Act, 1881 (India Act XI of 1881) when no amicable settlement can be reached with a municipal council in regard to the assessment of any Government property, especially when the property is, from its nature, such that the ordinary principles of assessment of the tax in question cannot be applied to it, e.g., when the assessment should be on the rental value but the property is such that it is difficult to conceive of its being let or impossible to form an estimate of the rent which the Government could obtain by letting it. Any assessment of Government property to a municipal tax which appears to be excessive and in regard to which it proves to be impossible to obtain redress under the ordinary law applicable to the tax should be reported to the Government in order that they may decide whether or not action should be taken under the Municipal Taxation Act, 1881 (India Act XI of 1881).

In regard to each assessment a certificate stating either that the assessment is accepted or that all legal means have been or are being taken to get it reduced, should be sent to the Accountant-General every year by

(i) in the case of building in the charge of the Public Works Department the head of the office occupying the building in consultation, when necessary, with the Executive Engineer.

(ii) in the case of any other building, the departmental officer concerned, and

(iii) in the case of land occupied by a Government department and not appertaining to a building, the Collector.

(b) The Executive Engineer who revalues the building belonging to the Government during quinquennial revision should communicate to the heads of offices concerned who pay the property tax, the revised valuation amount fixed by him for the quinquennium simultaneously with his sending the revaluation statements to the municipality or the local body concerned, irrespective of the fact whether such revaluation involves reduction or increase in the existing assessments.

(4) *Vacancy remission* :—(a) Whenever a Government building (residential or non-residential) is likely to fall vacant, the occupant of the building immediately before

the actual vacancy occurs or the head of the office to which the occupant belongs should arrange to give notice of the vacancy, on the date on which it falls vacant, direct to the chief executive authority of the Corporation of Hyderabad or to municipal council or the panchayat concerned, as the case may be, and send a copy of the notice simultaneously to the Executive Engineer to enable him to claim any permissible remission of taxes. The head of the office mentioned above should take similar action on the first day of every succeeding half year, if the building is still vacant then. The Executive Engineer should claim remission of Municipalities Act 1920 (Act V of 1920), or for sixty or more consecutive days under Rule 7 of the rules relating to 'House Tax' framed under Section 64(4) and 112(1) of the Madras Village Panchayats Act, 1950 (Act X of 1950), as the case may be. The Government servant who pays any tax in respect of a building for a period during any part of which it has been vacant should satisfy himself that any permissible remission of tax has been claimed for the period during which the building was vacant.

Similarly, when a Government building (whole or part) is demolished or destroyed, the department on whose registers the building is borne, should immediately give the requisite notice to the municipality or panchayat concerned and obtain remission of property tax under Section 89 (2) of the Madras District Municipalities Act, 1920 (Act V of 1920) or Rule 8 of the rules relating to 'House Tax' framed under Section 64(4) and 112(1) of the Madras Village Panchayats Act, 1950 (Act X of 1950), as the case may be.

(b) When the Public Works Department takes over a vacant building from another department and it continues to be in charge of the building, the Sectional Officer concerned should give the necessary notice of the vacancy of the building direct to the executive authority of the local body concerned immediately when it is taken over, and thereafter on the first day of every half year, if the building is still vacant then. He should also send a copy of every such notice simultaneously to the Executive Engineer.

(5) *Notice of construction, etc., of a building* :—Under Section 89(1)(a) of the Madras District Municipalities Act 1920 (Act V of 1920), and Rule 8 of the rules relating to 'House Tax' framed under Sec. 64(4) and 112(1) of the Madras Village Panchayats Act, 1950 (Act X of 1950), an intimation must be given to the executive authority of the local body concerned of the construction of a new building or the reconstruction of a building, within fifteen days from the date of completion or occupation, whichever is earlier, the Executive Engineer should give the intimation in respect of any building (residential or non-residential) on which the Public Works Department will have to pay the property tax and in respect of any other building the occupant or the head of the office which will have to pay the property tax on it should give the intimation. In some cases remission of municipal or other local taxes can be obtained for a part of the half-year in which the construction or re-construction of a building is completed, provided the intimation mentioned above is duly given in time. Any Government servant who fails to give the required intimation when he should also, and thus causes to Government to lose any remission of taxes will be held personally responsible for the loss.

Cleaning, etc., Charges

ARTICLE 120-A. Where a number of small offices are located close to one another one sweeper or waterman may be employed for all the offices put together, but

where small offices are scattered and a common full-time sweeper or waterman cannot be employed, only part-time arrangements should be made. A full-time sweeper or waterman for single office should be confined to very big offices, such as the Secretariat, High Court, Board of Revenue, Director-General of Police, Director of Medical Services, Director of Public Instruction, etc.,

Heads of departments concerned may, if they consider it absolutely necessary, employ a full-time sweeper or waterman in their own offices.

The pay and allowances of a common sweeper or waterman should be borne by the Revenue Department, if it is one of the departments for whom the sweeper or waterman is employed and otherwise by the Government department, which occupies the major portion of the building, or block of buildings, as the case may be. In any case of doubt, the Superintending Engineer will decide the department that has to be responsible for the payment.

Electric current charges

ARTICLE 121. I. The following procedure should be adopted in regard to the payment of charges for electric current consumed in buildings occupied by departments of the Government or Government servant under their administrative control.

(i) HYDERABAD CITY

(a) *Buildings not occupied as residences* :—If the building is occupied by a single office, the Electricity Department will forward one copy of the bill of charges direct to the head of the office for payment, and a duplicate copy to the Electrical Engineer (General) for verification. If, on verification, the Electrical Engineer (General) detects any error, he should return the bill to the Electricity Department for correction and at the same time ask the head of the office not to make payment till he receives an amended bill from the Electricity Department.

If the building is occupied by more than one office, the Electricity Department will send a single consolidated bill for the total consumption to the Electrical Engineer (General). The latter should after verifying the bill, allocate the amount among the various offices and forward a copy of the allocation statement to the Electricity Department and relevant extracts therefrom to the offices concerned. Each office should arrange to pay its share direct to the Electricity Department.

The charge on account of electric current in a contingent bill should be supported by (a) the bill received from the Electricity Department or (b) and extract from the allocation statement received from the Electrical Engineer (General).

(b) *Buildings occupied as residences* :—If the buildings is used solely as residence, the tenant should pay the charges direct to the Electricity Department.

If the building (or group of buildings) is used partly for departmental purpose and partly for residential purposes the Electrical Engineer (General) (or his Assistant on his behalf) should, after varying the consolidated bill received from the Electricity Department determine the share payable by each tenant. The departments should pay the charges in full in the first instance on receipt of the bill duly countersigned by the Electrical Engineer (General) (or his Assistant on his behalf) which should be attached to the

contingent bill and then arrange for the recovery of the amounts due from the tenants by deduction from their pay bills. The recoveries, should be taken in abatement of the charges originally met by the department. The Electrical Engineer (General) should send a statement of the amount to be recovered from tenants to the Accountant-General. He should also intimate the amount to be recovered from the pay bill of each Government servant concerned to the Government servant direct, if he draws his own pay bill and otherwise to the head of the Government servants's office.

(ii) MUFASSAL STATIONS

In regard to charges made by a municipality or a private agency for electric current consumed in a Government building in the mufassal, a procedure similar to that prescribed for Hyderabad City should be followed but the Executive engineer will perform the duties assigned to the Electrical Engineer (General) in this connection in Hyderabad City except in the case of bills relating to buildings maintained under the control of the Electrical Engineer (General) and Superintendents of Jails [See Article 154(b)].

II.(a) The Drawing Officer has to issue proceedings sanctioning the electric consumption charges based on the monthly slab rates indicated in the card supplied by the Andhra Pradesh State Electricity Board and to enclose an attested true copy or an attested xerox copy of the card to the bill presented at the Treasury duly signed in ink by the Drawing Officer.

(b) The proceedings of the sanction issued by the Drawing Officer should indicate the month(s) for which the Electric consumption charges sanctioned together with the following Certificates.

(1) that the amount has not been drawn and paid earlier.

(2) that the receipt No. dated..... issued by the A.P. State Electricity Board for the payment of electricity charges for the previous months viz., (month(s) (to-be supplied) has been obtained and recorded. (G.O.Ms.No. 256, Fin. & Plg., Dt. 18-9-1986).

CHAPTER VII

STORES

INTRODUCTORY

ARTICLE 122. This chapter contains the general rules applicable to all Departments regarding stores required for use in the Public Services and purchased direct by the Departmental authorities, without the medium of the Central Stores Purchase Departments. Detailed rules and instructions relating to the various departments responsible for or concerned in large purchases, manufacture or consumption of stores are contained in the departmental regulations relating to the departments concerned.

Note :—The term stores is used to indicate all articles and materials required for public service coming into an officer's possession for various purposes e.g., furniture, chemicals, scientific instruments, appliances and stationery articles, articles of diet in Hospitals, Jails Material for construction of buildings departmentally, manufac

tured stores, tools and plants; but excluding books, publications, periodicals etc., in a Library. (G.O.Ms.No. 10, Fin. & Plg., Dt. 8-1-1987).

Authorities Competent to Purchase Stores

ARTICLE 123. Expenditure on stores is included under contingent expenditure (except when it is treated otherwise, e.g., Stores relating to works expenditure) and therefore subject generally to the rules contained in the previous chapter, which govern such expenditure. All stores shall be purchased through the Director, Printing, Stationery and Stores Purchase Department who has been vested with a state-wide jurisdiction with regard to purchases, with exceptions hereinafter detailed or in cases where special exemption has been vested with a state-wide jurisdiction with regard to purchases, with exceptions hereinafter detailed or in cases where special exemption has been obtained from the stores purchase Committee. All purchases, whether direct or effected through the medium of the Central Stores Purchase Department are subject to the usual restrictions regarding the existence of budget provision and competent sanction to purchase the articles required. Such purchases are subject also to any monetary limits and other conditions prescribed generally or in regard to as particular article or class of articles (of Appendix 7) and also the rules and instructions in Article 125.

The following are the articles exempted from the purview of the Stationery and Stores Purchase Department.

(a) Perishable articles such as fruits, fish, food stuff including tinned and bottled food and drinks.

(b) Mauva flowers for distilling liquor, material used in manufacturing various articles under Departmental supervision, bricks, sand, kanker, stones, ballast lime, country tiles and timber used for construction purpose.

(c) Opium, Ganja and other controlled articles, like cement, iron and steel, subject to such rates which may be stipulated in a bulk contract if one is negotiated by the Director, Central Stores Purchase Department.

(d) Newspapers, Journals and other periodicals.

(e) Articles in common use being the normal requirements of Office the estimated value of which does not exceed Rs. 2,000 subject to the condition.

(1) (i) that it is not on rate or running Contract,

“(ii) indents for items whose individual value does not exceed Rs 500 per unit, subject to a maximum of Rs 5,000 at a time, provided that such items are not on rate or running contract,” OR

(2) that it is one which the Department cannot conveniently procure. For this purpose, the value of each article or class or similar or inter connected articles to be purchased at one time will be taken into consideration.

(f) Articles in common use in office. e.g, goblets, brooms, bamboo and KhasKhas chicks, Government Garden Tools, which are chargeable to miscellaneous contingencies.

(g) Emergency requirement such as Component part of a machine required in case of break down.

(h) Live-Stock and fodder of live-stock. The existing procedure by which the various officers are required to draw their requirements from the Central Depots such as Stationery Depot, medicines from the Medical Stores etc., shall continue, the Central Depots in their turn being required to obtain their stores through Director, Printing, Stationery & Stores Purchase for the present.

(i) medical supplies which can be purchased from Government of India Medical Stores Department.

(j) Articles manufactured by Government institutions such as Jails, State Mechanical Engineer's Workshop and Textile Training Centre, Mushirabad.

(k) Band and Musical instruments and their spare parts.

(l) Manures, both organic and chemical.

(m) Books, maps, charts, periodicals, required by the State Government offices and Institutions.

(n) Seeds and straw.

(o) Consumable stores like wood, charcoal, coal and coke.

(p) Kerosene oil except in bulk of 500 gallons or more.

(q) Stores covered by rate contract of the Directorate General, supplies and disposals, Government of India, provided they are purchased in accordance with the procedure laid down by the Government of India.

(r) Petrol, Kerosene upto 500 gallons, fuel oils such as light diesel oil, high-speed diesel oil and furnace oil.

(s) Mineral products like Aromax, Explosives purchased by Government Department after obtaining a licence from the Inspector of Explosives Government of India.

(t) Silk Worm Cuts.

(u) Spun Yarn.

(v) Cloth, thread and button required by Government Institutions for manufacturing clothes exclusively for commercial purpose.

(w) Binding and preservation materials like sheep's skin, calico, Balcram etc., can be purchased by Director, State Archives upto a limit of Rs. 1,000 p.a. subject to the availability of funds. (Memo. No. 26053/ Accts.162-2, dated 3rd may, 1962).

(x) Order in respect of purchase of all requirements of the various Government Departments for Khadi may be placed on the Andhra Pradesh Khadi and Village Industries Board for supply at the rates approved and certified by the certification committee of the Commission. The Government Departments including the Central Stores Purchase Department will tap other sources only after the Board expresses its inability to supply the Khadi Cloth. (Memo. No. 64219/2145/Accts./63-2, dt 17-1-1964)

(y) Requests for miscellaneous types of works not requiring actual supply of stores, such as, stitching of uniforms etc., body building on chassis and job work involving fabrication or construction under the Departmental supervision.

(z) Arumugam Telugu Types. (Memo. No. 4056/90/Accts/65-2, dt 19-3-1965).

(aa) Purchase through the India Supply Mission, Washington and/or India Stores Department, London. (Memorandum No. 86519/3131/Accts./65-1, dt 22-4-1966).

I. Delegation of powers to the Director, Central Stores Purchase Department

(1) The following powers are delegated to the Director, Central Stores purchase Department, in respect of purchases for Government, in respect of purchases for Government Departments:

(i) In order to encourage indigenous industries in the country, the Director may be given price preference to indigenous products over imported products upto 10%.

(ii) Local (with State) products may be given 5% price preference over the other Indian Products.

(iii) Cottage and Small Scale Industries may be given 10% price preference.

(iv) Co-operative societies may be given 5% price preference over others.

(v) The reservation of certain stores for the cottage and small scale industries as ordered from time to time should be adhered to.

(2) The Director may allow advance payment upto 90% on receipt of Railway Receipts in cases of reputed firms, and the rest on arrival of the material at site and inspection, provided such a condition is stipulated by him at the time of drawing agreement with the firms.

(3) The Director is empowered to accept tenders upto a value of Rs. 2 lakhs and the Assistant Directors upto Rs. 25,000 without referring to higher authorities.

Only cases where the difference in the receipted tender and the lowest offer is 10% and the above or the total amount of such difference exceeds Rs. 20,000 should be referred to the High Power Committee for sanction.

(4) All the Rate contracts with manufacturers or their principal representatives in the country entered into for more than one year, shall have to be approved by the High Power Committee and can be operated by the Director, Printing & Stationery and Stores Purchase.

(5) Security Deposits should be collected at the rate of 10% as per rules for all indents exceeding the value of Rs. 10,000 and above after entering into agreement with the successful tenderer in the name of the Governor.

To safeguard the interest of Government the following amounts shall be collected as security, as no security deposit is being collected on amounts less than Rs. 10,000 at present.

(i) Above Rs. 2,000 and below Rs. 5,000 Rs. 100

(ii) Above Rs. 5,000 and below Rs. 10,000 Rs. 200.

The Director, Central Stores Purchase is empowered to exempt any firm from payment of security deposit altogether in deserving cases in his discretion for the categories mentioned above.

N.B. The Small Scale Industries, Government Institutions, work centres, Federation of Industrial Co-operatives, Ordnance factories of the Government of India, and Institutions of the other State Government and the Central Government are exempted from payment of security deposit on reciprocal basis.

(6) The press advertisement of a tender enquiry on All India basis will be left to the discretion of the Director, Central Stores Purchase Department irrespective of the value involved. Except tender enquiries falling under Clauses 7 and 8, all other advertised notifications shall be through the Trade Bulletin and/or Indian Trade Journal.

(7) In cases of demands upto Rs. 5,000 or where it is known that only very few firms deal in the required stores "Limited Tender" system, as a rule will be adopted by addressing the concerns dealing in such stores and who are on the approved list of the Printing, Stationery and Stores Purchase.

(8) To meet the demand for proprietary articles with the sole agency, 'Single' tender enquiry system will be adopted.

(9) Subject to the conditions that there has been no downward trend of prices since the original order was placed within six months of such original order, the Director of Printing, Stationery and Stores Purchase may in his discretion place repeat orders for stores, if the placing of such repeat orders is considered to be in the interest of Government.

The repeat order should not generally exceed the quantity originally ordered in the case of purchase orders upto a limit of Rs. 50,000 in value, and 50% of the original quantity of Rs. 50,000 whichever is more in other cases." (Memo.No. 31843/896/Accts./65-2, Dt. 9-8-1965)

Any deviation from the above ceiling can be allowed in exceptional cases or circumstances for which the Director of Printing, Stationery and Stores Purchase should record his reasons in writing and obtain the sanction of the High Power Committee.

(10) The Director while adhering to the tender system in making purchases as far as possible, shall adopt the system of Tender-cum-negotiation in cases relating to specialised articles or in cases where the Director has reason to believe that negotiation does ensure a contract at more competitive rates.

(11) The Director shall also effect purchases by negotiation in cases where as a result of tenders invited it is disclosed that there is not free competition and it is considered preferable not to scrap the tenders but negotiate with the tendering firms notwithstanding changes in particulars or specifications.

(12) The Director may consult the indenter in the matter of selection of tenders where he considers it necessary.

(13) Tender forms against advertised demand will be charged as follows :

1. Upto Rs. 10,000	..	Rs. 2/-
2. Upto Rs. 10,000 to Rs. 20,000	..	Rs. 3/-
3. Upto Rs. 20,000 to Rs. 30,000	..	Rs. 4/-
4. Upto Rs. 30,000 to Rs. 50,000	..	Rs. 5/-

5. Upto Rs. 50,000 to Rs. 75,000	..	Rs. 6/-
6. Upto Rs. 75,000 to Rs. 1,00,000	..	Rs. 8/-
7. Rs. 1,00,000 and above		Rs. 10/-

Duplicate copies of the Tender forms will be charged at 50% of their original price. Tender fee will not be refunded nor tender forms allowed to be transferred, specifications and drawings being charged extra according to actual cost.

II.(1) Negotiation with firms :

The Director is authorised to negotiate with the firms for extending the period for which the offer would be kept open, upto, a limit of Rupees Two lakhs and all cases over and above should be referred to High Power Committee for approval.

(2) Extension of Delivery Periods :

(a) The Director of Printing, Stationery and Stores Purchase, is authorised to extend the delivery period upto a maximum period of six months.

(b) The Assistant Directors are authorised to extend the delivery period upto a maximum period of three months provided the Purchase falls within their powers, viz., the value of purchase is Rs. 25,000 or less.(Memo.No. 12285/608/Accts.163-2, Dt. 21-5-1963)

(c) All other cases where the period of extension exceeds the period shown in (a) and (b) above, should be placed before the Stores Purchase Committee for its approval.

Note : —Extension in delivery period should not be given as a matter of rule. It should be restored to only in rare and exceptional cases.

(3) Passing over the lowest or lower Tender :

Subject to samples answering to specifications and delivery period being favourable, the lowest tender should be preferred. If for any reason, the Director of Printing, Stationery and Stores Purchase passes over the offer of the lowest tender or tenders, he shall record his reasons on the concerned file. The following factors will justify passing over the lowest tender.

- (a) Stores not being upto specifications.
- (b) Delivery period not being suitable.
- (c) Previous performance of the Supplier not being satisfactory.
- (d) Inspection report conveying unsatisfactory remarks about capacity, technical equipment and financial position.

(4) Purchase in the cases of emergency :

In cases of emergency the Heads of Departments with the prior approval of the Stores Purchase Committee or the Government in the concerned Secretariat Department in consultation with the Industries Department will make direct purchase to an unlimited extent subject to the revision in the budget.(Memo.No. 12285/608/Accts.163-2, Dt. 21-5-1963).

(5) Placing of orders with next higher tenderers :

If the lowest tender is unable to supply the full quantity within the delivery period, order for the balance of stores or part thereof, will be placed with the next higher tenderer or tenderers who are able to supply the determined quantity within the delivery period, if necessary, at different rates, till complete quantity is covered for delivery within the determined period subject to the monetary limit already prescribed.

(6) Placing of orders for foreign goods :

While placing orders for goods of foreign manufacturers, as far as possible, it will be placed through the local representatives of manufacturers preferring those who have "after sale service" and hold in stock sufficient spares. (Mem.No. 41997/Accts./60-10, Dt. 24-2-61)

Note :- Heads of Departments are authorised to give a 5% price preference to the products that are manufactured in the Andhra Pradesh State. They may prefer the local products only when the stores are in accordance with their needs and prices are within the above concession limits. These concessions will not be applicable to the local agents or middlemen, etc, of the products that are manufactured outside the State. (Memo.No. 8410/Accts./62-11, Dt. 28-2-1962)

Purchase through the India Supply Mission, Washington and/or India Stores Department. London. (Memo.No. 86519/3131 /Accts/65- 1, Dt. 22-4-66)

Forecast of requirements and time of purchase

ARTICLE 124. A Government servant who has to purchase stores for the public service should estimate his requirements for the year, so far as they can be foreseen and as far as possible, lay in a sufficient stock during the cheapest season. When necessary he should apply for advice as to the best time for making purchases and assistance in obtaining tenders to Government servants of other departments who are in close touch with the market for the articles required and know the usual course of their price. For example, it is usually advantageous to buy the supplies of food grains for rations just after the harvest, and the Revenue Department is likely to be able to give useful advice and assistance in regard to such purchases. Articles which are likely to depreciate or deteriorate during storage should not, however, be bought long in advance of requirements. It should also be remembered that the purchase of any articles in advance or requirement involves the locking up of Government money and is therefore not desirable unless it is reasonably likely to prove advantageous in regard to price.

Rules and instructions governing the purchase of stores

ARTICLE 125. All Government servants should strictly observe the following rules and instructions when buying stores for use in the public service (with the exception of stationery and printing stores, in buying which they should strictly observe the rules in Appendix 9). These rules and instructions also apply to the purchase of stores by Government servants on behalf of local bodies and of local funds administered by the Government, unless the local body or fund concerned decides otherwise.

Rule I :—When the conditions regarding quality and price are equal preference in making purchases should be given in the following order :

Firstly :—to articles which are produced in India in the form of raw materials or are manufactured in India from raw materials produced in India.

Secondly :—to articles wholly or partially manufactured held in India; and

Thirdly :—to articles of foreign manufacture held in stock in India; and

Fourthly :—to articles manufactured abroad which need to be specially imported.

A purchasing officer specially authorized in this behalf may, when satisfied that such a measure is justified, allow a limited degree of preference in respect of price to articles produced or manufactured in India either wholly or in part. The preference so allowed shall not exceed 5 percent of the price at which articles of similar quality not so produced or manufactured can be obtained.

INSTRUCTIONS

(1) The principles underlying Rule I is that preference should be accorded to Indian products and to imported articles held in stock in India, but that the preference so accorded should be tempered by the consideration of economy. Thus ordinarily, of articles available at the same price, that of the best quality should be purchased; and for articles of the same quality, the lowest tender should be accepted.

(2) A Government servant to whom the power described in the latter portion of Rule I has been delegated should exercise it only as an exceptional measure and when there is adequate justification, for example.

(a) to assist an Indian industry which is expected to fill a vital gap in the economic life of the country and is likely to become firmly established in the near future

(b) to prevent sudden and extensive dislocation of the labour market; or

(c) to regulate and control foreign competition, especially abnormal foreign competition during periods of temporary trade depression abroad.

(3) With a view to applying the principles of preference laid down in Rule I, a Government servant who invites tenders for supplying stores should instruct the tenders to furnish information as to the country of origin in the case of a raw material, and as to both the country of manufacture and the country of origin of the materials used for a manufactured article.

(4) While purchasing articles, a purchasing officer shall take into consideration only the prices of the articles excluding sales tax and compare the rates for purpose of arriving at competitive prices and then place orders for the purchase of articles. (Memo.No. 23015-B/544/68-5, Dt. 7-9-1968).

Rule II:—Save as provided in Rule VIII, all articles required for use in the public service shall be purchased on the condition that delivery shall be made in India for payment in rupees in India.

INSTRUCTIONS

(1) A purchasing officer should not send indents for stores, other than stores of the kinds specified in Rule VIII, to Director-General, India Stores Department, London, should obtain the stores by calling for tenders in accordance with these rules.

(2) A purchasing officer who invites tenders for the supply of stores may exercise full discretion regarding the place of delivery to be specified in the invitation to tender. He may stipulate for delivery, c.i.f. or for. at an India port, or f.o.r. at the place of despatch in India, or for free delivery at the receiving station in India. When tenders are invited for supplying plant and equipment and the successful tenderer is to erect the plant at the site, appropriate conditions in regard to delivery at the site, should be included in the invitation to tender or in the general specification.

(3) The conditions specified as to the place of delivery should as far as possible be such as to give all tenderers equal opportunities of tendering at their lowest rates. For instance, tenderers abroad may often be unable to tender on the basis of delivery f.o.r. at an Indian port or free delivery at the receiving station in India and may only be able to tender on the basis of delivery c.i.f. at an Indian port with payment in rupees in India partially against shipping documents and partially after delivery has been taken in India. Such tenders satisfy Rule II. Except in special cases however, full payment should not be made for any stores against shipping documents and payment should be completed only after the receiving officer has taken delivery of the stores and found them to be satisfactory in every respect.

Rule III :—Tenders shall be invited in India, and when considered desirable also abroad for the supply of all articles which are purchased under Rule II to IV and VI, unless the value of the order to be placed is less than Rs. 200 (G.O.Ms.No. 374/Fin. Dt. 24-5-1963) or the Government have specially permitted purchase without calling for tenders, or there are sufficient reasons (which shall be recorded) for holding that it is not in the public interest to call for tenders. If the Government so order, tenders shall be invited in connection with all purchases of articles of a particular class and/or by a particular department. No tender which is not expressed in terms of rupees or which fails to comply with the conditions as to delivery and payment prescribed in Rule II shall be accepted.

INSTRUCTIONS

(1) Rule III lays down that “When considered desirable,” tenders should be invited abroad as well as in India. The purchasing officer should obtain orders from the head of the department or a superior officer who is authorised to send indents for stores to the Director-General, India Store Department, London, as to whether invitations to tender should be sent to firms outside India, when he is not himself authorized to send such indents and considers that it might be advantageous to invite tenders abroad.

Tenders should be invited abroad as well as in India, whenever it is considered necessary or desirable to do so in order to obtain adequate publicity and to ensure that the purchase is made to the best advantage. These considerations apply mainly to the categories of stores which have usually been obtained in the past by indents on the Director-General, India Store Department, London, and when such stores have to be bought, it is essential as a rule to invite firms outside India to tender in order to obtain wide competition from all possible sources of supply.

When tenders are invited from abroad, Instructions, 2 to 6 below should be observed.

(2) A sufficient supply of tender forms with the relevant documents, specifications and drawings should be sent as soon as possible to the Director-General, India Store Department, London who will give such publicity to the invitation to tender as he may consider to be most suitable for the purpose, either by advertisement in the newspapers or otherwise. The Director-General will, as a rule, advertise the invitation to tender in the newspapers if the value of the articles required is estimated at Rs. 20,000 or more. He will also instruct intending tenderers outside India to apply to him for the tender forms and will supply copies on payment in sterling of the charge (if any) to be fixed by him each case. He will at the same time instruct the tenderers to submit their tenders direct to purchasing officer in India and not to the India Store Department, London. The purchasing officer in India will place the order direct with the successful tenderer.

(3) When it is desired to have the recommendation of the technical advisers of the India Store Department, London, i.e., the Consulting Engineers, the Naval Architects, etc., on the tenders before the order is placed, the purchasing officer should stipulate in the invitation to tender that a complete duplicate of the tender should be delivered to the Director-General, India Store Department,

London on the same date as that fixed for the receipt of the tenders in India. The Director-General will then arrange for the examination of the tenders by the appropriate technical authority and will telegraph its recommendation to the purchasing office in India. For the work connected with this examination of tenders, the Director-General will make a fixed charge on the following scale

(a) Tenders of which technical advice is furnished by the Consulting Engineers, Rendell, Palmar and Tritton, or by the officers of the India Store Department, London.	One-fourth of one percent on the value of the recommended tender, subject to a maximum limit of 250 in each case.
(b) Tenders dealt with by order consultants, e.g., the Naval Architects, Trinity House, etc.	The actual charge made by the consultant plus one-tenth of 1 percent of the f.o.b. value of the recommended tender, subject to a

max.
limit of 225 in each case.

(4) The purchasing officer should make it clear in every tender form that the articles concerned must be delivered in India, but payment will be made in India in rupees, and that any tender which does not comply with these conditions will not be considered. Tenderers abroad should also be required to specify their agents in India through whom delivery will be arranged and payment received, and who, when so required, will arrange for the erection of the plant at the site and for the carrying out of such tents on completion as may be specified in the contract.

(5) No account adjustments should be made between the High Commissioner's office and a purchasing department in India for the value of tender forms sent to London and for the expenditure on advertisements, postage, etc., in the High Commissioner's office.

(6) It is important that purchasing officers in India should bear in mind when considering the desirability of calling for tenders abroad, the need for allowing sufficient time for the receipt and publication of invitations to tender, the receipt of the tender forms by tenderers, and the preparation and despatch of the tenders to India.

The following is an approximate estimate of the time required :—

Time required for sending the forms from Hyderabad to London

By ordinary-Mail (Second class mail-matter only)	.. About 17 days.
By Parcel Mail— (a) Overland route via Marseilles	.. About 17 days.
(b) Sea route via Gibraltar	.. About 24 days
By Air Mail (First-class mail-matter only)	.. About 6 days.

Time taken in London for advertising and issuing forms of tenders, say 10 days.

Time required by tenderers for preparing and despatching tenders, say 14 days.

Time required for forwarding tenders from London to Hyderabad

The same as that entered above for sending the forms from Hyderabad to London.

If continental or American tenders have to be awaited, about three or four weeks respectively should be added to the above figures, and when tenders called for in connection with complicated engineering schemes, a longer time should be allowed for the preparation of tenders.

(7) Tenders should be obtained—

www.apteachers.in

- (1) by advertisement (“open tenders”).
- (2) by direct invitation to a limited number of firms (“limited tender”) or
- (3) by invitation to one firm only (“single tender” or “private purchase”).

[(8) Rule III does not preclude the use of limited or single tenders. The “Open Tender” system i.e., invitation to tender by public advertisement should however, be used as a general rule and must be adopted, subject to the exceptions mentioned in Instruction 13 under this rule, whenever the estimated value of the order to be placed is Rs.5.00 lakhs or over. When the “ Open Tender” system is used the purchasing Officer should arrange for the necessary public advertisement and may at his discretion, insert advertisements in the Andhra Pradesh Gazette, the Indian Trade Journal, published by the Director- General of Commercial Intelligence and Statistics, Calcutta, and one or more of the principal newspapers published in India.

Note :- Any splitting of work to remain within the limit will be viewed seriously and action taken. Even for tendering above Rs. 5.00 lakhs only a small advertisement can go in the newspaper and further details can be part of website whose address can be mentioned in the news paper. Lengthy advertisements in newspapers may be avoided.]

(Subs. by G.O. Ms. No. 489, Fin. (TFR.I), Dt. 8-12-2008)

Circular communication should also be sent, when necessary to reputed dealers and contractors who are likely to tender. The advertisement should invite tenders in sealed covers and state the place where, and the date and time by which, the tenders should be submitted, and the time at which they will be opened. If the invitation to tender relates to a large contract, at least one month’s time from the date of advertisement should be allowed for the submission of tenders. The tenders should be opened by a responsible officer and not by a subordinate.

The materials/stores costing more than Rs.1,00,000/- (Rupees One Lakh Only) shall be procured through e-procurement platform only.

[G.O.Ms.No.258, Fin.(TFR) Dept., Dt.20-9-2013]

[(9) The “Limited Tender” System should ordinarily be adopted whenever the estimated value of the order to be given is less than Rs. 5.00 lakhs.]

(Subs. by G.O.Ms.No. 489, Fin. (TFR.I), Dt. 8-12-2008)

(9)(a) The Officers of the Public Works Department, Irrigation branch, Engineering Research Department, Roads and Buildings Department, Electricity Department and the Director of Andhra Pradesh Government Text Book Press, Hyderabad may adopt limited tender system whenever the value of the order for purchase of stores to be placed is less than Rs. 10,000/-.

(G.O.Ms.No. 142, Finance, Dt 8-5-1979).

(10) For the purposes of the limited tender and single tender procedure, the purchasing officer should maintain a list of firms, both Indian and foreign of known reliability which have satisfied him that they possess the necessary equipment and facilities for the supply of the stores which they offer to supply. The list should be examined and revised periodically and any application from a firm for inclusion in the list should be considered on receipt. Before adding the name of a firm to the list, the purchasing officer should make such enquiries as he thinks necessary in order to ascertain whether the firm will be able to execute contracts satisfactorily. The names of the firms be invited to tender should be selected from this list whenever the necessity arises. The Indian Stores Department, New Delhi, maintains a list of this kind, and the Chief Controller of Stores will, on request, furnish purchasing officers with such information as he possesses regarding the capability and standing of any firm approved by him.

[(11) The “single tender” system may be adopted in the case of a small order, or when the articles required are of appropriated character and competition is not considered necessary. For this purpose a small order means an order the value of which does not exceed Rs. 10,000, or if more than kind of article is ordered at one time, an order the total value of which does not exceed Rs.10,000/-.] (Subs. by G.O.Ms.No. 489, Fin. (TFR.I), Dt. 8-12-2008)

(12) A purchasing officer may, however, when he considers it advantageous purchase articles from any firm with the Chief Controller of Stores has already entered into a rate or running contract for the supply of such articles without claiming for tenders, or may himself enter into rate and running contracts after calling for tenders.

[(13) The Limited Tender” system may be adopted instead of the “Open ‘Fender” system even when the estimated value of the order to be given is in excess of the limits Rs. 5.00 lakhs.]

(Subs. by G.O.Ms.No. 489, Fin. (TFR.1), Dt. 8-12-2008)

(14) When tenders are invited by public advertisement, the issue of the tender forms need not be restricted to firms whose names are on the list of approved contractors. Firms not on the list should on enquiry, be informed that they are at liberty, on payment of the prescribed fee, to tender for the advertised requirements. When a tender which appears to be satisfactory is received from an unknown firm, steps should be taken before any order is placed, to ascertain whether the firm is capable of executing the work in a proper manner; if the enquiries prove satisfactory, the order, or a portion of it, may be placed with the firm. If the order or portion thereof is satisfactorily executed, the name of the firm should be added to the list of approved contractors.

Note :—The financial patronage at the disposal of the Government, viz., grant of contracts, order for supplies and services, grant of permits, licences, quotas and priorities, etc., should not be given unless the individuals concerned produce the income-tax verification certificates in the prescribed form the Income-tax Officer of the circle, ward or district where they are assessed or assessable to income tax.

(15) When, owing to inadequate publicity or some other reason, unsatisfactory tender is received in response to an invitation to tender, fresh tenders should be invited and the invitation to tenders should be specially brought to the notice of all possible tenderers.

(16) As a general rule, stores should not be paid for until the receiving officer has taken delivery and checked the quantity and quality of the stores supplied, and found them satisfactory in every respect. Provision for payment should be made accordingly in all contracts as a rule. In every exceptional case when the application of this rule might cause hardship as, for example, when costly stores are ordered from a distant firm and delay in payment is anticipated a part of the cost of the consignment may be paid in advance on receipt of the railway receipt given for the articles on despatch provided that the contract or firm is of well-known standing and that an agreement is taken from the contractor or firm before hand so as to secure the Government against all risk of loss in the event of the articles supplied being found to be short or defective. As regards partial payment against shipping documents in respect of stores obtained from abroad, see Instruction 3 under Rule II.

Before the accounts are closed, a certificate from the income-tax authorities that all income- tax payable up to the end of the previous accounts year has been duly paid should be produced by the firm or contractor.

Note I :—Advance payment may be made against the Railway Receipt at 90 per cent of the cost of Iron and Steel materials supplied for Irrigation Projects from non-subsidised imports and at 100 per cent for materials supplied from subsidised imports. (Memo.No. 2162/Exp, Ic/56-I, Dt. 12-12-1966).

(16-A). As regards the purchase of Motor vehicles by Government Departments 90 per cent of the net dealer’s price of the vehicles may be paid to the supplying firm immediately on taking delivery of the vehicles and the balance within 15 days of the receipt of orders fixing the price and delivery charges of the vehicles in question.

Before the accounts are closed, a certificate from the income-tax authorities as in the se sub-para of Instructions 16 should be produced by the firm.

Note 2 :—The Director, Industries and Commerce, Andhra Pradesh may sanction the advance payment for purchase of oil seeds and other items required by the Oil Technological Research Institute, Anantapur subject to the availability of funds in the budget for the year.

(Memo.No. 58065/Accts./62- 1, Dt. 1-10-1962).

Note 3 :—Advance payment may be made against the Railway Receipt as such percentage of the cost of materials that is stipulated in the rate contract in respect of materials purchased under the D.G.S. & G. rate contract by the Direct Demanding Officers.

Note 4 :—Advance Payment may be made against Railway Receipt at 90% of the cost of Stores purchased outside Director-General, Supplies and Disposals rate contract in respect of firms of repute. (Memo.No. 79437/2408/68-2, Dt. 28-3-1969).

(17) Cash deposits as Earnest Money should as a rule be demanded from all tenderers even though they may claim to be firms of established repute. The deposits may be dispensed with, only in cases covered by general or special orders of the Heads of Departments concerned.

(Memo. No. 33621 /423/Accts./70- 14, Dt. 15-10-1971).

All Earnest Money deposits have to be made by intending tenderers in other States by means of Crossed Bank Drafts from the Scheduled Banks or the State Bank of India and the proceeds remitted into the treasury by the Departmental Officer concerned in the name of the parties concerned.

(G.O.Ms.No. 42, Finance, Dt. 4-2-1976).

Note :—The Principal, College of Indigenous Medicine, may grant exemption from payment of earnest money deposit in the case of firms and contractors of established repute.

(18) Tenders should always be invited by a purchasing officer of one of the following departments before making any purchase, of whatever amount, of any of the articles mentioned against his department in the list :

Department

Survey	<ol style="list-style-type: none"> 1. Survey instruments required for the Survey and Revenue Departments. 2. Bazar articles required for the Central Survey Office. 3. Chemicals required for the Central Survey Office. <p style="text-align: center;">Note :—The rules in the Survey Manual should be observed when buying boundary pillars.</p>
Excise	All articles.
Registration	Binding work.
Stamps .	Supply of deal wood cases required for stocking and packing stamps.
Police	All articles.
Education	do.
Public Health	do.
Agriculture	Cattle-food
Animal Husbandry	Cattle-food purchased in Hyderabad City. All articles ex-
Fisheries branch	kerosene oil, marine and ship stores and fresh fish.

Labour	All articles
Government Press	All articles except those required for repairs or renewals of machinery upto a limit of Rs. 50 for a single item of repairs or renewal.
State Broadcasting	Spare components and other radio materials for maintenance of radio sets such as, valves, condensers, resistors, transformers (including XF and RF), loud speakers (P.M and energised) vibrator units, etc.

Note :—In cases where purchase of the materials for the State Broadcasting department is made without obtaining competitive quotations or where purchase is not made from the lowest quotation, the reason should be recorded by the Radio Engineer in a register maintained for the purpose to be made available to audit. The cost of purchases made without calling for competitive quotations should not exceed Rs. 500 per annum without the permission of Chief Engineer.

(19) It is not necessary to invite tenders before buying cattle-feed, etc., required for veterinary Hospitals and dispensaries in the Mufassal.

Rule IV :—All articles, whether manufactured in India or abroad, shall be subject to inspection before acceptance, and articles for which specifications and/or tests have been prescribed by a competent authority shall be required to conform to such specifications and/ or satisfy' the prescribed test or tests, which may be carried out during manufacture or before or after despatch from the supplier's premises.

Rule V :—A contractor may supply articles required for the construction of an important work for which he has been given the contract, provided that, when specifications and/or tests have prescribed for such articles, they shall conform to such specifications and/ or shall satisfy' such tests.

INSTRUCTIONS

(1) The object of Rule IV and V is to emphasis the importance of ensuring that articles purchased for use in the public service conform to the specifications which may be prescribed by a competent authority, and the necessity for are full inspection of all stores before acceptance. The appropriate specifications should be annexed to or quoted in the invitations to tender and it should be stipulated in the conditions of the contract that the articles supplied will be subject to inspection and/or to the tests prescribed in the specifications before acceptance.

(2) When inviting tenders for an important construction work, the Government servant concerned should stipulate in the invitation to tender that the articles required for the construction of the work must comply with the specifications prescribed for such articles. The articles should be inspected and/or tested in accordance with provisions of the specifications before acceptance.

(3) All purchasing officers should pay special attention to these points, and ensure that adequate arrangements are made for inspection in each case.

(4) When articles are obtained from abroad which required inspection and/or test during manufacture and before shipment, the purchasing officer should arrange for such inspection and/or tests to be carried out by the India Store Department, London. The purchasing officer should arrange for any further inspection and/or test considered to be necessary or desirable after the receipt of the articles in India, and may utilize the service of the Indian Stores Department for such inspection and tests in India, if he thinks it desirable. He should address the Chief Controller, Indian Stores Department, New Delhi, if the services of the department are required.

(5) As soon as a contract for articles which require inspection and/or test during manufacture or before shipment from abroad has been awarded, four complete copies of the accepted tender with specifications, drawings, conditions of the contract, and all other relevant documents, should be sent to the Director-General, India Stores Department, London, with complete instructions for inspection and the full address of the manufacturers. The purchasing officer should inform the contractor that the inspection and/or tests during manufacture or before shipment will be carried out by the Director-General, India Stores Department, London, and should ask him to instruct his representatives in the country of manufacture to communicate direct with that officer.

(6) With regard to articles obtained or manufactured in India, the purchasing officer may, if he thinks it desirable, utilize the services of the Indian Stores Department for any inspection and/or test they may be required during manufacture and before despatch.

(7) When an order is placed for plant or machinery, whether purchased in India or abroad, which is to be erected and tested at the site of the work, the purchasing officer may, if he thinks it desirable, utilize the services of the Indian Stores Department for the necessary tests at the site.

Rule VI :—Important plant, machinery and iron and steel work shall be obtained only from firms approved by the Chief Controller of Stores, Indian Stores Department, New Delhi, and specified in the lists issued by him from time to time.

INSTRUCTIONS

(1) The intention of Rule VI is to ensure that plant, machinery and other engineering equipment, e.g., bridges girders and roof trusses, which form important components of a project shall be obtained only from firms possessing workshops and appliances capable of turning out work of the desired standard.

(2) The lists referred to in Rule VI will be maintained and issued from time to time to all purchasing departments by the Chief Controller of Stores, Indian Stores Department, New Delhi. They will include the names of firms in India and abroad which have been approved for the supply of important plant, machinery and iron and steel work.

(3) A firm which desires to be included in the lists mentioned in this rule should apply direct to the Chief Controller of Stores, Indian Stores Department, and furnish a full statement of its reasons for thinking that its inclusion would be justified.

(4) If a tender is received from a firm not included in the list of approved firms is prima facie satisfactory, it should not be summarily rejected. A reference should be made to the Chief Controller of Stores, Indian Stores Department, who will, if he considers it necessary, make enquiries as to the capability and standing of the firm and intimate the result to the purchasing officer.

Rule VII :—Nothing in these rules shall be deemed to prohibit the purchase of articles by one department from another.

INSTRUCTIONS

(1) A purchasing officer should buy the articles which he requires from a Government institution, e.g., a Jail, the Forest Department or the Public Works Workshops, when there is any such institution which is able to supply articles of the quality required or suitable for the purpose in question, provided that any extra cost (including freight charges, if any involved is less than 5 per cent of the market price of the articles at the place where they are required, purchasing officers should also give a similar preference to the products of industries started either by the Government or with Government support and of institutions run for the public benefit, such as technological and industrial schools.

(2) (a) Every purchasing officer should invariably buy all standardized articles of furniture which he requires from the Jail Department. He should send his order to the jail concerned at the beginning of the official year in order to enable the jail complete the supplies in good time within the year. If any difference of opinion arises between the consuming department and the Jail Department as to whether an article supplied is upto the required standard or not, a committee consisting of a representative of the consuming department, a representative of the Jail Department and a third person with technical knowledge of the manufacture of the article in question (who should be an expert officer of the Industries Department, nominated by the Director of Industries and Commerce, if any such officer with the necessary qualifications is available) should be convened to consider the matter. If the opinions of the members of this committee differ, the opinion of the third person with technical knowledge should be treated as final.

When experience shows that the addition of transport charges to the cost of standardized articles of furniture supplied by the Jail Department imposes an excessive charge on any consuming department, the head of the department should bring this to the Government's notice.

(b) As regards articles of furniture which have not been standardised, the purchasing officer should first ask the Superintendent of the nearest jail at what prices he can supply the articles and whether he can supply them within the time fixed. When he can supply them in time and the jail price together with freight charges does not exceed by 5 per cent of the market price at the place where the article is required, the order should be placed with the Jail Department. Otherwise, the purchasing officer will be free to buy the articles outside the Jail Department.

(Memo.No. 44146/1161/Accts./69-1, Dt. 8-8-1969).

(3) Before orders are placed with private firms, the surplus stock of the articles, if any, available with other department of the Government should first be utilized, irrespective of the cost at which it is available. The following instructions should be observed in regard to the utilization of the surplus stores in the departments of the Government—

(a) Each Head of a department should circularise from time to time lists of all usable stores found surplus to the requirements of his department to other heads of departments as soon as the surpluses are noticed.

(b) Every head of a department should see from the lists received by him under instruction (a) above, whether he can utilize the stores available with the other departments before he places, or allows his subordinates to place orders for the purchase of such stores in the open market or submits proposals to the Government for such purchase.

Even in cases where no list has been received by him covering the particular articles required by him, he should make enquiries of the heads of departments with whom such stores may be available ordinarily.

(c) When proposals are submitted to the Government for according sanction to the purchase of any stores, it should invariably be stated whether action was taken with reference to instruction (b) above and, if so, with what result.

Rule VIII :—The articles enumerated below, or any other articles of special or unusual character, may, when suitable and economical purchases cannot be made in accordance with the preceding rules, be obtained without reference to those rules subject to the following conditions—

(a) When the value of purchase amounts to Rs. 500 for any one article or a total of Rs. 1,000/- for a number of articles purchased at the same time, the purchasing officer shall record his reasons for not effecting the purchase in accordance with the preceding rules.

(b) The purchasing officer may at his discretion either obtain the article that he requires by indent on the India Stores Department, London, or purchase it direct from a manufacturer or dealer abroad, he shall, whenever practicable, first invite tenders.

(c) When articles are purchased abroad under this rule through the agency of the India Store Department, London, payment shall be made by that department. In other cases payment shall be made—

(i) in countries other than Great Britain and Northern Ireland direct to the suppliers by the purchasing officer by means of a bill of exchange to be obtained through the Accountant-General; and

(ii) in Great Britain and Northern Ireland, through the High Commissioner for India.

- (i) Seeds.
- (ii) Excise instruments and apparatus required by the Excise Department for experimental or research purposes.
- (iii) China glass, cutlery, plate, crockery and perishables, fabrics, including linen for residences which are furnished by the Government.
- (iv) Copper, zinc and other non-ferrous metals produced in Australia or America.
- (v) Timber produced in Australia or North America.
- (vi) Such articles as the Superintendents of Vaccine Depots may require for the preparation of vaccine lymph (e.g. lanoline and glycerine).
- (vii) Sera.
- (viii) Chemical and scientific instruments, which do not require careful inspection and testing or which are of standard description usually quoted by well known firms, provided that the articles cannot be procured from the Medical Stores Dept., Andhra Pradesh.
- (ix) Preserved and tinned foodstuffs.
- (x) Dredging machinery and spare parts.
- (xi) Articles required for experimental or research purposes by the following officers—

The Chief Engineer for Electricity.

The Chief Engineer for Irrigation.

The Director of Public Instruction.

The Director of Industries and Commerce.

The Director of Public Health.

The Director of Agriculture.

The Director of Animal Husbandry.

The Director of bacteriological, Pathological or Research Laboratories.

The Superintendents, Government Museums.

The Superintendents of Vaccine Depots.

The Chemical Examiner.

The Principals of Medical Colleges.

The Principals of Arts Colleges.

The Principals of Technical and Industrial Institutes.

The Principals of Training Colleges.

The Principal, Agricultural College, Bapatla.

The Principal, Andhra Veterinary College, Tirupathi,

- (xii) Radio instruments and equipment required for the State Broadcasting Department.

Note :—The following procedure will be adopted for the purchase of equipment for the State Broadcasting Department—

(i) The Radio Engineer, State Broadcasting Department, may import equipment required for his department direct from the United Kingdom or United States of America instead of through local agents in India representing the manufacturers in those countries

(ii) (a) Purchase of an equipment may be made through a purchasing agent in those countries offering him a small commission therefor in pursuance of (i) above; or

(b) Purchase may be made through an Indian firm who would act as an importer on behalf of the department through his shipping or purchasing agents in the United Kingdom or in the United States of America.

The permission granted in paragraph (i) above should be used by the Radio Engineer only in urgent cases and where it is expected that the purchase will turn out to be economical of which fact he must satisfy himself before placing orders abroad. When such orders are placed he should place on record the reason for adopting such a procedure.

INSTRUCTIONS

(1) Rule VIII lays down an exception to the principle enunciated in Rule II. Before availing himself of the discretion given by Rule VIII, a purchasing officer should invariably take all possible steps to assure himself that stores of the requisite quality cannot be obtained in India at suitable prices in accordance with the provisions of Rule II.

(2) If orders are placed abroad under the provisions of Rule VIII on the basis of delivery free on board vessel at the port of despatch, the arrangements for the shipment of the store should be entrusted to the Director-General, India Store Department, London. The intending officer should inform the supplier of this arrangement and should send a copy of his order to the Director-General, India Stores Department, London, for information.

(3) It will be noted that under this rule “articles of a special or unusual character” may be obtained by indent on the India Stores Department, London, or purchased direct from a manufacturer or dealer abroad. The expression “articles of a special or unusual character” should not be taken to cover generally articles not produced or manufactured in India, such as locomotives, boilers, plant and machinery. It is intended to cover only articles such as spare or replacement parts of non-standard appliances and other articles which cannot conveniently be obtained by calling for tenders on a rupee basis. For example, a purchasing officer may require a replacement part of a machine, tool of a particular type and make, the manufacturer of which is not represented in India and is not able to tender for delivery and payment in India. Again, a special type of machine may be invented and produced by a manufacturer who is not represented in India and will only agree to supply the machine on his own condition of sale.

(4) Though “scientific instruments” included in item (viii) under Rule VIII, purchasing officers should continue to indent on the Medical Stores Dept., Madras, and the Mathematical Instruments Officer, Calcutta, for medical instruments and for drawing, surveying and other mathematical instruments respectively, when they can obtain instruments of the requisite quality there economically and should not obtain instruments of these classes from abroad unless it is impossible to buy them economically in India.

(5) The purchasing officer should enter in every indent sent to the Director-General, India Stores Department, London, the grant number and the head of account to which the expenditure relates, the amount of appropriation provided and an estimate of the cost of each item. He should enter the estimated freight charge for the whole indent separately from the estimated cost of the stores and should show the grand total of both on the cover of the indent. When he is not able to estimate the cost and the freight charges separately, he may enter the total estimated cost c.i.f. Hyderabad, a purchasing officer should not send any indent for stores to the Director-General, India Stores Department, so late in the financial year that it is obviously impossible to comply with it and pay for the stores within the financial year. If the Director-General receives any such indent, he will inform the Government that it is not possible to comply with it before end of the financial year. When it is essential to send an indent to London before the relevant Appropriation Act has been communicated to the authorities concerned, the appropriation which it is proposed to make should be stated in the indent. No such indent for an amount exceeding 200 should be sent without the consent of the Finance Plg., (Fin. Wing) Department. If the Finance Department has given its consent, the words “The Finance Plg. (Fin. wing Department has agreed to the execution of this indent” should be written on the indent).

(6) When stores are bought in Great Britain or Northern Ireland on the basis of delivery free on board vessel at the port of despatch, and are inspected before shipment under arrangements made by the Director-General, India Stores Department, London, and delivered to him for despatch, the purchasing officer in India may, if he considers it desirable, authorize the supplier to submit his bills to the Director-General, India Stores Department, London. The Director-General will certify, on the bills that the stores to which they relate have been duly inspected and despatched under arrangement made by him, and then pass them on to the High Commissioner for India for payment. The High Commissioner will debit the amount paid to the account of the Government and the debit will be supported by the supplier's bills bearing the certificates of the Director-General, India Stores Department, London.

When the purchasing officer in India desires to adopt this method of payment for any stores bought in Great Britain or Northern Ireland, he should give full instructions to the Director-General, India Stores Department, London, and the supplier. If the supplier is required to submit more than one copy of each bill, the purchasing officer should state the fact in the order, and if his bills are to be submitted on any special form, the necessary forms should be supplied.

Purchasing officer should distinguish very carefully between stores bought through the agency of the Director-General, India Stores Department, London and stores merely delivered to him for despatch and shipped through his agency. For the former, the Director-General always pays himself: for the latter, payment has to be made through the High Commissioner in accordance with Rule VIII (c) (ii), and may be made under the procedure prescribed in this instruction if the purchasing officer in India thinks it desirable.

(7) When a purchasing officer in India has not arranged in regard to any stores bought in Great Britain or Northern Ireland for payment to be made under the procedure described in the preceding instruction, he should, as soon as all the formalities necessary in connection with the receipt, inspection and verification of the stores have been completed, forward the supplier's bills in original to the Accountant-General for audit and payment. He should take particular care to ensure that no double payment is authorized in respect of the same claim. The Accountant-General will remit the amount required for payment of the bills to the High Commissioner for India and send a letter of authority in Form S.Y. 289-D to the supplier and a copy of it to the purchasing officer in India.

The procedure laid down in this instruction should be followed *mutatis mutandis* when any other similar payment (e.g., a payment chargeable to the estimate for a work) has to be made on behalf of the Government to a private party in Great Britain or Northern Ireland.

(8) When stores are obtained direct from a country other than Great Britain and Northern Ireland See Rule VIII (c)(i) the purchasing officer should, as soon as all the formalities necessary in connection with the receipt, inspection and verification of the stores have been completed, forward the supplier's bill in original to the Accountant-General for audit. If the transaction is in order, the Accountant-General will obtain a bill of exchange for the amount of the supplier's bill and send it to the purchasing officer for transmission to the supplier.

ARTICLE 126. A Government servant who buys any stores for use in the public service without calling for tenders, when he bought according to the rules and instructions in Article 125 to call for tenders, is liable to be called upon by a superior authority or the Accountant-General to justify the method of purchase which he has adopted.

Note :—The rules and instructions contained in Article 125 regarding the invitation of tenders for the supply of stores do not apply to stores brought from the Governor's contract grant but the Comptroller of the Governor's Household may follow the principles underlying them when it is advantageous to do so.

Acceptance of tenders

ARTICLE 127. A Government servant who has to select a tender for acceptance should take into account the financial status of the tenderers. "After opening the tenders at the specified time the Government servant shall record a brief statement on the spot giving the names of the tenderers and the amount of the tenders and obtain the dated signature of such of those tenderers who are present in token of their presence." If other conditions are equal, the lowest tender should be accepted. When the lowest tender is not accepted, the reasons should be recorded, and all the relevant records made available to the Accountant-General during his local inspection of the accounts of the disbursing officers. The acceptance or rejection of a tender is a matter entirely within the discretion of the Government servant responsible for the purchase of materials but a superior authority or the Accountant-General may call on him to justify the manner in which he has used his discretion and to give his reasons for rejecting any tender. No tenderer has any right to be told the reasons for rejecting his tender and the reasons for rejection should not be communicated to any

tenderer. No tender should be accepted from any person directly or indirectly connected with the Government service. If any collusion is detected between a tenderer and a Government servant it should be dealt with severely.

[G.O.Ms.No. 62, Finance (Accts.), Dt. 25-2-1969]

Agreements for the supply of stores

ARTICLE 128. When a tender is accepted for the supply of stores, the successful tenderer should be required to execute an agreement in regard to the supply but long term contracts should be avoided. Only Government servants who have been specifically authorized to make contracts on behalf of the Governor should accept tenders and sign agreements on his behalf. See **Article 51** and **Appendix-4**. A fixed price for each article is essential, and an agreement should provide for a price fluctuating with the market price. Except when, in special cases partial payments is to be made before delivery with reference to instruction 3 under Rule II or instruction 16 under Rule III in Article 125, the agreement should provide that payment will not be made until the stores have been received and examined. No order should be given for any stores without obtaining at least a written agreement from the supplier as to the price, if not a formal written contract.

Agreements relating to the supply of stores are liable to stamp duty but their registration is optional.

Note :—The Director, Government Press, Hyderabad, need not enter into agreements in regard to the supply of sheep skins which are to be supplied within a period of about a month.

Security to be taken from contractors

ARTICLE 129.(a) Subject to the provisions of clause (b) of this Article, whenever a private person or a firm makes a contract with the government, he or it should be required to give security for the due fulfillment of the contract to an amount equivalent to 10% of the total value of the contract. The security may take any of the forms (1) to (5) mentioned in Article 279. The personal security of two persons of known probity and satisfactory financial status may be accepted in exceptional cases, when there are special reasons for doing so.

(b) The head of a department may, when he thinks it desirable, exempt a firm of established repute from the obligation to furnish security in respect of all contracts, or a particular contract or class of contracts, made with his department. The Principal, College of Indigenous Medicine, may dispense with the security or reduce its amount in special cases, when he enters into contracts with firms or individual contractors of established repute.

Examination of contracts by the Accountant-General

ARTICLE 130. The Accountant-General in the exercise of his audit functions will examine contracts and report to the Government the facts of any case that come to his notice in which competitive tenders were not invited though they should have been under the rules, or a tender other than the lowest was accepted without sufficient justification, or any other material irregularity was committed in connection with a contractor.

Tender and Agreement Form

ARTICLE 131. Form 9 is a general form for use by a tenderer in submitting a tender and by a purchasing officer in making an agreement with a successful tenderer. This form should be used in connection with every invitation to tender where no other special form has been duly prescribed for the purpose.

Claims in respect of imported stores lost or damaged

ARTICLE 132.(a) All purchasing officers who utilise the services of the India Store Department, London, for the procurement of shipment of stores shall have to make their own arrangements for insurance either by insuring their goods with the Indian Insurance Companies Association Pool or in the open market whichever is advantageous having regard to the nature of the stores.

The policy of the Government, however, to give priority for insurance if at all considered necessary, to be arranged with the Indian Insurance Companies Association Pool. It is the responsibility of the receiving officer to promptly report losses or damages to the insuring agencies duly preferring the claim for the loss or damage except where it can be fixed on the shipper, the landing contractor or the supplier. Such reports to the insuring agencies should state whether any recovery has been made or claimed from the shipper or the supplier and if no such claim has been made, the reasons therefor.

(b) In cases where the insurance does not cover any risk incurred after the moment when the stores leave the ship's i.e., during landing, special care should be taken to see that the articles should be landed at the ports only when the risk of breakages is at minimum. Brittle articles like stone- ware pipes should not be landed at open roadstead during certain seasons. The Purchasing Officer should give clear instructions as to the time of delivery at an open roadstead. A small allowance should be made for breakages when ordering stone- ware or cast-iron pipes.

The following statement shows the time of the year at which landing of brittle stores at open roadsteads in the Andhra Pradesh State is attended with the minimum risk;

Kakinada—April to September inclusive.

(c) The charges on account of the insurance with either the Indian Insurance Companies Association Pool, or with private companies and also the Departmental expenses, if any, levied in respect of stores shipped by the India Stores Department, London, should not be added to the invoiced value of stores (including freight) for the purposes of making recoveries from the agents of shippers on account of short delivery of stores.

(d) The Government do not meet the cost of insurance during shipment of imported stores not shipped by the India Stores Department, London, except when they do so by paying a purchase price that covers the cost, insurance and freight of the stores as delivered at the required port or station in the State. When any loss or damage is detected on taking delivery of any imported stores shipped otherwise than through the India Stores Department, London, the receiving officer in India should see that a claim is promptly made against the shipper, the landing contractor or the supplier, according to circumstances. If it is not possible to fix the responsibility for the loss or damage on the shipper or the landing contractor, the claim should be made against the suppliers.

(e) (1) "General Average" is the adjustment made among the owners of vessel and cargo in the event of losses or damages occurring to the vessel. It may be explained that, where, under the presence of a common danger an extraordinary expenditure or sacrifice becomes necessary for the salvation of both the ship and its cargo, the burden thus incurred is proportionately distributed upon all the interests that have been benefited by the sacrifice. A familiar example is throwing overboard a cargo for safety. In such circumstances a ship declares a "General-Average".

(2) Claims for contribution to "General-Average" in respect of vessels carrying Government stores United Kingdom and India are to be referred to the High Commissioner for India in the United Kingdom, or any other authority that may be specified from time to time by Government, and shall be dealt with in accordance with the instructions issued in this behalf by Government. In other cases, the claims should be dealt with in accordance with the following instructions.

(Memo.No. 84406/3013/Accts./- 66-2, Dt. 27-12-1966).

(i) When a Shipping Company declares a "General-Average" in regard to the cargo on board a particular ship in accordance with the provisions of the bill of lading, it may, before giving delivery of cargo consigned to Government requires the appropriate officer referred to above to sign in connection with "General-Average", and also to make a deposit. This should be referred to the Government in the Law Department for advice, where necessary, as to whether the case is, or is not one for a "General-Average". On receipt of a report from the Law Department that the case is for "General-Average", the bond should be signed and the payment made to the shipping company and separate account kept of the payment.

(ii) The adjustment bill, after sometime be presented by the shipping company. Government in it bill be credited, (1) with the deposit (2) for any special losses of its cargo, (3) for any special expenditure, as well as any particular expenditure for its benefit and the resulting balance offered to or demanded from it.

The net loss to Government on the whole matter should be treated as expenditure but pending final settlement, all transactions connected with a case of loss, which is to be the subject of a General Average Adjustment, should be passed on to a suspense or other appropriate head of account opened in the books of the Account Office in connection with the case.

(iii) The cases are usually very complicated and the final settlement of each case has to be made under orders of Government. Full particulars of the ship, the cargo, the amount claimed and the circumstances under which "General-Average" had been declared should therefore be furnished to Government for each case in which a payment on this account is made to a shipping company. Copies of all correspondence subsequent to the initial deposit should also be sent to Government and further action taken under such direction as may be given by Government in each case.

Note :—The amount demanded by the shipping company may be drawn on a contingent bill and paid to its local representative. (Memo. No- 37154/1288/Accts/63-13, dt 1-10-1965).

Article 132-A. The following instructions should be followed in dealing with cases of loss of, or damage to, stores despatched by rail by contractors under f.o.r., contracts

which do not contain specific provision regarding responsibility for loss or damage, etc., enroute :

(1) (a) The consignees will be responsible for verifying at the time of taking delivery that the stores have been received intact without loss or damage. When stores are despatched in full wagons, consignees should verify the seals on the wagon are intact. If there is evidence of loss or damage they should arrange to secure necessary certificates from the appropriate Railway officials before taking delivery. The loss or damage should be promptly intimated to the supplier and the purchasing officer, if any, as well as to the Accounts Officer who is responsible for payment for the stores. The consignees should prefer a formal claim against the carrying Railway for loss or damage. The papers dealing with the claim made on the Railway should thereafter be forwarded to the purchasing officer in cases where the consignee is not himself the purchasing officer and the purchasing officer will then be responsible for pursuing the matter further.

Note :—The practice followed on all Indian Government Railways is to permit the consignees to record in railway delivery books details of any damage, shortage, etc., and if so desired take copies of such remarks which the station-master on duty is authorised to countersign. This applies irrespective of whether consignments are booked at owners's risk or Railway risk. This practice should be followed in dealing with cases of loss or damage to stores during transit in f.o.r contracts.

(b) On receipt of intimation from the consignee about the loss or damage, the Accounts Officer will deduct an appropriate sum from an outstanding or a future bill of the contractor under advice to him and to the purchasing officer concerned. It will be the responsibility of the purchasing officer if any, or the consignee to scrutinize each case carefully. In this connection it should be remembered that it is the primary responsibility of the contractor to satisfy the purchasing officer as to the correctness of despatch and soundness of packing and the mere fact that the contract is on an f.o.r place of despatch basis does not absolve the contractor of responsibility for loss or damage in transit. If the purchasing officer or consignee considers that the contractor is not responsible and should be exempted, under the terms of the contract, from bearing the loss in question, he should apply to the competent authority for sanction to the write-off of the loss and on receiving it should make necessary refund to the contractor.

Note :—Cases of loss or damage in transit to such stores as liquid paint, oil, etc., which are supplied in drums or containers packed by the contractor himself will, notwithstanding whether or not they are insured, be dealt with in the manner indicated in the last sentence of sub-paragraph (e) below.

(c) The purchasing officer, if only, or the consignee will be responsible for pursuing with the Railway the claim lodged by the consignee and for recovering any compensation that may be due from the Railway.

(d) Any compensation recovered from the railway will be credited to the Government if it is held under sub-paragraph (b) above that the contractor is not liable for the loss or damage. If the contractor has been held liable and the value has been recovered from him, any amount recovered from the Railway will be paid to the contractor.

(e) In cases of loss or damage to stores in transit where the stores have been insured by the contractor against such risks, the contractor will have to take up the matter with the insurer when he gets the receipt certificate from the consignee and

recover the loss from the insurer. The indenter will be responsible for payment of stores actually received by the consignee.

(2) in the case of steel purchased from main producers or re-rollers, the claim on the carrier for losses and damages will be preferred by the consignors and not by the consignee. The consignor will prefer the claim on receipt of the intimation from the consignee as prescribed in sub-paragraph 1(a) above.

In the case of steel purchased from controlled stock-holders, the claim on the carrier for losses and damages will be preferred by the consignee for supplies from such controlled stock-holders, and no deduction should be made from their bills by the Accounts Officer on account of loss or damage. If, after investigation, the consignee finds that Government have a claim on the controlled stock-holder he should prefer the necessary claim direct. In the event of a controlled stock-holder refusing to meet such claim, the case should be referred to the Iron and Steel Controller, who will arrange to make the necessary recovery.

Stock Accounts

ARTICLE 133.(a) The head of an office and any other Government servant who is entrusted with stores of any kind should take special care in arranging for their safe custody. He should also maintain suitable stock accounts or inventories for the stores in his custody with a view to preventing losses to the Government through theft, fraud, negligence or accident, and to making it possible to check the actual balance with the book balances and the expenditure on stores at any time.

The form of the stock account has to be settled with reference to the nature of the stores, the frequency of transactions and the special circumstances of each department. The same form of stock account would not be suitable both for consumable articles such as dietary stores kept for use in a hospital or jail and also for ordinary office furniture. Ordinarily each office should keep its stock accounts in the form and according to the instructions laid down in any general or special orders of the Government which apply to the department concerned, or in the departmental manual, code or orders. If no such form and instructions are available, or if they are available, but a competent authority has held that they are defective, then the stock accounts should be kept in accordance with the instruction clause (b) and Articles 134 to 136 below :

(b) Separate stock accounts should be maintained for (a) raw materials and expendable stores used in manufacturing departments, etc., and (b) office-furniture, including all office stores except books, forms and stationery.

Stock accounts of raw materials and expendable stores

ARTICLE 134. The stock accounts required on account of raw materials and expendable stores include day books of receipts and issues for recording the transactions as they take place, and a ledger for each kind of article showing the receipts, issues and balances. If no specific forms and rules have been prescribed for a department, Common Forms 143 and 268 should be used for this purpose.

Stock accounts of office furniture and stores

ARTICLE 135. Every head of an office should maintain a stock account of furniture and all other office stores (except books, forms and stationery) in Form 10.

showing the number received, the number disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article separately. When an office is large and the furniture, etc., is kept in several rooms, the head of the office may have an inventory of the furniture, etc., kept in each room hung up in the room and kept up-to-date in order to facilitate the annual verification of stock and fix the responsibility for any loss that may occur.

Every head of an office should also maintain stock accounts for forms and stationery in accordance with the rules in the Stationery Manual, and also a register of books belonging to the Office.

Government libraries and museums should maintain catalogues as well as the prescribed stock accounts or inventories.

Valuation of stores in the stock accounts

ARTICLE 136. When a priced inventory is maintained, the value recorded in it for any item should not materially exceed its current market value. The head of the department concerned should issue the necessary instructions to ensure that the stores are valued with reasonable accuracy and that the rates adopted are reviewed at suitable intervals by a suitable authority.

Receipt and disposal of stores

ARTICLE 137. The clerk who maintains the stock account must himself receive every item newly supplied and record its receipt in the stock account. Whenever a new item has been bought and the bill in which the charge is included is ready, the clerk in charge the stock account should be asked to verify that the article newly purchased has been duly taken on to the stock account and to certify accordingly on the office copy of the bill. In the rare case when it is not possible to receive stock before payment is made, i.e., when articles are received by rail or post and payment is made under the value payable post system, the clerk in-charge of the stock account should verify the new stock on receipt and furnish a certificate of verification which should be filed with the office copy of the relevant bills.

GOVERNMENT INSTRUCTIONS

Procedure for carrying out physical verification of stores in the Government Departments — Instructions — Issued

(Memo.No. 10970/228/TFR/90-1, Fin. & Plg., Dt. 10-11-1992)

It has been observed that the procedure for carrying out physical verification of stores in Government Departments enshrined in the Articles 143, 144 and 137 of A.P. Financial Code, Volume-I are not specific and clear. The Government therefore after careful examination of the matter, issue the following instructions. These are only supplement and not amendments to any of the articles of the A.P. Financial Code, Volume I.

(1) Physical verification shall be done for each item of stores and stock atleast one in a year before close of the financial year.

(2) Cent percent verification should be done as precisely and as correctly as possible.

(3) Physical verification should be conducted either in one or all of the following methods as the items of stores warrant :—

- (a) by count,
- (b) by measurement (including measurement by volume),
- (c) by weights.

(4) In verifying the articles of stores in which shortage occurs due to evaporation of the contents of the article, an allowance for such shortage be given according to the approved standard keeping in view the period of stores. Maximum permissible limit for such shortages in respect of stores liable to evaporation shall be fixed by the Government.

(5) While carrying out the physical verification of the stores, the Officer should keep in view the following points and submit a precise report on each point in a separate para :—

(a) articles of consumable nature which are in stock over a year and suggestion for its disposal,

(b) stock in hand in excess of the requirement of the department for a year, and if so, the details of such items should be specified,

(c) unserviceable, obsolete or surplus articles in stores for which survey report should be prepared and sanction for writing down the value has to be obtained,

(d) remarks should also be made if any deficiencies, undue depreciation of stores and stock articles which are to be exhibited in the survey report.

(6) Physical verification should also be done of the empty containers, namely packing cases, drums of various sizes, metals contained and other costly packing material with suggestion for their disposal.

(7) Remarks about the suitability of the building for storage (fire proof safety, pilferage or rains or rats, nuisance of white ants, storage accommodation, and way of storing articles) should be recorded in the physical verification report.

(8) The date and time taken in conducting physical verification should be recorded in the report.

Note :- The rules prescribed above shall, mutatis mutandis apply to the stores lying in Malkhanas under the custody of Police Department and Civil and Criminal Courts.

Inspection of stores at the time of Receipt

It need not be emphasised that proper inspection of stores articles at the time of their receipt from suppliers goes a long way, in avoiding future discrepancies in stores such as deterioration, wrong part numbers and nomenclature, unserviceability etc., besides financial loss for which no proper explanation can be given later on. The following orders are therefore issued for the guidance of the Departmental authorities dealing with stores :

(A) Receipts of Stores :

(1) Immediately on receipt of material in the stores, store-keeper or Incharge of Stores Section will ensure the following

(i) that there is a regular purchase order for that item on the firm,

(ii) that the supply is made within the time specified in the purchase order,

(iii) that the supply is made at the correct receiving point as mentioned in the purchase order,

(iv) that the material is conforming to the specification nomenclature/part number and description as mentioned in the firm's challan which should be got tallied with the purchase order,

(v) that the material conforms to the specification, nomenclature! part number and general description as in the purchase order.

(2) After the above points are ensured, detailed Inspection of store will be undertaken as under :-

(i) 100% quantity check has to be made (either by actual counting wherever possible and/or weighing a counted quantity and then converting total quantity received and tallying with the challan)

(ii) The material is inspected for quality by the stores Inspecting Officer/Store Keeper/Incharge of Receipt for the following :—

(a) In case of proprietary items, the manufacturer's mark, trade mark, part number etc., on the material and/or cartons/label will always be verified, with description given in the purchase order.

(b) The size and/or type required from the documents and/or nameplates and other identification details marked on the stores will be checked.

(c) Dimensional details like length, width, height, thickness, diameter, bore etc., will be verified.

(d) The supply will be checked to conform to the specification and/or drawing given in the purchase order and in case of approved samples, the supply should conform also to the approved samples. In all such cases, the samples will be supplementary to and will not supersede the specifications and/or drawing.

(3) In case of stores requiring a detailed laboratory test such as Paints, Textiles, Chemicals, Precision Tools, etc., the stores are received subject to such test wherever ordered by the Head of the Department. In such cases only a sample test will be carried out.

(B) Internal Receipts :

(1) In the case of local transfers i.e., from one office to another, the stores inspecting personnel will adhere to the instruction laid down in the A.P. Financial and Accounts Code Rules, and also respective departmental codes and manuals.

(2) The stores Inspecting personnel will restrict their checking to quantity, nomenclature, part number and condition, rather than have a detailed check on quality as the material has already been received by one office. However, there is no bar to pointing out the defect in any quality for the guidance of the original receiving office so that further supplies of such poor quality and/or defect, if any, could be avoided.

(3) While pointing out the defect in quality, the matter should not only be reported through normal channel to the supply point, but should also be reported to the Stores Purchase Organisation, so that the matter could be properly investigated into, if required.

(4) In such cases of receipt of poor quality of material, the stores should not be returned to the consignor but should wait for the final disposal instructions of the Stores Purchase Organisation.

(C) Instructions :

In carrying out the above requirements, the following instructions are given for the guidance of Stores ,Inspecting Personnel :—

(a) Though precision tests or laboratory tests may not be possible and necessary at all the receiving points, they should be guided by the reputation of the suppliers and the nature of the material e.g., Stores from Chassis Suppliers or manufacturers and/or Distributions like Messrs.

Lucas Indian Service Ltd., Messrs. Simpsons & Company Ltd., Tyre Companies, Messrs. General Electric Co., Messrs. Guest Kieen Williams Ltd., etc., may not require rigid inspection or tests to be carried out. Only a percentage check need be carried out. But in the case of firms who are new to us or of doubtful standing, proper care should be taken in the inspection and, if necessary 100% check in quality should be made, if on a percentage check the material is found to be discrepant and/or defective.

(b) Stores will be checked by the person receiving the stores as far as quantity is concerned but for quality or specification, the material has to be inspected and approved by the Stores Inspecting Officer or Technical Officer.

(c) It has to be particularly noted that in no case the inspecting authority and the authority competent to place orders for purchase is the same. The two persons should be quite distinct from the other. In addition to the normal checking as stated above, a check will be carried out by the higher officers in each unit and a register of such inspection will be maintained in the receipt Section in the following manner. In case of receipts costing more than Rs. 1,000/- from any source the following checks will be made by the officers.

(i) Stores worth more than 10% in value should be checked both for quality and where necessary quantity by a Junior Officer and certified on receipt voucher as such

(ii) In case of receipt of Stores more than Rs. 5,000/- in value from any source, Stores worth more than 5% should be checked for quality and where necessary quantity by a Senior Officer or Head of Department and certified on receipt voucher as such. All such check must be entered in the Register

(iii) In case of any discrepancy, action will be taken immediately in terms of the provisions of A.P. Financial and Accounts Code Rules and respective Departmental Codes/Manuals, and firm intimated regarding the details of discrepancies. In such cases payment will be made only for the quantity accepted and brought on charge.

ARTICLE 138. Stores should be issued, as far as possible, on indents passed by a Government servant who has been duly authorized to pass them. Every issue should be recorded in the stock amount at the time when it is made.

Inspection of stores

ARTICLE 139. No Government servant should hold stores in stock in excess of the amount likely to be required during a reasonable period. To ensure that this rule is observed, a responsible officer of the department should inspect all perishable stores once in each half year and all other stores once a year unless there is a sufficient reason (which should be recorded) to the contrary. If he considers that any of the stores inspected are obsolete or in excess of reasonable requirements, he should submit a report to the authority competent to sanction the writing off of a loss of cash equivalent to their value under Article 297 and *Appendix 23*. This authority should then pass orders as to the disposal of such stores.

Unserviceable stores

ARTICLE 140. Subject to any special orders by the Government in particular cases, stores, which have become unserviceable in the ordinary course or by fair wear and tear may be condemned by the authority competent under Article 123 to sanction the purchase of new stores to replace them. He should record the full reasons for condemning the stores in his order, and add a certificate to the following effect :—

“Certified that I have personally satisfied myself that each item written off in these proceedings has become unserviceable in the ordinary course, through proper usage or by fair wear and tear”.

ARTICLE 141. (a) The authority referred to in the preceding Article may also condemn stores found at any time to have become unserviceable otherwise than in the ordinary course or by fair wear and tear (e.g., by avoidable carelessness, neglect or misuse), but) this should not be done until after their value has been written off by the authority competent to write off a loss of cash equivalent to their value under Article 297 and Appendix 23.

(b) When any stores become unserviceable or depreciate otherwise than in the ordinary course or by a fair wear and tear, their value or the amount of such depreciation, as the case may be, should be treated as a loss to the Government within the meaning of Article 29-4 and the procedure prescribed there should be strictly followed in reporting any such loss see also Article 298.

Note : —For the purposes of Articles 138 to 142 the value of stores should be taken to be their book value if satisfactory priced accounts are maintained, and where these are non-existent or suspect or their replacement value. Stores remaining in stock for over a year should be treated as being in excess of reasonable requirements unless there is a sufficient reason for not doing so.

ARTICLE 142. Stores which have become unserviceable otherwise than in the ordinary course or by fair wear and tear should never be condemned in the same ordinary course or by fair wear and tear. Separate orders should be passed dealing with the stores in each of the two classes. Each order should state how the condemned stores are to be disposed i.e., whether by sale or by destruction, since stores should be condemned only when they cannot be made serviceable by repairs at a reasonable cost. Condemned stores which are quite worthless should be ordered to be destroyed. Other condemned stores should, as far as possible, be sold under the orders of the authority competent to write off a loss of cash equivalent to their value. The head of the office should record full particulars regarding all condemned stores in suitable lists from which their disposal can be checked —see Common Forms 269-271.

Note : —Where unserviceable articles are disposed of by sale in public auction, the Government servant conducting the sale shall give adequate time before knocking down the bid in favour of the highest bidder and shall also obtain the signatures of the successful bidder and two other bidders lower to the highest bid in the sale Register or relevant record with the amount of the bids written in words and figures and duly dated.

[G.O.Ms.No. 621, Fin., (Accts. Dt. 25-2-1969)]

Verification of stores

ARTICLE 143. All stores should be verified periodically in the manner prescribed for each department and at least once a year. Subject to any special rules or orders, a Government servant who is incharge of any expendable stores and raw materials should check them at least once a year and send a verification report to the controlling authority. The latter should also check the stock accounts when inspecting the office.

Furniture and other office stores should be verified at least once a year. If the office is a large one and the head of the office cannot do the whole verification himself without undue inconvenience, he may entrust it or such part of it as he thinks fit, to a Gazetted Government servant serving under him or to the Head Ministerial Officer of the office, but the head of the office will be held personally responsible for the proper maintenance of the stock account and the correctness of the verification report, whether he conducts the verification himself or gets it done by someone else. The head of the office should sign a certificate of check after verification and submit to the controlling authority, if there is one.

The verification of stores prescribed in this article should never be entrusted

(i) to a low-paid subordinate; or

(ii) to the custodian, the ledger-keeper; or the accountant responsible for the stores to be verified, or to a nominee of, or a person employed under, the custodian, the ledger-keeper or the accountant; or

(iii) to any one who is not conversant with the classification and nomenclature of the particular class of stores to be verified and the connected technique.

As far as possible the verification on large stocks and stocks of important stores should be entrusted to a responsible officer who is independent of the superior executive officer in charge of the stores. Stores should always be verified in the presence of the officer responsible for the custody of the stores or of a responsible person deputed by him to watch the verification.

Note : —The position of library books etc. is different from that of other stores. Accordingly, the following procedure shall be observed for purchase, write off, disposal of mutilated / damaged books and physical verification of books in the libraries attached to the various departments! offices.

(i) The Head of Department, subject to the powers delegated under Delegation of Financial Rules may purchase books etc. from the reputed and standard book sellers on the prevalent terms and conditions. Tenders need not be called for this purpose.

(ii) Loss of three volumes per 1000 Volumes issued/consulted in a year may be taken as reasonable provided such loss cannot be attributed to dishonesty or negligence on the part of librarian. Loss of a book of the value exceeding Rs. 200/- (Rupees two hundred) and the books of special nature and rarity shall invariably be investigated and consequential action taken. All such losses will however be written off only by a competent authority.

(iii) The head of department may write off the loss of volumes mentioned in the preceding paragraph provided the total value of all such books etc., does not exceed the monetary limit, prescribed in the Delegation of Financial powers Rules for Head of Department in respect of deficiencies in Stores other than Motor Vehicles. In the event of the total value exceeding the monetary limit specified above, the loss of books shall be written off by the competent authority as specified in the Delegation of Financial Powers.

(iv) There may be no objection to the Heads of the Offices disposing of mutilated! damaged obsolete volumes to the best interest of Library duly obtaining the permission of the competent authority/Department. However, the disposal of such volumes should be made on the recommendation of a three member committee to be appointed by the Government in the Administrative Department which shall decide whether the books mutilated/damaged/obsolete are not fit for further use.

(v) Complete annual physical verification of books should be done every year in the case of Libraries having not more than Rs. 20,000/- Volumes and not fewer than two library qualified staff. In case there is only one qualified staff the verification may be done as per sub-para (vi).

(vi) Complete physical verification at intervals of not more than 3 years should be done in the case of Libraries having more than 20,000/- but not more than 50,000/- volumes.

(vii) Sample Physical verification at intervals of not more than 5 years may be done in the case of Libraries having more than 50,000/- volumes. If such a sample verification reveals unusual or unreasonable shortage, complete verification shall be done.

(viii) The verification should always be subject to surprise test-check by some independent Officers. The decision regarding the selection of the staff to whom this work may be entrusted should be taken by the Government in the Administrative Department and Heads of Departments.

[G.O.Ms.No. 10, Fin. & Plng. dt 8-1-1987]

Note :—See instruction given under Art 137 for the instructions procedure for carrying out physical verification of stores in the Government Department.

ARTICLE 144. Whenever a Government servant who is entrusted with the custody of stores in an office is transferred, the relieving Government servant should verify the stock of stores with the stock accounts certify on the stock accounts as to the correctness of the stock taken over and report the result of the verification to his immediate superior. For the purpose of this rule the Government servant entrusted with the custody of the stores is ordinarily the head of the office, but in a large office he may delegate this duty to a gazetted assistant, manager or recognized store-keeper. When he has done so, the verification prescribed in this Article need only be made, unless otherwise ordered in any case, when a Government servant to whom the duty has been delegated is transferred, and the result of the verification should always be placed before the Head of the Office. In spite of any such delegation, the head of the office will still be responsible for furnishing the certificate prescribed at the foot of the various contingent bills, etc., stating that the articles billed for have been brought into account, and for exercising general control so as to ensure that the stores are properly safeguarded and the stock accounts properly maintained.

Discrepancies found on verification of stores

ARTICLE 145. A deficiency detected during a verification of stores may be due to -

- (1) incorrect or careless accounting.
- (2) loss arising from fraud, theft or negligence, or
- (3) an unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the causes of any deficiency and send a full report on it to the controlling authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should and his recommendation as to how the loss should be made good by recoveries from them. The controlling authority should, such examination and investigation as the importance of the case warrants, issue, or obtain from the competent

authority, an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification." No special orders are necessary for this.

(4) The controlling authority concerned should prescribe time limits for the different stages of investigation of cases and fixation of responsibility for losses and deficiencies of stores and stocks and see that such orders are implemented strictly in practice and proceedings finalized within six months. However in cases where further extension in the period is found to be essential, order of the Government to that effect should be obtained. [G.O.Ms.No. 347, Fin., Dt. 1-12-1975]

Audit of stores and stock Accounts

ARTICLE 146. The regulations and rules relating to the audit by the Accountant-General of the accounts of stores and stock kept in Government departments and officers are printed in Appendix 10.

N.B. :—(1) The rules in this chapter are supplemented for particular departments by the detailed rules and orders contained in the respective departmental manuals or codes and any other special orders applicable to them.

(2) The term "Public Works Department", for the purposes of this chapter includes the Electricity Department, except where that would be repugnant to the context.

CHAPTER VIII

WORKS

A.—INTRODUCTORY

Definition and classification of "Works"

ARTICLE 147. The term "works" covers not only works of construction and repair of buildings, roads, irrigation projects, etc., but also the manufacture, supply, carriage and repair of tools and plant and other stores required in connection with works of construction and generating stations and transmission and distribution lines including service connection and other works incidental to them. Works are primarily classified under the two categories "Original Works" and "Repairs and Maintenance".

Original works include all new construction, whether of entirely new works or of additions and alterations to existing works, reconstruction of entire structures necessitated by wear and tear or by damage due to some calamity and all repairs to newly purchased or previously abandoned buildings required to make them usable.

Repairs and maintenance include all the operations required from time to time to maintain existing properties in a satisfactory state and make good the damage due to wear and tear when complete reconstruction is not necessary, widening of roads or culverts and Reconstruction of culverts classified as "Repairs". (Memo No, 58903/980/Accts./66 dt.

15-11-66) repairs are further classified as “ordinary repairs” and “special repairs”. Ordinarily repairs include the periodical repairs which are done regularly as a matter of routine, and are usually of the same nature (e.g. painting or white-washing a building or spreading a new coating of metal on a road), and any occasional petty repairs required from time to time, which may have to be carried out between the times fixed for the periodical repairs. Ordinary repairs to an irrigation work include all the operations required to maintain the work in a satisfactory state as it is i.e., to the standard already laid down. Special repairs are repairs which are not periodical or frequent, e.g. re-roofing a building replacing beams or renewing a floor. Special repairs to an irrigation work include all operations undertaken with a view to maintaining the work in a better condition, i.e., to a higher standard than that already laid down by using materials of a more lasting kind, without increasing the efficiency or scope of the system, e.g., substituting cement plastering or painting for ordinary plastering or painting, substituting plastering for painting, substituting rough stone masonry for dry stone packing, revetting tank bunds at the sites of breaches and river margins where they are eroded, grouting newly the surface of aprons and revetments, and lengthening aprons and revetments to protect eroded portions of the beds and margins of rivers, canals and channels.

Certain operations are partly original works and partly repairs, e.g., substitution of a terraced roof for a tiled-roof, substitution of steel beams for damaged teak ones, or dismantling and extending a verandah. A mixed work of this kind should, for the purpose of determining the authority competent to sanction it be treated as an original work. When a structure or part of a structure is dismantled because it is structurally unsound and replaced by new work which in all material essentials merely reproduces what was dismantled, the work which is included in the category of repairs. unless it is done to make a newly constructed or previously abandoned building usable.

ARTICLE 148. Works are also classified as “productive” or “unproductive” in accordance with the rules in Appendix 1 of the A.P. Account Code, Volume III.

B. ALLOTMENT OF WORKS TO DEPARTMENTS

Works allotted to the Public Works Department

ARTICLE 149. The Public Works Department is responsible for the execution of all works which the Government have not specifically allotted to other departments See Articles 150 to 155. In special circumstances a work for which the Public Works Department is responsible may be executed by another department on behalf of the Public Works Department by agreement between the two departments. In practice this arrangement is confined mainly to works in the Scheduled areas, where the staff of the Public Works Department is widely scattered, and to works relating to the Industries and Agricultural Departments, which employ their own engineering staff.

Works executed by Government servants of other departments acting as Public Works disbursers are usually petty works constructed on standard designs. Any such Government servant may, however, apply to the Superintending Engineer to depute a Public Works Officer to examine any such work when in progress or when completed and to make a general report as to whether the work is being satisfactorily carried out or has been completed in accordance with the estimate.

Note :—The system should not be adopted in the case of jail works consisting over Rs. 5,000/- which should be carried out by the Public Works Department. When however such works

are executed by the contract system, Jail labour should be employed by the contractors on all unskilled items of works connected with the contract as far as possible. Therefore when tenders are called for the work it should be stipulated in the tender notice that the contractor should employ jail labour on all unskilled items of work connected with contract if such labour is available with the jail department and that the jail labour supplied will be charged for at the rate of 16 P. per man per day. A similar procedure should be adopted in regard to jail works executed departmentally by the Public Works Department. In cases in which jail labour is not employed on work for the reasons that the jail department is not able to supply it, a written statement from the Jail Superintendent to that effect should be obtained and recorded by the Public Works Department Officers.

Works allotted to the Forest Department and the Excise Department

ARTICLE 150. The Forest Departments works are usually executed in out of the way localities and under special circumstances, with which Forest Officers are better acquainted than Public Works Officers, and the Forest Department has also a special engineering staff. The Government have, therefore, allotted of the Forest Departments all its own works except those for the execution of which the agency of the Public Works Department is more suitable. If the Chief Conservator of Forests wishes to entrust any such work to the Public Works Department, he should address the Chief Engineer in the matter; when there is a difference of opinion between the two officers in regard to any such proposals, the Chief Conservator of Forests should obtain the orders of the Government.

The Government have allotted to the Excise Department such of its own works as do not require skilled labour or professional supervision.

Works allotted to other Departments

ARTICLE 151. The Government have allotted the following works to the department which uses or requires the building or rain-guage concerned

(1) works of petty construction and repair, with an estimate cost not exceeding Rs. 5,000/- for any one work relating to building originally constructed by the Public Works Department, whether borne on the Public Works Register or not.

(2) works of construction of petty buildings with an estimated cost not exceeding Rs. 5,000/- for any one building

(3) all works relating to buildings constructed by the department concerned and not borne on the Public Works Register and

(4) works of construction and repair of rain-guages and rain-guage pillars.

When a building is occupied by more than one department, the term "department which uses or requires the building" means, for the purpose of this Article, the Revenue Department, if it is one of the occupants, and otherwise the department which occupies the major portion of the building, as decided, if necessary, by the Superintending Engineer. Each occupying department may carry out petty internal repairs in the portion which it occupies.

Note :- When there is a stationary sub-magistrate's office in the same building as a taluk office, the Revenue Department should be deemed to be in charge of the whole building the officers of that department may accord administrative approval to works relating to any such

building up to the limit of their powers and the expenditure should be met from funds provided under the major head “General Administration”. When a stationary sub-magistrate’s office occupies a separate or detached building, even though there are other buildings in the same compound, the Judicial Department should be deemed to be in the charge of it; the officers of that department may accord administrative approval to works relating to any such building up to the limit of their powers, and the expenditure should be met from funds provided under the major head “Administrative of Justice”.

ARTICLE 152. The allotment of certain works to departments other than the Public Works Department in the preceding Article is subject to the following conditions—

(1) If the work involves a structural alteration or addition to a building borne on the Public Works Register, the Government servant who proposes sanction the work should obtain the Executive Engineer’s consent to the proposed alteration or addition, and should also inform him of the actual cost incurred, so that he may be able to maintain the capital accounts of the building correctly. While giving his concurrence to the proposals, the Executive Engineer should consider whether the work will require technical advice of skilled nature or professional supervision and if so, inform the Government servant concerned with the work that the necessary technical advice or assistance will be given by the Public Works Department officers during the course of construction and that for this purpose timely intimation should be given of the date of commencement of the work.

(2) If the work relates to a building not borne on the Public Works Register, or relates to a building borne on the Public Works Register but does not involve any structural alteration or addition, the Government servant who proposes to sanction the work should ask for advice or assistance from a Public Works Officer only if he considers that the work requires skilled technical advice or professional supervision. In that case he should inform the Public Works Officer for whose assistance he asks of the reasons for his opinion. If the Public Works Officer considers that the work does not require skilled technical advice or professional supervision, he should return the requisition with a full statement of the reasons for his opinion.

(3) A Government servant of another department who executes any work relating to a building borne on the Public Works Register, should inform the Superintending Engineer, annually not later than the 1st June of the amount spent by him on repairs to the building in the preceding financial year.

(4) A Government servant of another department who propose to sanction a work relating to the construction or maintenance of a rain-guage pillar may, at his discretion, ask for the advice and assistance of a local Public Works Officer.

ARTICLE 153. The allotment of certain works to departments other than the Public Works Department in Article 151 does not apply to any works relating to the following buildings, the maintenance and repairs of which, irrespective of cost are allotted to the Public Works Department—

(1) Buildings specially placed in the charge of the Public Works Department for maintenance and repairs (see Appendix 11).

(2) Buildings wholly occupied by departments of the Central Government on payment of rent.

(3) Buildings occupied partly by departments of the Central Government or as official residences, and partly by departments of the Government of Andhra Pradesh.

(4) Official residences outside Hyderabad city, except works of repair not involving technical skill in connection with the quarters for Police Sub-Inspectors and sergeants, compounders in the Animal Husbandry Department and the employees in the last grade service.

Note :—A gazetted Government servant occupying Government residence maintained by the Public Works Department is permitted to execute very urgent petty repairs, such as the replacement of window panes or stoppage of leaks, and pay for them from his permanent advance, when no Public Works Officer is immediately available to arrange for the repairs to be done subject to an annual limit not exceeding Rs. 20 to be fixed by the head of the department. The expenditure should be reported to the Public Works Officer concerned as soon as it is incurred, so that he may check-measure the work done as soon as he returns to headquarters or visits the station, as the case may be, and the Public Works Section Officer should pay the amount spent to the officer who spent it, if the expenditure is in order.

(5) The Government Headquarters Hospital at Eluru and the Medical College and King George's Hospital at Visakhapatnam, subject to the exception mentioned in the Note below.

Note 1 :—The Superintendents of these Hospitals may carry out departmentally in each year, up to the limit specified below against each, urgent petty works and repairs, such as the renewal of broken tiles or panes of glass and repairs to chimneys or floors, which do not require technical skill or professional supervision by a Public Works Officer—

	Rs.
King George's Hospital, Visakhapatnam	1,000
Headquarters Hospital, Eluru . . .	2,000

Note 2 :- The Principals of Medical colleges, superintendents of the attached hospitals and the Government Maternity Hospital, Hyderabad may carry out departmentally at a time upto a limit of Rs. 1,000 urgent petty works and repairs such as renewals of broken tiles or panes of glass, repairs to chimneys or floors which do not require technical skill or professional supervision by a Public Works Officer. [Memo.No. 794/Accts./59-2, Dt. 9-7-1 959]

Note 3 :—The Superintendents of the Nizamabad General Hospital and Government Ayurvedic Hospital, Hyderabad may incur expenditure upto Rs. 500 in each year towards petty works and repairs to the buildings under their control such as renewal of broken tiles, panes of glass and repairs to the chimneys or floors which do not require technical skill or professional supervision by a Public Works Officer. [Memo.No. 2041/119/ Accts/55-4, Dt. 21-10-1965]

Electrical works

ARTICLE 154. (a) As a rule, all original electrical works connected with Government buildings will be executed by the Electricity Department. If a head of a department wishes to arrange for the execution of an electrical work himself and not have it executed by the Electricity Department, he should apply to the Government for the allotment of the work to, his department. If the Government allot the work to his department, he should get detailed plans and estimates prepared by a competent agency,

call for tenders and get the work executed under a lump-sum contract (see Article 163. by a suitable agency. He should request the Electrical Engineer to give any technical advice or assistance needed in the execution of the work. He should also inform the Executive Engineer of the expenditure he incurs on the work so as to enable him to maintain the capital account of the building correctly,

(b) As a general rule, the Executive Engineer concerned is in charge of the electrical installations in all Government buildings whether borne on the Public Works Register or not, except those maintained under the control of the Electrical Engineer (General) and Superintendents of Jail and Borstal Schools and Headmaster of Certified Schools and should carry out the necessary repairs (including small extensions) to the installations with the help of the electricians or wiremen employed under him. The expenditure on such repairs should be debited to the Public Works Department Budget Rules relating to the limit of expenditure on the maintenance of electric installations in Government building are contained in Art. I 86A.

The Officers mentioned below, however, may carry out departmentally petty electrical works at a cost not exceeding Rs. 50 at a time, subject to the condition that the total limit of expenditure for petty construction and repair work fixed for the year for individual hospitals in the Note 1 under Paragraph 97(5)(ii) of the A.P.P.W.D. Code is not exceeded.

Superintendent, King George Hospital, Visakhapatnam

As an exception to this rule, when a light fails in a non-residential building on account of some defect in the bulb itself, the occupying department may replace the bulb. For this purpose, the occupying department should obtain and keep a stock of bulbs. It should indent for twelve bulbs (with Government seals) at a time from the Chief Controller of Stores, or the Controller or Purchase, Bombay or Calcutta, who will authority the contractor's branch at Hyderabad to supply the bulbs at once. When the number of bulbs required for replacement or stock is below twelve, they may be purchased locally, the expenditure being debited to the budget of the occupying department.

(c) In a place where electric supply is available to the public, payment may be in advance for service connections to Government buildings, if the supply agency requires this.

Minor irrigation works

ARTICLE 155. A minor irrigation work which irrigates less than 200 acres is in the charge of the Revenue Department, unless it has been specially placed in the charge of the Public Works Department for maintenance. The Revenue Department will execute from the funds placed at its disposal all works connected with the minor irrigation works in his charge except those which require the technical skill and professional supervision of a Public Works Officer. The rules regarding the preparation and sanction of estimates for these works are contained in Board's Standing Order No. 87 and its appendices. Those works of this kind which require the technical skill and professional supervision of a Public Works Officer will be carried out by the Public Works Department from the funds placed at its disposal. The Collector should inform the Executive Engineer in good time when any such work is required, so that he may be able to propose that the necessary funds be provided in the budget estimate of the Public Works Department.

C—GENERAL RULES

Selection of site

ARTICLE 156. The site for a new building should, if possible, be fixed before the detailed plans and estimates are prepared. The local authority concerned should always be consulted as to the suitability of the site, except when the proposed new building is to be erected within a reserved forest. When it proposed to erect work or building in the neighbourhood of a fort or cantonment, the local Military Works Officer should be requested to give his opinion from the military point of view, and the matter should then be reported to the Government and their orders awaited.

Preparation of estimates

ARTICLE 157. (a) No work may be started before a proper estimate for it has been prepared and sanctioned by the competent authority, unless it is so started strictly in accordance with a special order of the Government or some specific provision in this chapter or in a departmental rule or order see also Article 169 and 170.

(b) An estimate should be prepared in Common Form 150, except when a special form of estimate is required for a very large work or has been specially prescribed for a particular kind of work in any departmental code, manual or order of the Government. When it is proposed to make a lumpsum payment for any work or part of a work, only such descriptions and details as are necessary to justify the proposed lump-sum payment should be furnished in regard to the work or part of the work covered by it.

(c) Every estimate, whether, for an original work or for repair, should provide for the removal of all rubbish which may have accumulated, filling in unsightly pits, etc., when necessary, at the site of the work all works establishment employed specially on the work any incidental expenditure required, such as the cost of sheds for workmen and stores, and, under separate sub-heads all watchmen sanctioned by competent authority for the care of vacant building guarding work, working sluices, etc.

(d) An estimate for the annual maintenance of a building should provide for the municipal or other taxes payable on the property, and it should be submitted to the Government servant occupying the building concerned, or in the case of a military building in the charge of the Public Works Department, to the Officer Commanding the Station, for counter-signature in token that it provides for all repairs known to be required. When a specific period has been fixed after which a particular item or kind of work should be renewed, every estimate for its repair should show the date when it was last renewed.

(e) Government servants of other departments who act as Public works disbursers in respect of any works (See Articles 149 and 203) should prepare the estimates for them in the forms adopted in the Public Works Department together with the plans where necessary, and obtain the necessary technical sanction of the competent authority in the Public Works Department. Standard designs should be adopted, as far as possible, with such modifications as circumstances may require.

Note :—In the case of the buildings in charge of the Police Department including buildings in the habitual offenders settlements, the estimates may be got prepared by private contractors, but they should be checked in comparison with the Local Fund Schedule of rates and altered wherever

necessary. The estimates as finally approved by the concerned District Superintendents of Police should be treated as confidential and not communicated to private contractors.

Sanction for works

ARTICLE 158. (a) The powers delegated by the Government to the various departmental authorities to sanction expenditure on works of construction and repair allotted to the respective departments are specified in Appendix 12.

(b) The power delegated to an authority subordinate to the Government to sanction expenditure on works must not be so used as to evade the necessity for obtaining sanction from a higher authority by sanctioning in installments a group of connected works or alterations or a group of connected purchase, the total cost of which will exceed what the authority is empowered to sanction.

(c) The sanctioning or other prescribed Departmental authority should communicate every sanction to expenditure on works to the Accountant-General in accordance with the procedure laid down for each department except when the sanction relates to a work allotted to a department other than the Public Works, Forest and Excise Departments and the bills relating to the sanction are to be drawn or countersigned by the sanctioning authority itself.

Repairs to buildings

ARTICLE 159. The cost of the annual repairs to a Government building occupied partly by a district board office and partly by one or more Government offices should be limited to 1 per cent of the capital cost of the building, unless any other limit has been specially sanctioned —(see Article 186).

Estimates and sanctions to be treated as confidential

ARTICLE 160. All Government servants should treat the rate and the amount of cost entered against each item in an estimate and the abstract showing the total estimated cost of a work or part of a work as strictly confidential. No information concerning them may be communicated on any account to any contractor, piece-worker or prospective tenderer.

Utilization of savings

ARTICLE 161. The sanction to an estimate should always be regarded as being strictly limited to the precise objects for which the estimate was intended to provide. Any anticipated or actual savings in a sanctioned estimate for a specified work should not, without the special sanction of a competent authority, be applied to any additional work which was not originally contemplated, unless it is fairly contingent on the actual execution of the work. Savings due to the abandonment of substantial section of a work sanctioned by any authority should not be applied to work on other sections without the special sanction of that authority. If the estimated cost of a section which is abandoned is not less than 5 per cent of the total sanctioned cost of the work, excluding in the case of an irrigation work of the head works as originally approved, this should be treated as amounting to the abandonment of substantial section of the work.

Supplementary estimates

ARTICLE 162. In respect of a development of a work which is held to be necessary while it is in progress but is not fairly contingent on the proper execution of the work as first sanctioned, a supplementary estimate should be submitted to the competent authority for sanction together with a full report as to the circumstances which make it necessary.

A Government servant who submits a supplementary estimate for sanction should see—

(1) that it is numbered consecutively with reference to the supplementary estimates, if any, already submitted in respect of the same work, and

(2) that the application shows the amount of the original estimate, the amount of the previous supplementary estimates already sanctioned or pending sanction, and the total amount of expenditure of the work proposed for sanction, including the amount of the supplementary estimate now submitted.

Methods of executing works

ARTICLE 163. Works are executed by one or other of the following four methods—

- (i) the departmental method;
- (ii) the piece-work contract method;
- (iii) the lump-sum contract method; and
- (iv) the schedule contract method.

Under method (i), the department concerned itself engages the necessary daily labour and purchases or supplies the necessary materials. This method is adopted when no contractor is available or when it is considered to be the most economical method.

Under method (ii), the piece-worker agrees to execute a specified work or part of a work as specified rates without reference to quantity or the time taken, and the department concerned arranges for the supervision, setting out and measuring of all the work done. As a rule, this method should not be adopted for works other than petty works (including improvements and repairs).

Under method (iii), the contractor agrees to execute a complete work in accordance with the specifications for a lump-sum payment. This method should be adopted except when one of the other methods is considered more advantageous.

Under method (iv), the contractor agrees to execute one or more of the items included in a work at fixed rates, and the amount to be paid to him depends on the quantity and kind of work done or materials supplied. This method is in use mainly in the Forest and Agricultural Departments.

When method (ii), (iii) or (iv) is adopted, special care should be taken to see that the rates and amounts fixed are economical, giving due consideration to the amount and nature of the work to be done.

Note :—For Provisions relating to EPC Works see page 314-A of this book.

Note : —No sales tax need be levied on occasional sales of materials by departments of Government to a contractor in pursuance of the terms in the notice calling for tenders and actually used on the works under the provisions contained in INI Article. However, sales tax shall be levied on the regular sales to a contractor by the departments of the products produced or manufactured by them such as sales by the Forest Department, Agricultural Department, etc.

Purchase of materials and invitations to tender

ARTICLE 164. When a Government servant buys materials for the execution of a work or gives a work on contract, he should comply with the rules regarding the purchase of stores and the general principles governing invitations to tender contained in Chapter VII.

Note : - Preferential treatment, shall be given to the Tungabhadra Steel Products Limited, for such works under the control of all Departments of the State Government as cannot be done by the workshops subject to the condition that the procedure to call for tenders is generally followed and other things being equal, a 5% preference in price may be given to the Tungabhadra Steel Products Limited. [Memo.No. 8458/116/Accts./71-4, Dt. 11-2-1 972]

Provision of funds

ARTICLE 165. Except in accordance with the provisions of Articles 169 and 170, no Government servant may enter into a contract for the execution of a work unless funds have been duly provided for it or an assurance has been received from the authority competent to provide the necessary funds that they will be allotted before the liability matures.

Execution of agreements

ARTICLE 166. No work which is to be executed under a contract should be started until the contractor has signed a formal written agreement, unless it is started without a formal agreement under the provisions of Article 167 or Article 170.

ARTICLE 167. It is not essential to obtain a formal agreement in regard to any work of petty construction or repair estimated to cost not more than Rs. 1,000/- but a Government servant competent to execute contracts may, when he considers it desirable, obtain a formal agreement even in such a case. If no formal agreement is executed, there should at least be a written understanding specifying prices and rates, though it need not be in any prescribed form.

In the Scheduled Areas, a “first and final” bill from a piece-worker or supplier for Rs. 500/- or less may be paid without entering into a regular agreement even though the total value of the work done or supply made by him in connection with a work may exceed Rs. 1,000/- and when the first and final bill from the piece-worker or supplier does not exceed Rs. 200/-, even a written understanding is not essential. Elsewhere the first and final payment not exceeding Rs. 200/- may be made without entering into a regular agreement, but a written understanding specifying prices and rates is necessary except when the first and final payment does not exceed Rs. 50/-.

Note :- The amount provided for rates and taxes and watchman’s wages in an annual maintenance estimate for a building should be excluded from the total amount for the purpose of deciding whether a regular agreement with a contractor or piece-worker is necessary.

ARTICLE 168. When a Government servant of a department other than the Public Works Department proposes to give a work on a contract, he may consult the Executive Engineer, if he thinks it necessary, and should get an agreement executed in Common Form 294, if no special procedure or form has been prescribed for the purpose in departmental manual or code or by any order of the Government.

The principles stated in Article 51 should be borne in mind when contracts are drafted.

Starting a work without a sanctioned estimate without adequate funds having been provided

ARTICLE 169. If a higher authority orders a Government servant on any ground whatever, to start a work for which an estimate is required under the rules but no estimate has been sanctioned or for which adequate funds have not been provided and no competent authority has undertaken to provide the necessary funds before the liability matures (whether an estimate has been sanctioned or not), it should convey the order to start the work to him in writing. A Government servant who starts any such work without a written order from a higher authority and a Government servant who issues a written order to start a work otherwise than in accordance with the rules will be liable to be held personally responsible for paying for the work done if it is found that his action was not fully justified by very exceptional circumstances. On receipt of written order directing him to carry out any such work, a Government servant should immediately inform the Accountant-General that he is starting a work for which no estimate has been sanctioned, or is incurring a liability which he is likely to incur by complying with the written order which he has received. The Accountant-General will then be responsible for immediately bringing the facts to the notice of the head of the department, except the irregularities, if any, committed with the later, which he should report to the Government any failure to comply with the rules regarding works that calls for disciplinary action by the Government. The Accountant-General will report to the Government the facts of any case in which he considers the action taken by the head of the department to be inadequate. The Government will take disciplinary action against any Government servant administrative or executive who fails or delays to comply with these orders.

Note 1: - The provisions of this article will be relaxed in regard to famine relief works. but this does not relieve any Government servant from his responsibility for obtaining the necessary sanction to a revised estimate and the necessary additional appropriation of funds as soon as he can foresee how far an estimate for a work entrusted to him for execution is likely to be exceeded.

Note 2: - In the Forest Department, a Conservator may give a written order for the starting of a specially urgent work before a proper estimate for it has been prepared and sanctioned by a competent authority. No report need be sent to the Accountant-General when such a work is started under a written order from the Conservator, but the Conservator, should report the facts to the Chief Conservator when he issues such an order in regard to a work which requires the Chief Conservator's sanction.

Note 3: - In the Public Works Department in the case of emergent works like the closure of breaches in the flood banks, which have to be undertaken immediately, the report to be sent to the audit officer with reference to the above article, should be prepared in the form indicated below.

<i>Nature of emergency</i>	<i>Date of occurrence</i>	<i>Details of damage & works proposed to be carried out.</i>	<i>Approximate cost involved to carry out repairs.</i>	<i>Date of which work is commenced.</i>	<i>Remarks</i>
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Starting a work in an emergency

ARTICLE 170. It is occasionally necessary for a government servant to start a work immediately on the occurrence of some sudden, unforeseen emergency, e.g., the breaching of the bund of an irrigation work, without waiting for an estimate to be sanctioned and funds provided. A Government servant who does this should report the facts at once to his immediate superior and to the Accountant-General. If any such work is entrusted to a contractor and it is impossible to enter into a formal agreement with him before hand the Government servant on the spot who arranges for the work to be started should so decide. When the emergency is such that even a piecework agreement cannot be completed before starting the work, the Government servant on the spot and the contractor should at least both sign a written order for the work. If writing materials are not available at the time and the work has to be started without a written order, the written order should be prepared anti signed by the government servant and the contractor as soon as writing materials can be obtained. The Government servant should then prepare a proper estimate without any avoidable delay and submit it as early as possible to the competent authority for sanction. A formal written agreement in the proper form (or a written understanding specifying prices and rates, if that is sufficient with reference to Article 167) should than be concluded with the contractor as expeditiously as possible.

Note : An Excise Officer who starts a work in an emergency without waiting fir an estimate to be sanctioned and funds provided should report the facts at once to the Board of Revenue as well as to his immediate superior and the Accountant-General.

Muster roll for a work executed departmentally

ARTICLE 171. Except for the permanent and temporary employees whose pay is charged to the head “Establishment” and the members of the work charged establishment, all persons who are engaged departmentally for the execution of a work should be regarded as day labourers, and their wages should be drawn on muster roll. The muster roll is the initial record of labour employed each day on a work. The Government servant in immediate charge of the work should write it up daily.

ARTICLE 172. Muster rolls should be prepared and dealt with in accordance with the following rules:

(a) One more muster roll should be kept for each work but a muster roll should never be prepared in duplicate. One muster roll may be kept for labourers employed on several small works, if there is no objection to regarding the total unpaid wages as relating only to the largest work in the group.

(b) Entry in a muster roll should be made, if possible, in ink and otherwise in indelible pencil.

(c) Labourers may be paid more than once a month, and the period to be covered by each payment may be determined locally. Separate muster rolls should be prepared for each period of payment.

(d) The daily attendance or absence of each labourer and any fine inflicted on him should be recorded daily in Part I of the muster roll in such a way—

(1) to facilitate the correct calculation of his net wages for the period of payment,

(2) to render it difficult to tamper with or to make unauthorized, additions to, or alterations, in entries once made; and

(3) to facilitate the correct classification of the cost of Labour by work and sub-heads of works, where necessary.

Note :—Superior officers should check the attendance of labourers as often as possible.

(e) After a muster roll has been passed by the Government servant who is authorised to draw the bill for the works expenditure, payment should be made as soon as possible. Each payment should be made or witnessed by the Government servant of highest standing available. He should certify to the payments individually or by groups and also record at the foot of the muster roll, both in words and in figures, the total amount paid on each date. The details of unpaid items, if any, should be recorded in Part II the Register of Arrears, before the Government servant who makes the payments completes the memorandum at the foot of the muster roll.

(f) Unpaid items should be carried forward continuously from muster roll to muster roll until they are paid and the payments should be recorded and certified in Part II (the Register of Arrears) in the same way as payments of current items.

(g) All wages not claimed within three months should, as a rule, be forfeited.

Note (1) :- In the Forest Department, wages remaining unpaid for three months should be reported to the District Forest Officer who will decide in each case whether the liability should continue to be borne in the amount of work concerned.

Note (2) :- For the procedure to be followed in the Public Works Department, See the Local Ruling under Article 121 in the Andhra Pradesh Account Code, Vol. III.

(h) The Progress of the work done by the labourers should be recorded in Part III of the muster roll, if the work can be measured. If it cannot be measured, a remark should be recorded to that effect.

Note : It is not necessary to reproduce that detailed measurements in full, Part III in and Part III need not be written up at all when progress is reported once a month or often or in any other suitable form and the separate reports are considered sufficient.

(i) The Government servant who is responsible for the payments need not submit the paid muster rolls to any higher authority, unless he is specially instructed to do so.

Labour engaged departmentally through a contractor

ARTICLE 173. When work is executed by the departmental method (see Article 163), it is objectionable in principle to engage and pay the necessary daily labour through a contractor instead of on a muster roll under the ordinary procedure. In a great emergency it may sometimes be impossible to obtain the necessary labour in time otherwise than through a contractor. If it is possible, in such a case, to determine the quantity or

work done after its completion or at intervals during its progress, the contractor should be paid at suitable rates for the work actually done. If this is not practicable the contractor may be paid according to the number of labourers employed each day and his own profit or commission should either be included in the rates allowed or paid separately in a lumpsum or at a percentage rate. With a view to avoiding disputes with the contractor in such case he should be requested to sign the daily reports in token that he accepts them as contract. The muster roll and the measurement book should not be used when the contractor is paid according to the number of labourers employed each day.

Note :—In cases where the contractor is paid only a definite percentage of the specific rates of wages paid to each cooly supplied by him, the labourers may be paid direct by Government at specified rates, the transaction being accounted in a Nominal Muster Roll that may be maintained by the Public Works Department at the discretion of the Executive Engineer, after providing for such a procedure in the agreement with the contractor.

Measurement Book

ARTICLE 174. (a) All work done otherwise than by daily labour and all supplies relating to a work should be paid for on the basis of measurements recorded in a measurement book. Common Form 298. The measurement book is the original record of actual measurement or count. The descriptions in a measurement book should be lucid, so that the items described may be easily identified and checked. A measurement book is a very important record and must be kept with great care, since it may have to be produced as evidence in a court of law.

Note :- In the Forest Department, the measurement book is to be maintained for the works under the budget head “Communications and Buildings” in all cases where the amount expended exceeds Rs. 50, the sanctioning authority will, however, be permitted to order the maintenance of a measurement book in other cases while communicating its sanction to the executive subordinate concerned.

In the jail Department, the maintenance of measurement books and data sheets is dispensed with in respect of minor works costing not more than Rs. 100. For periodical repair works, Standard measurement books under Article 124 of Account Code, Volume III should, however be maintained.

[Memo. No. 25162, Accts./55-1, Fin., Dt. 27-5-19551

(b) Whenever a measurement book changes hands, even if it is only sent from one officer to another within the same building, some responsible person of a grade not below that of clerk should acknowledge receipt of it in writing.

ARTICLE 175. Government servants should strictly observe the following general instructions in regard to measurement books

(1) All measurements should be taken down neatly in a measurement book issued for the purpose and nowhere else. No one may record any measurement in a measurement book except a Government servant who is empowered to make payment for the work done or a duly authorised executive subordinate in immediate charge of the work who has been supplied with a measurement book;

(2) the lines under columns (1) to (4) on each page, beginning with the top line, should invariably be filled up at the work. No line should be left blank. Any lines that

Note :—For Provisions relating to EPC Works see page 314-A of this book.

are not required on any page should be carefully scored through so that no additional entry can be made afterwards.

(3) Each set of measurements should begin with entries showing :—

(i) in the case of work done—

- (a) full name of work as given in the estimate,
- (b) situation of work,
- (c) name of contractor,
- (d) number and date of his agreement, if any,
- (e) date of commencement of work (i.e., date on which site was handed over).
- (f) date of actual completion of work, and
- (g) date of measurement ; or

(ii) in the case of materials supplied

- (a) name of supplier,
- (b) number and date of his agreement, if any, or of the order,
- (c) purpose of supply,
- (d) date of written order to begin supplies,
- (e) date of actual completion of supplies, and
- (f) date of measurement.

Each set of measurements should end with the dated signature and designation of the Government servant who takes the measurements. A suitable abstract should then be prepared which should show, in the case of measurements for work done, the total quantity of each distinct item of work relating to each sanctioned sub-head.

(4) Since all payments of work or supplies are based on the quantities recorded in the measurement book, the Government servant who takes the measurements must take all possible care to record the quantities clearly and accurately. He will also be held responsible for the correctness of the entries in the column “Contents or area” in respect of the measurement recorded by him. If the measurements are taken in connection with running contract account on which work has been previously measured, he will also be held responsible for recording a reference to the last set of measurements on a running account, or the first and final measurement, this fact should be suitably noted against the entries in the measurement book, and in the latter case the actual date of completion should be noted in the prescribed place. The signature of the contractor or his agent should be obtained in the measurement book after each set of measurements below the statement “ I accept the measurements”. If the contractor or his agent is illiterate, his thumb mark should be attested by independent witness.

(5) Entries should be recorded continuously in the measurement book. No page should be left blank or torn out. If a page is left blank inadvertently it should be cancelled

by diagonal lines as soon as this is noticed and the cancellation should be attested by the dated initials of the Government servant concerned.

(6) No erasure is permitted. If a mistake is made, the Government servant who is responsible should correct it and attest the correction by his dated initials. When any measurements are cancelled, the cancellation must be attested by a reference to his orders installed by the Government servant who took the measurements. In either case the reason for the cancellation should always be recorded.

(7) Entries should be made, if possible, in ink and otherwise in indelible pencil. Pencil entries should never be inked over. Every entry in the "Contents or area" column should be made in ink.

(8) Each measurement book should contain an index and the Government servant in charge of it should keep the index upto date.

(9) At the time of payment, the Government servant who authorizes payment should draw a diagonal red ink line across every page containing the detailed measurements relating to the work or supplies paid for and should record reference to the number and date of the voucher or sub-voucher on the abstract of measurements.

(10) The measurement book should be produced for inspection on request by the Accountant-General or a duly authorised member of his staff.

(11) The Joint Director of Industries and Commerce in the case of the Industries Department, the District Collectors in the case of the Revenue Department and the Officer specified for this purpose in the concerned department manuals are competent to deal with losses of measurement books. All losses of measurement books should at once be reported to them so that the losses may be written off and necessary disciplinary action taken against those responsible for the loss.

Check-measurements of works

ARTICLE 176. (a) When a departmental rule or order requires that a work be check-measured before payment, the contractor should not be paid for work done until it has been check-measured by the prescribed authority. Superior officers also should make a point of checking the detailed measurements of works in course of their tours.

(b) Check-measurement is intended to detect errors and prevent fraudulent entries. It should therefore be done with discretion and method. The items which appear most likely to be incorrect and most easily susceptible of fraud and those which would seriously affect the total of the bill, if inaccurate, should be selected for check-measurement.

(c) When measurements are taken jointly by more than one Government servant, the senior most of them should record and sign the measurements.

Aid to contractors

ARTICLE 177. No advance should be paid to a contractor except with the special sanction of the Government or of a competent authority to whom they have delegated power to sanction such advances. Government servants should make every endeavor to maintain a system under which payment is made only for work actually done.

Note :—For Provisions relating to EPC Works see page 314-A.

When, in exceptional circumstances, a Government servant considers it essential to give a contractor an advance, he should apply to the competent authority for sanction. Whenever any such advance is sanctioned, all the Government servants concerned should take the necessary precautions to secure the Government against loss and to prevent the system from becoming general or continuing longer than is necessary.

ARTICLE 178. Government funds, may be spent on behalf of a contractor in accordance with the terms of his agreement and subsequently recovered from him when it is necessary to engage labourers for contractors or incur other liabilities on his behalf in order to complete work which he has neglected or failed to complete with reference to terms of his agreement. Government materials are also supplied to a contractor in certain circumstances, subject to full recovery of the cost from him. Special care should be taken in connection with all recoverable charges to see that the contractor or other person on whose behalf the charges have been incurred is not allowed the benefit of any concession to which he would not be entitled if he had himself incurred the charges.

Liability of contractors

ARTICLE 179. When a contractor has entered into an agreement to execute a work but subsequently, for any cause whatever, anticipates that the contract will result in a net loss to him, this should not be accepted as a reason for not compelling him to complete the work. A contractor should look after his own interests properly when entering into an agreement, and has no claim to any leniency in enforcing a contract when it turns out to be less favourable to him than he originally anticipated.

Lending Government tools to piece-workers in the Scheduled Areas

ARTICLE 180. The Government servant in charge of a work may lend Government tools, as a special case, free or hire charges or a deposit to piece-workers in the Scheduled Areas for use in executing Government works in those areas. He will be held responsible for any loss of tools so lent in so far as it exceeds the amount recovered from the piece-worker. If any tools lent are not returned, the Government servant in charge of the work should recover their full cost with hire charges, as prescribed in the Public Works Department Code, from piece-worker. From the payments made to a piece-worker from time to time for the work done by him, a percentage deduction should be made in accordance with the agreement. This deduction should be made in accordance with the agreement. This deduction should be sufficient to cover the value of any tools lent to him and not returned.

Completion report

ARTICLE 181. When a work has been duly completed, the Government servant who pays for it should have a completion report prepared and forwarded it to the Accountant-General or other prescribed authority in accordance with the rules applicable to his department. The report should be prepared in the form specially prescribed for the department concerned or in Common Form 296. The Revenue Department uses Special Form 7 (Revenue Form XXIX-35) for completion reports; other departments also may, if they wish, use this form, with the concurrence of the Accountant-General, in respect of works executed by them. Every completion report should show the name of the work, the number and date of the order sanctioning it, the amount of expenditure sanctioned and the actual expenditure incurred. If the actual expenditure exceeds the amount of the

sanctioned estimate, the completion report should be sent to the prescribed authority through the authority which sanctioned the estimate, The reasons for the excess expenditure should be stated in the completion report, and the sanction of the authority competent to sanction the total expenditure should be obtained and recorded.

Note : —The above rule does not apply to the Public Works Department and the Electricity Department. Government servants of those departments should follow rules contained in the departmental Code or manual as regards reporting the completion of works.

Disposal of surplus materials

ARTICLE 182. As soon as work has been completed, or as soon as it becomes clear that no more materials will be required for use in executing it, the Government servant in charge of the work should arrange to dispose of all surplus materials belonging to the Government either by transfer to other works in progress or by sale.

Protection of religious edifices.

ARTICLE 183. No temple, mosque, church, chapel, tomb or other building devoted to religious use should on any account be destroyed, injured or occupied in connection with the execution of any work, unless it is done under a special order of the Government or with the full and free consent of the persons interested in the religious edifice and the concurrence of the principal civil authority on the spot.

D.—RULES APPLICABLE TO PARTICULAR DEPARTMENTS

1. Works allotted to the Public Works Department. Requisitions of works

ARTICLE 184.(a) An Application for the construction of a new building or for an addition or alteration to an existing building should be made by the chief local officer of the department concerned, in consultation with the Executive Engineer. The Executive Engineer should give due weight to the other officer's opinion but should oppose any applications for a work which, in his opinion, is not really necessary. Whenever he is unable to recommend the execution of a work, he should explain his objections to the other officer, and, if he fails to convince him, should refer the matter to the Superintending Engineer.

(b) The chief local officer of any department may call on the Executive Engineer to report on a proposal for an addition or alteration to a building in his use and to state the probable cost; only a superior officer of the Public Works Department may call on the Executive Engineer to prepare detailed plans and estimates for technical sanction. In the case of Government House works, however, the Memo.No. 64583/Accts./63-4, dated 10-4-1964, Secretary to the Governor may call on the Executive Engineer to prepare detailed plans and estimates for minor works which are considered necessary, and the question whether funds are available need not be examined at that stage.

(c) As far as possible no proposal should be made for an addition to or alteration in the work to be executed when a work is already in progress, since such proposals usually cause delay. Before agreeing to any alteration which a department may ask for during the progress of a work, the Executive Engineer should satisfy himself that it is necessary and will not cause any serious delay. He should refuse to consider a proposed alteration if in his opinion, it is not necessary, but he should forward a brief, clear

statement of his reasons to the Superintending Engineer and send a copy to the Government servant who asked for the alteration.

(d) When a Government servant of another department desires that the Public Works Department should execute a petty original work costing Rs. 1,000/- or less for his department, he should send a requisition to the Executive Engineer in Common Form 145. The Executive Engineer should record on requisition what work he considers necessary, prepare an estimate of the probable cost and sanction it. After the Government servant who sent the requisition has accepted the estimate, the Public Works Department will take the necessary action in regard to providing funds and sanctioning the execution of the work.

If the work is estimated to cost more than Rs. 1,000/- both administrative approval and technical sanction should be obtained in the manner described in Article 185, before the work is started.

(e) When a Government servant of another department finds it necessary to requisition the services of the Public Works Department for carrying out repairs pertaining to his department, he should send the requisition in Common Form 145. If the Executive Engineer is satisfied that the work is necessary and funds are available from the budget provision he may get it carried out at once without having a detailed estimate prepared, provided that cost is not likely to exceed Rs. 1,000. If the budget provision under the subhead of appropriation concerned is insufficient to meet the outlay, he should refer the matter to the Superintending Engineer. When the approximate estimate exceeds Rs. 1,000 a detailed estimate should be prepared and submitted to the competent authority for technical sanction.

Administrative approval and technical sanction

***ARTICLE 185.**(a) Except to the extent that the power to accord administrative approval has been delegated to subordinate authorities, as shown in Appendix 12 every original work (including a mixed work of the kind described in Article 147) which is allotted to the Public Works Department requires the administrative approval is required for a work which comprises only ordinary or special repairs.

(b) All proposals for the construction of compound walls, reconstruction of collapsed compound walls, improvements to existing ones as well as proposal for the Provision of iron wire fencing require the approval of the Government even if the expenditure thereon could be met from the "Minor Works" grant. But their approval is not necessary in the case of part-reconstruction of a compound wall which may be done under "Repairs".

Note :—The provision of the above clause shall be applied to the proposals for provisions of wire fence or compound walls around sub-stations of the Government Electricity Department.

(MemoNo. 15081/Exp-B/55-2. Fin. Dt. 2-4-1955)

(c) Detailed plans and estimates should be prepared and submitted to the Government or other competent authority for technical sanction in respect of every work allotted to the Public Works Department unless it is a petty work costing Rs. 1,000 or less, or comprises only ordinary repair for which a lumpsum provision not exceeding Rs. 1,000 is made annually. The extent of the powers delegated to subordinate authorities to accord technical sanction is shown in Appendix 12.

Note :—For Provisions relating to EPC Works see page 314-A.

(d) The detailed plans and estimates for a work should be prepared before administrative approval is sought when the estimated cost of the work is less than Rs. 5,000 but only after administrative approval has been accorded when the estimated cost of the work is Rs. 5,000 or more. Sketch plans and approximate estimates should be prepared in the first instance when the estimated cost of a work is Rs. 5,000 or more, and should be submitted to the authority competent to accord administrative approval along with a report on the necessity for the work. On receipt of administrative approval to works costing below Rs. 50,000 the Public Works Department should prepare a detailed estimates and plans and after the professional authorities are satisfied that the proposals are structurally sound, the countersignature of the head of the department or of the local head of the department who applied for the execution of the work should be obtained to the plans and estimates in token of approval, Technical sanction should then be accorded.

In the case of the works costing Rs. 50,000 and above, the procedure indicated below should be observed. As soon as possible after administrative approval is obtained to any such building scheme, detailed plans and estimate should be prepared with lumpsum provision for electrical and sanitary fittings. When the detailed plans are ready in a rough shape, the Consulting Architect to Government should consult the head of the department who should in his turn, obtain the advice of and circulate plans to, experienced officer of his department. The head of the department should also consider specially such points a layout and orientation of the building on the site with an eye on sanitation, water and electric supplies and the suitability and economy of arrangement of the building. The Consulting Architect to Government should ascertain the exact requirement from the head of the department and incorporate them in the building plans which are then to be countersigned. Such approved plans countersigned by the head of the department should not be altered subsequently without the sanction of the Government. As soon as the plans have been countersigned, the Executive Engineer should immediately proceed to obtain technical sanction communicating at the same time copies of the certified plans to the Electrical Engineer (General) and in cases in which the Sanitary engineer has to be consulted, to the Sanitary Engineer also for further guidance in the preparation of detailed plans and estimates for electrical and sanitary installations.

If, in the preparation of detailed estimates it is found that the cost will exceed the estimate administratively approved by more than 10 percent revised administrative approval must be obtained before technical sanction can be accorded.

Note :—In regard to any work (costing Rs. 50,000 or more) of construction, reconstruction, extension or improvement of a medical building, the special rules contained in Appendix 13 should be followed.

Repairs to Buildings

ARTICLE 186.(a) Except when a competent Public Works Officer has authorised an annual lump-sum provision not exceeding Rs. 1,000 for the ordinary repairs to a building, a separate estimate should be prepared annually for all the anticipated ordinary repairs required for each building during the financial year.

(b) Except in the case of a non-residential building for which an annual lump-sum provision has been duly authorized for the purpose, the annual expenditure on

ordinary repairs to a building of any kind, excluding municipal and other works, should be limited to a maximum of 1 per cent of the capital cost of building. This limit applies also to a building occupied partly by a district board office along with one or more Government offices, unless any other limit has been specially sanctioned. In applying the above limit of 1 per cent to residential buildings, the capital cost of all residences in each Superintending Engineer's Circle should be taken into account and within the total amount so arrived at, it will be permissible to incur a larger expenditure than 1 per cent on old buildings with low capital cost and a maximum of 1 1/2 per cent on any individual buildings. The limit of 1 per cent is relaxed in the case of attached buildings in the scheduled areas, provided that the annual expenditure on repairs to each of the buildings does not exceed the average of the past five years.

When a lump-sum provision has been authorized for the execution of ordinary repairs, expenditure may be incurred in each year within the limit of the authorized amount without preparing any detailed estimate.

If, in any financial year, it is considered necessary to exceed the 1 per cent limit for a particular building in exceptional circumstances, an application should be made for the sanction of the Superintending Engineer, stating fully the reasons for the request. He should not accord sanction except for special reasons, which he should record.

If, in any financial year, the estimated cost of ordinary repairs to a building is more than Rs. 1,000 or the authorised lump-sum, detailed estimate should be prepared in accordance with the ordinary rules and submitted for sanction by the competent authority.

(c) No limit is ordinarily fixed for expenditure on special repairs with reference to the capital cost of a building, since such repairs are not required annually or at regular intervals. Every estimate for special repairs should be carefully scrutinized by the competent authority to which it is submitted for sanction and should not be sanctioned unless it is clear that the proposed special repairs are really necessary.

Note 1 :—For the purpose of this Article, the capital cost of a building excludes the cost of sites and lands appurtenant thereto and also the cost of electric installations but includes the cost of sanitary and water-supply installations.

Note 2 :—In the Electricity Department, no separate estimate is necessary for annual repairs to buildings forming part of system, since the general maintenance estimate for the system will include provision for such annual repairs. The provision for annual repairs to any such building should, however, be limited to 1 per cent of its capital cost. The limit of 1 per cent should be applied to the capital cost of all residential buildings in each system and it is permissible to incur in respect of an individual building expenditure in excess of 1 per cent, provided that the total expenditure on all the buildings in the system does not exceed the limit of 1 per cent.

Note 3 :—The expenditure on repairs to Government House works is governed by the provisions of the Government of India (Governor's Allowances and Privileges) Order, 1950, and the orders issued under it.

ARTICLE 186-A. The Executive Engineer and the Electrical Engineer General may incur expenditure on the maintenance of electric installations in Government buildings up to a limit of 3 1/2 per cent of the capital cost of the installations without reference to higher authorities. In special cases in which expenditure in excess of the above limit has to be incurred, the sanction of the higher authority, namely, the Super-

intending Engineer or the Chief Engineer as the case may be, should be obtained to the excess expenditure.

In the case of residential buildings the provisions for repairs to electric installations may be included in the lump-sum provision to be fixed under Article 186 (a), this particular item of expenditure being exhibited in the expenditure schedules separately as in the case of 'Rates and Taxes' for purposes of accounts.

In the case of the installations in non-residential buildings, a consolidated estimate for all the electric installations in each sub-division should be prepared and sanctioned.

A separate working estimate should be sanctioned to cover the expenditure incurred on account of the cost of the establishment employed to look after the installations in both residential and non-residential buildings including special plant and machinery therein and the expenditure distributed annually to the estimates of the several buildings concerned for purposes of capital and revenue accounts.

Note :—The above instructions do not apply to the Government House and connected buildings which are covered by the provisions of the Government of India (Governor's Allowances and Privileges) Order of 1950 and the orders issued under it.

Starting a Work

ARTICLE 187.(a) As a rule, no work allotted to the Public Works Department should be started until both administrative approval and technical sanction when required under Article 185 have been accorded for the whole work. In the special circumstances mentioned below, technical sanction may be given in the first place for a component part or parts of a work which has been administratively approved, and work then be started on the part or parts so sanctioned.

(b) When it is desirable for special and exceptional reasons to start work which has been administratively approved before the detailed estimates for the whole work are ready for sanction the authority competent to sanction the detailed estimates for the work as a whole may accord sanction to detailed estimates for component parts of the projects, subject to the following conditions

(1) There must be a fully prepared detailed estimate for each such component part, and the administrative approval of the projects as a whole must include specific approval of a definite amount of expenditure on that component part.

(2) The amount of the detailed estimate for each such component part must not exceed the corresponding amount covered by the administrative approval by more than 10 per cent.

(3) The sanctioning authority must be satisfied, before according sanction, that the amount of expenditure on the whole project for which technical sanction will be required is not likely to exceed the amount of expenditure administratively approved, and that the component part or parts of the work in question can be begun without affecting, or being affected by, any other part of the work, financially or otherwise.

(4) Detailed estimates for parts of a single building should not be sanctioned separately under this provision, unless the preliminary estimates administratively approved have been similarly prepared.

(c) When according technical sanction for a component part or parts of a work under the provisions of clause (b), the sanctioning authority should communicate it to the Accountant-General and also intimate to him the amount of expenditure administratively approved for the whole project.

ARTICLE 188. To prevent delay in starting work on a work for which full detailed estimates have been prepared and submitted for technical sanction, when minor amendments are needed in the design or the estimates, the sanctioning authority should either

(1) amend the design or the estimates in his own office and sanction the estimates as a whole; or

(2) sanction under Article 187(b) those parts of the detailed estimates which he accepts, if the conditions stated there are satisfied, and call for amended detailed estimates for the other parts of the work.

ARTICLE 189.(a) Before the Public Works Department starts any building works including any alterations, additions or repairs to a building, the Public Works Officer-in-charge of the work should inform the chief local officer of the department concerned.

(b) Except for specially urgent works, e.g., repairing a breach, no Government servant should start any work on land which has not been properly handed over by a Government servant duly authorized to do so.

Methods of executing Works

***ARTICLE 190.** The piece-work contract method (see Article (63) should ordinarily be used only for works (including improvements and repairs) costing not more than Rs. 2,500 it may also be used for a work of improvements and/or repairs costing over Rs. 2,500, when that is considered desirable, but the reasons for doing so should be recorded. In the scheduled areas or any other tract where satisfactory contractors under the lump-sum contract method are not available, the piece-work contract method may be adopted even for original works costing over Rs. 2,500 each.

The necessary details in regard to the lump-sum contract method are set forth clearly in the Preliminary Specification of the Detailed Standard Specifications, the standardized forms of articles of agreement, tender notice and tender mentioned in those specifications, and the prescribed intermediate and final bill forms.

Supply of materials for Works

ARTICLE 191. When a work is to be executed under a piece-work or lump-sum contract the Government servant who will sign the contract should decide whether or not the department should supply any imported stores or other materials which are required for the work. If it is decided that the department should supply any materials to the contractor for use in the work a description of every such material and the rate and place at which it will be supplied should be specified in the notice calling for tenders and the schedule forming part of the agreement. If contractors are allowed to supply any imported articles themselves, descriptions of such articles should be clearly defined by governing specifications. When the "British Standard Specifications" standards are not applicable, suitable standard should be fixed in some other way, e.g., by specifying the

catalogue number of the product of a reputable firm. When test certificates are required, full particulars should be given in the tender notice and the agreement, and it should also be clearly stated in them that the contractor will have to bear the cost of furnishing the certificates.

No sales tax need be levied on occasional sales of materials by departments of Government to a contractor in pursuance of the terms in notice calling for tenders and actually used on the works under the provisions contained in this Article. However, sale tax should be levied on the regular sales to a contractor by the department of the products produced or manufactured by them such as sales by the Forest Department, Agriculture Department, etc.

Invitation to Tender

***ARTICLE 192.** Before a work is given on contract, the Government servant who is competent to enter in contract on behalf of the Government should have the necessary "contract documents" prepared. He should invariably invite tenders when the amount involved in the contract is Rs. 2,500 or more unless a competent authority has given special permission to dispense with tenders. When the amount involved is less than Rs. 2,500 the authority competent to sanction the work has discretion to decide whether or not tender should be invited, as seems desirable in each case. A work must not be split up into parts or some of which cost less than Rs. 2,500, with a view to giving contracts without calling for tenders for parts costing less than Rs. 2,500 each. When tenders are called for, sealed tenders should invariably be invited as publicly as possible, e.g., by advertisement in the Andhra Pradesh Gazette and the local newspapers and by posting a notice in English and the Indian languages used in the neighbourhood in public places, and intending tenderers should be given free access to copies of the contract documents. The notice should always state—

(i) When and where the contract documents can be seen and the blank forms of tender obtained, and the charge for a set of plans or other tender documents

(ii) When and where the tenders are to be submitted and are to be opened (if the contract is a large one, the latest date or the submission of tender should be at least a month after the date when publicity is first given to the invitation to tender)

(iii) The amount of earnest money that should be sent with the tender and the amount and nature of the security deposit to be made by the successful tenderer (the amount of earnest money for either a piece-work contract or a lump-sum contract, and the additional security required from the successful tenderer for a lump-sum contract should each be 2 1/2 percent of the sanctioned estimate figure when the contract is for the whole of a work or 2 1/2 per cent of the estimated amount of the contract when it is only for part of the work included in the estimate) and

(iv) Who or what authority has power to decide as to the acceptance of a tender.

Power should always be reserved to reject any, or all, or the tenders received without the assignment of any reason, and this should be expressly stated in every invitation to tender. No tender should be accepted from any person directly or indirectly connected with Government service. The tenders should be opened in the presence of any of the tenderers or their authorized agents who are present at the notified time and place.

The Government servant who opens the tenders should initial every correction in each tender which has been initialled by the tenderer, if there is any correction in a tender itself when it is opened. He should keep a personal note of the total number of tenders opened by him and check it with the number shown in the comparative statement of tenders.

After the receipt of the comparative statement and before the selection of a tenderer, the officer concerned should examine all the tenders and satisfy himself that no corrections which were not in the tenders at the time he received them have been made in any of them.

Note 1 :—The rule that tenders should be invited when the amount involved in a contract is not less than Rs. 2,500 applies to —

(i) Contracts for the execution of works including supply of materials for such works by the contractors themselves, but not contracts involving only the supply of materials (other than road quarry materials) or tools and plant: and

(ii) Contracts for the supply of road quarry materials.

Note 2 : —Notice calling for tenders should invariably be published in prominent local newspapers in respect of all works costing over Rs. 1,00,000.

Note 3 : —In the case of road work in the scheduled areas, the Executive Engineer may, if he thinks it desirable to do so, refrain from calling for tenders even when the amount involved exceeds Rs. 2,500 but if he does not call for tenders for such a work, he should record his reasons.

Acceptance of tenders

***ARTICLE 193.** As a rule, no tender for the execution of a work should be received unless the tenderer presents along with it a challan showing that he has paid into the treasury or the bank the earnest money notified as necessary in the tender notice. The Government servant who has to select tender for acceptance should take into consideration the financial status of each tenderer, his capability, the security which he offers and his record in regard to the execution of other works. When other conditions are equal, he should accept the lowest tender. If he accepts a tender other than the lowest, he should keep a confidential record of his reasons for doing so and should produce this record for perusal by the Accountant- General or a duly authorized member of his staff, if requested to do so. Departmental inspecting officers should also examine every case of acceptance of a tender other than the lowest, and report to the higher authorities any such case for which, in the opinion of the inspecting officer, there, was no sufficient justification.

The acceptance or rejection of a tender is a matter within the discretion of the Government servant to whom the duty is entrusted, and no tenderer should be told the reasons for rejecting his tender. When it is considered desirable to do so, a superior authority or the Accountant- General or a duly authorized member of his staff will call on the Government servant who dealt with the tenders to justify the manner in which he exercised his discretion and may require him to state his reasons for rejecting any particular tender.

When tenders have been invited for a work in accordance with Article 192 and there is no response or all the tenders received are rejected as being unsatisfactory and it is considered that a call for further tenders would be fruitless or is undesirable, the

Government servant who is competent to accept a tender for the work may select a contractor and allot the work to him after obtaining the sanction of his immediately superior authority.

Exception :—In the case of the Police Department, the intending tenderer from outside the State can remit the earnest money to the Assistant Inspector-General of Police, Hyderabad, or the Commissioner of Police, Hyderabad, as the case may be, who will remit the amount forthwith to the credit of State Revenue Deposits.

ARTICLE 194. A Government servant who has been authorized to enter into contracts may, after an estimate has been duly sanctioned, enter into separate contracts with different contractors for the execution of different parts of the same work, even though the total estimated cost of the work exceeds the amount up to which he has been authorised to accept tenders, provided that there is no special orders to the contrary and that the amount of each contract is within the limit of his power to accept tenders. He should not enter into a second contract with a contractor with the same work, if the total amount involved in the two contracts exceeds the limit up to which he has been authorized to accept tenders. For this purpose sub-works in an irrigation maintenance scheme estimate may be treated as separate works, provided they are not connected with each other.

Agreements with contractors

***ARTICLE 195.**(a) Rates in excess of those stated in an agreement must on no account be paid, since the payment of rates not due under the contract would nullify it.

(b) When a piece-work contractor refuses to execute any work at the rates stated in his piece-work agreement, the Government servant incharge of the work should terminate the agreement and have the work already done measured up and paid for at the rates included in the sanctioned agreement. He should also forfeit the contractor's security according to the terms of the agreement, unless a competent authority orders that the forfeiture be waived. He should not enter into any contract for the execution of the remaining work at higher rates, unless he has publicly invited tenders and obtained the most favourable rates, that are available.

Note : —In the case of works executed by the Public Works Department if it is necessary, in any case, to give out the balance of work at higher rates to another contractor without calling for open tenders whether on account of urgency or any other reasons, the previous approval of the Superintending Engineer should be obtained where the original cancelled agreement was accepted by the Executive Engineer and of the Chief Engineer, if it was accepted by the Superintending Engineer.

(c) As a general rule, no rate stated in an accepted agreement should be revised whilst the agreement is in force. When the Government servant in-charge of a work considers it desirable for good and sufficient reasons, to revise a rate stated in a current agreement, he should apply for the sanction of the authority next above that which accepted the original agreement. If the revision is sanctioned, he should place on record with the agreement the reasons for the revision and its effect in the total amount of work to be done under each item concerned and under the agreement as a whole. Whenever a revised rate is sanctioned in connection with an agreement, it will take effect only from the date of according sanction unless the sanctioning authority specifically orders that it should be given retrospective effect.

(d) In every case falling under clauses (b) or (c) above, the Government servant concerned must strictly comply with all the rules applicable to the revision of the estimate.

(e) Any correction made in an agreement should be attested with dated initials by both the Government servant who accepted the original agreement and the contractor, in order to indicate acceptance of the altered rate and also with a view to preventing any tampering with agreements after approval.

(f) A Government servant in-charge of a work should not order any extra item of work not covered by the original agreement to be done, unless a competent authority has sanctioned it. If it has been duly sanctioned, he should see that the rate is fixed in accordance with conditions printed in the form of piece-work agreement or Clause 63 of the preliminary specification of the Detailed Standard Specifications.

Note :—The concessions shown to contractors in the Public Works Department under clauses (b) and (c) above will be extended also to contractors in the Revenue Department subject to the conditions specified in clauses (d) and (e) above in Article 127 below :

Alteration in design during construction

ARTICLE 196. If any important structural alteration is found to be desirable whilst a work is being constructed, the proposal to make it should be submitted for fresh administrative approval by the authority which gave the original administrative approval, even when it is not likely to cause any increased outlay. Revised detailed plans and estimates should be submitted for technical sanction, if the alteration involved any substantial change in the cost of the work.

Revised estimates

ARTICLE 197. A revised estimate should be submitted when the sanctioned estimate is likely to be exceeded by more than 5 per cent for any cause whatever or when material developments or deviations have necessitated revised administrative approval. A report should be sent with it showing the progress made up-to-date and explaining fully why the revision is necessary. The revised estimate need not contain details of the items which are not altered, but merely a note stating that they are not altered; a comparative statement should be furnished for the items that are altered. The sanctioned estimate should always be sent with the revised estimate. If, however, the likelihood of an excess of actual expenditure over the sanctioned estimate of more than 5 per cent becomes known only at such an advanced stage in the construction of a work that it would be useless to submit a revised estimate, the facts should be explained in completion report.

Lapse of sanction to estimates

ARTICLE 198.(a) The approval or sanction to an estimate for a work other than ordinary annual repair will, unless the work has been started, cease to be in force, five years after the date when it was accorded.

(b) The sanction to an estimate for ordinary annual repairs to a road or buildings lapses on the last day of the financial year. Special working years ending on the dates shown below have, however, been prescribed for irrigation works so that the estimates may be prepared in the slack season and the end of the financial year may not interfere

with the working season. Estimates for ordinary annual repairs to irrigation works will lapse accordingly on the dates shown below

Circle	Division	Date
Dowlaishwaram	Visakhapatnam and Godavari	31 st January
-	All divisions	30 th November
Vijayawada	-	31 st March

Note 1 :—The annual maintenance estimates for River Conservancy works in connection with the Krishna river will be closed on the 31st January, those of the Krishna Anicut and the floating plant of the Krishna Delta System on the 31st December and those of floating plant of the Godavari Delta System on the 31st March. The annual maintenance estimates for the portion of the Buckingham Canal in Nellore division will be closed on the 31st December.

Note 2 :—If any annual maintenance and repair work, the accounts of which have under this Article to be closed on the 31st March, is executed under the lump-sum contract system, as described in the Detailed Standard Specifications, and the date of completion according to the agreement entered into with the contractor is later than the 31st March the date of closing the estimate for the work shall be the date of payment of the final bill to the contractor after the completion of the work.

(e) If it would be inconvenient in any exceptional case to stop a work of ordinary annual repairs on the last day of the financial or working year, as the case may be, it may be completed, but the expenditure after that date should be treated as expenditure under a fresh estimate for ordinary annual repairs for the next year.

(d) An estimate for special repairs and a non-periodical estimate for repairs to an irrigation work remain current till the completion of the repair in the same manner as an estimate for an original work.

Handing over a work on completion

ARTICLE 199. As soon as the Public Works Department has completed a work executed on behalf of another department, the Executive Engineer should inform the chief local officer of the department in writing that the work has been duly completed, in accordance with the sanction granted for it. This formal notification will constitute the handing over of the work to the department for which it was executed. The Executive Engineer should also give reasonable notice before hand as to the date on which the notification is likely to be sent.

Disposal of surplus materials

ARTICLE 200. Materials-at-site of works in excess of requirement may be transferred to other works for which they are required or to stock provided they are serviceable and certain to be required. If the value of any materials so transferred at current market rate is less than their book value, they should be transferred at the current market rates and the loss should be debited to the work from which they are transferred. This rule does not apply to any surplus materials which were originally produced by a contractor on his own account or which were issued to a contractor and charged off to his account.

Electrical and Sanitary Works

ARTICLE 201.(a) Whenever a new building is contracted or an existing building is extended or improved in a place where there is a public supply of electricity available and it is contemplated to provide an electric installation in the building, the estimate should provide for it.

As soon as administrative approval to a building is obtained and the detailed building plans are approved, the Executive Engineer should communicate copy of the approved plans to the Electrical Engineer (General). The Electrical Engineer (General) should without delay and in consultation with the Head of the Department concerned prepare detailed estimates and plans for full electrical equipment required and obtain the counter-signature of the Head of the Department to plans and estimates. Electrical Engineer (General) should then obtain technical sanction of the higher authority if and where such technical sanction is necessary. A copy of the approved plans and estimates should then be sent to the Executive Engineer in-charge of the construction work.

Similarly, the Executive Engineer concerned will have detailed designs estimates prepared in consultation with the Head of the Department and also where necessary with Engineering Specialist firms, for all construction, connections and fittings in connection with water-supply, sanitation and drainage required. If, in any case, it is considered necessary to consult the Sanitary Engineer where his specialized knowledge is essential, the Sanitary Engineer will prepare detailed estimate and design for such items in consultation, where necessary with Engineering Specialist firms.

The detailed plans and estimates for sanitary and water supply installations are to be countersigned by the Head of the Department who will be at liberty to consult any officer of his department and who may also send a representative to the office of the Electrical Engineer (General) and to the office of the Executive Engineer, respectively to scrutinize the plans during preparation.

After such detailed plans and estimates for the electrical and sanitary installations are obtained, the Executive Engineer should incorporate them in the detailed plan for the building work and obtain competent technical sanction. The actual construction work need not wait until this final sanction is ready. It should be started as soon as technical sanction to the building work is obtained.

As soon as the final plans and estimates incorporating details of electrical and sanitary installations are ready, copies thereof should be sent to the Electrical Engineer (General), who will in cases where tenders have to be called for, take necessary action in close consultation with the Executive Engineer as regards the time when he should call for tenders and start the electrical work. The Executive Engineer should similarly settle at an early date the time when work or sanitary installation should be commenced. Tenders for the building and sanitary and electrical installation should all be called for in proper order in a co-ordinated programme, which should be settled by the Executive Engineer at the commencement of execution of the work to ensure that the use of the building is not delayed on account of failure of the sanitary and electrical contractors to complete their works in time.

It is imperative that there should be close co-ordination between the work of the Government servants concerned so that at no time is any delay allowed to occur in the

preparation of plans and estimates, in obtaining technical sanction, in calling for tenders and in the actual execution of the works concerned. The Superintending Engineer of the Circle in which the building is situated will be responsible for seeing that the various works are carried out at the proper time and that unnecessary delay is avoided and he will be held personally responsible for seeing that the above instructions are carried Out.

(b) No authority subordinate to the Government is empowered to accord administrative approval for the first installations of electrical works in a building whether residential or non-residential. Certain authorities subordinate to the Government are empowered to accord administrative approval for additions, improvements and alterations to existing electrical installations as shown in Appendix 14 (see also Article 154).

ARTICLE 202. Electrical works to buildings such as internal wiring, etc., including maintenance and repairs, should ordinarily be executed by the lump-sum contract method (see Article 163), since departmental execution involves keeping large quantities of stores in stock and employing special establishments. Tenders should be invited for the purpose when the amount involved is Rs. 1000/- or more. The Electricity Department should execute electrical works departmentally only when no reliable firm tenders at a suitable rate.

This rule does not apply to repairs (including small extension) to electrical installations in Government buildings carried out departmentally by the Executive Engineer with reference to Article 154(b).

Works executed by Agricultural Officers as Public Works disbursers

ARTICLE 203. The head of an office in the Agricultural Department may carry out as a Public Works disburser, ordinary and special repairs to residential buildings or his department borne on the Public Works Register, subject to the conditions —

(1) That the services of the engineering staff of the Agricultural Department are secured when necessary; and

(2) That the following statements are sent to the Executive Engineer concerned:—

(a) Statements showing the actual expenditure incurred from time to time on special repairs which would increase the capital value of any such building so as to enable the Executive Engineer to adjust its rent correctly; and

(b) An annual statement, soon after the close of each financial year, of the amounts actually spent on ordinary and special repairs to each building in that year, so as to enable the Executive Engineer to prepare the capital and revenue accounts of residences correctly, keep a check on the amounts spent and see that the buildings are not left too long without repairs.

Works executed out of loans granted to local bodies, etc.

ARTICLE 204. When the Government grant a loan to a local or other body for the execution of a work, that body may, if it wishes, entrust the execution of the work to the Public Works Department. When the Public Works Department executes any such work, the disbursing officer should bring to account the expenditure on the work, as and when it occurs, as outlay against the sanctioned loan under the head “Loans and Advances by the State Government” and should also similarly adjust every month the centage

charges leviable in accordance with departmental rules. Before authorising any expenditure or commitment in connection with such a work, the competent authority in the Public Works Department should obtain a statement in writing from the Accountant-General that the amount required is available in the form of loan funds kept in a separate account for the purpose of meeting the proposed expenditure. The amount which the Accountant-General states to be available for expenditure on the work in the year should be communicated to the Executive Engineer and treated as the appropriation for the work; it should not be exceeded without a special order from the competent authority.

The Accountant-General will calculate and adjust periodically the interest payable to the Government on the loan (in accordance with the terms of the order sanctioning the loan), treating the amount of expenditure included by the spending authority in the accounts of each month as if the whole of that amount had been withdrawn from the treasury by borrower on the last day of that month.

II. Works allotted to the Forest Department Revised estimates

ARTICLE 205. Whenever it becomes clear that the actual expenditure on a work is likely to exceed the amount of the sanctioned estimate by more than 10 per cent, a revised estimate should be prepared at once and submitted to the authority which sanctioned the original estimate with a full report explaining why the revision is necessary. If, however, the likelihood of such an excess becomes known only at such an advanced stage in the construction of a work that it would be useless to submit a revised estimate, the facts should be explained in the completion report. The District Forest Officer should see that this rule is strictly observed in his district.

Payment for works done

ARTICLE 206. The payment of wages to daily labour engaged departmentally should not be deferred till measurements are taken.

Part-payments may be made in connection with lump-sum contract without recording detailed measurements, if a Forest Officer of a grade not lower than that of an Assistant Conservator certifies in each bill that by superficial and general measurement or by some other suitable method (which should be specified) he has satisfied himself that the value of the work done according to the contract agreement is not less than the part-payment covered by the bill together with any part-payments already made, and that, with the exception of authorized additions and alterations, the work has been done according to the prescribed specification. Range officers are not authorized to make such part-payments without recording detailed measurements. A record of detailed measurements and certificate of completion of the work according to the prescribed specification signed by a forest officer of a grade not lower than that of a District Forest Officer are required before a final payment is made for a work.

III. Works allotted to the Excise Department Proposals for execution of works

ARTICLE 207. A proposal for the execution of a work should be made in the form of a full report explaining the necessity for, and the precise object of the work, together with a proper detailed estimate consisting a specification, a detailed statement, measurements and quantities, and an abstract showing the total estimated cost of each item. The specification should contain a full description of the proposed work, the method

by which it is proposed to execute it and the materials proposed for use on it. A site plan should invariably be submitted along with the estimate for a new work, and it should be stated whether the proposed site is Government land or would have to be acquired on payment of compensation. When acquisition of a site on private land is proposed, the amount of compensation claimed by the owner and the amount considered reasonable by the Revenue department should be reported.

Consultation with Public Works Officers

ARTICLE 208. Excise Officer should consult the local Public Works Officers about any work which may involve engineering difficulties or in regard to which advice based on the professional knowledge and experience of a Public Works Officer is likely to prove valuable.

CHAPTER IX

MISCELLANEOUS EXPENDITURE

Authorities competent to sanction miscellaneous expenditure

ARTICLE 209. The powers which the Government have delegated to various authorities to sanction items of miscellaneous expenditure (defined in Article 6) are given in Appendix 15. Except when the expenditure is authorised by this code or some other authorized code or a manual or by some general or special order of the Government, no Government servant should incur any item of miscellaneous expenditure of any kind without the specific sanction of the Government or a competent authority to whom the Government have delegated the powers to sanction such expenditure (see Article 42).

Acquisition of land

ARTICLE 210. Appendix II to the Land Acquisition Manual contains the rules regarding the payment of compensation for land acquired for a public purpose under the Land Acquisition Act, 1894 (India Act I of 1894). The expenditure in connection with the acquisition of land for railway purposes is governed by the special rules issued by the Railway Board and embodied in the Land Acquisition Manual.

Education grants-in-aid (other than to local bodies)

ARTICLE 211. The codes and rules specified below contain the detailed instructions regarding the payment of various classes of grants-in-aid to institutions under private management, and the powers of the Director of Public Instruction, the Director of Industries and Commerce and other Officers of the Education and Industries Departments to sanction such payments :

Nature of Payment	Code or Rules regulating the payment
(1) Grants-in-aid Elementary Education Ordinary areas.	Rule under the A.P.(A.A.) Elementary education Act, 1920 A.P.(A.A.) Act, VII of 1920).
(2) Grants-in-aid Elementary Education Scheduled Areas.	Rules to regulate recognition and admission to aid of elementary schools Scheduled Areas.
(3) Grants-in-aid for secondary	(i) Grant-in-aid Code;

and other Education (including European).	(ii) Code of Regulations for European Schools.
(4) Grants-in-aid for Industrial Education.	Code of Regulations for Industrial Schools.
(5) Grants-in-aid for school buildings, hostels or boarding houses given by the Social Welfare Department.	Rules 53 and 54 of Chapter VII of the Grant-in-aid Code (of the Andhra Pradesh Educational Department).

Note :—Regarding payment of salaries to the Teachers working in Schools under all Managements, refer to note under Article 72(a) of this Code.

(G.O.Ms.No. 287, Fin. & P1g., Dt. 12-11-1981).

Grants-in-aid, Contributions, Grants etc. to public bodies, institutions, etc.

211-A. 1. The sanction necessary for payment of Grants-in-aid or contributions to educational and other institutions, local bodies and Co-operative societies and of educational scholarships is regulated by the orders contained in the Grants-in-aid Code, the code of Regulations in the Industries Department, the Civil Medical Code, etc. The following instructions should be observed by sanctioning authorities in the matter of according sanctions for Grants-in-aid.

(i) Unless in any case Government directs otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any, attached to the grant. In the case of non-recurring grants for specified objects, the orders should also specify the time limit within which the grant or each instalment of it is to be spent. Grants in-aid in excess of Rs. 5,000 per annum recurring and Rs. 25,000 nonrecurring should normally be sanctioned by the competent authority with the specific condition laid down in the sanctioning orders that the accounts of the institution receiving the grants should be open for a test check by the Audit Department at the discretion of the Accountant-General, Andhra Pradesh. When such an audit is decided to be undertaken by the Accountant-General, necessary arrangement should be made by the concerned department to facilitate Audit of accounts of the institution concerned.

Note :—Materials and equipment and Stores supplied by way of aid have to be treated in the same way as cash grant, and the value of materials, equipment and stores supplied has to be added to the cash grants for computing the monetary limits prescribed above. (Memo. No. 5 6779/ Accts/ 61-1, dt 5-6-1961).

(ii) The monetary limits prescribed above shall not, however, be treated as in any way fettering the discretion of the Accountant-General in approaching Government, if in any very special case, he considers that an audit of the recipient's books, even when the amount is less, is called for.

(iii) Even in respect of unconditional grants-in-aid Government reserve the right to have the accounts of the recipient body audited by the Accountant-General on their own initiative, if and when occasion demands, to satisfy themselves generally regarding the manner in which the affairs of the recipient body are being managed.

(iv) Only so much of the grant should be paid during any financial year as is likely to be expended during that year. In the case of grants for specific works or services

such as buildings, water-supply schemes and the like, the sanctioning authority should use its discretion in authorising payments according to the needs of the work. The authority signing or countersigning a bill for grant-in-aid under S.R. 24 under T.R 16 of Andhra Pradesh Treasury Code, Volume I, should see that money is not drawn in advance of requirements. There should be no occasion for a rush for payment of these grants in the month of March.

(v) Before a grant is paid to any public body or institution, the sanctioning authority should, as far as possible, insist on obtaining an audited statement of the account of the body or institution concerned, in order to see that grant-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended. It is not essential for this purpose, however, that the accounts should be audited in every case by the Accountant-General and it will be sufficient if the accounts are certified as correct by a Registered Accountant or other recognised body of auditors. In the case of small institutions, which cannot afford to obtain the services of a Registered Accountant or other Registered body of auditors, the sanctioning authority may exercise its discretion of exempting any such institutions from the submission of accounts audited in this fashion.

Note: —In the case of institutions which have a good record of utilisation of grants, the first instalment amounting to one sixth of the year's grants may be paid in the month of April to meet their expenses for April and May out of funds "Voted on account" by the Legislative Assembly. A second instalment of the grant, not exceeding 50% of the total annual grant may be released after the budget have finally been passed, provided the institution submitted to the sanctioning authority atleast an unaudited Statement of accounts showing the expenditure incurred from the previous year's grant and the resources available with it. Subsequent instalments should normally be released, only after receiving the audited statements of account in time. These subsequent installments may also be released, in exceptional cases, on the basis of the unaudited Statement of accounts of previous years, provided, that the total amount of all the installments released, in a financial year without obtaining the audited statement of accounts, does not exceed 75% of the amount provided in the budget of that year. (G.O.Ms.No. 344, Fin., dt.28-11-1975).

(vi) The authority sanctioning a grant, while communicating the sanction to the Accountant-General, should state whether the audited statement of accounts has been received when required or whether the grantee has been exempted from submitting the statements.

(vii) (1) Grants-in-aid can be given to a person or a body which is independent of the Government.

(2) One Department of the Government shall not make a grant-in-aid to another Department of the Government.

(3) Grant-in-aid shall not be given to an Organisation set up by a resolution or an executive order of the Government as such an organisation does not have a separate legal entity but functions only as a limb of the Government. The income and expenditure of such an organisation should be accounted for as Government receipts and expenditure met from the consolidated fund of the State.

Cases in which grants are being given at present to institutions set up by a resolution or an executive order of Government are to be reviewed and steps taken to get them registered under the Society Registration Act, 1860.

Note : —This item applies both to non-official institutions and to semi-official ones such as public clubs, etc.

2. In case in which conditions are attached to the utilisation of a grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise, the departmental officer on whose signature or countersignature the grant-in-aid bill was drawn, should be primarily responsible for certifying to the Accountant-General, where necessary the fulfillment of the conditions attaching to the grant, unless there is any special rules or order to the contrary. The certificates should be furnished in such form and at such intervals as may be agreed between the Accountant-General and Head of the Department concerned. Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose, he may require the submission to him at suitable intervals of such reports, statements, etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally the inspection or audit report, as the case may be, will either include a certificate that the condition attaching have been or are being fulfilled or will give details of the breaches of those conditions.

Note 1 : —Certificates of utilisation of the grants by the grantee in respect of the grants which are sanctioned for a particular subject should also invariably be furnished to the Accountant-General in both the cases where the accounts of the institutions are locally audited by the Accountant-General and also in the case of local funds whose accounts are audited by the Examiner of Local Fund Accounts. (Memo. No. 49314/Accts./ 60-1, Dt. 28-4-1960).

Note 2 : —Utilisation certificates need not be furnished in cases where grants-in-aid are subject to the fulfillment of certain pre-requisite conditions and are in the nature of reimbursement of expenditure already incurred. (Memo.No. 67189/Accts/61-1, Dt. 13-2-1962)

Note 3 : —The certificates of proper utilisation of grants should be from the administrative, technical and financial points of view and while furnishing these certificates to the Accountant-General, the departmental officers may also take into account the reports of the Examiner/Additional Examiner of Local Fund Accounts whenever the audit of the accounts has been entrusted to them. (Memo. No. 29422-B/1209/68-3, Dt. 17-12-1968).

Note 4 : —The following principles should be kept in view while sanctioning building grants to Institutions, Organisations etc.,

(i) It should be ensured that the building grant is sanctioned for the minimum area required for the purpose of grantee institution, and

(ii) The orders sanctioning the grants should embody such other conditions as may be considered necessary for ensuring to Government the right to claim as a share of the rent where the buildings are used for purposes other than those for which the grants were intended.

In order to ensure that the above conditions can, in the event of their breach be enforced through a Court of Law, such conditions should be incorporated in the agreement bond executed by the grantee institution, as required under Note 5 :

Note 5 : —Before a grant is released, the grantee should be asked to execute a bond with two sureties to the Governor or that he will abide by the conditions of the Grants of the target dates If any specified therein, and in the event of this failing to comply with the conditions or commissioning the breach of the bond, the grantee and the sureties individually and jointly will be liable to refund to the Governor of Andhra Pradesh the entire amount of grant with interest thereon or as specified under the bond.

In specific cases in which such bond is not found feasible and/or on due consideration, the sanctioning authority decide, not to insist upon a bond on the above lines, it would be necessary to work out alternative arrangements in consultation with the Law Department and the Finance Department of the Government of Andhra Pradesh for enquiring that the interests of the Government are safeguarded effectively.

The following are the exceptional cases from the operation of the above provisions

(a) Quasi Government institutions (i.e.) institutions or organisations set up by Government as autonomous bodies either under statute or as a society registered under the Societies Registration Act, 1860 or otherwise.

(b) Government aided bodies (i.e.) institutions or organisations receive financial assistance from the State Department on a regular basis (either wholly or on a fixed percentage basis) and/or

(i) whose annual budget is approved by Government; or

(ii) Government is adequately represented and associated with the Board's management or Committees of management of the Institution.

While obtaining the prescribed bond, where it is necessary the requirement of furnishing two sureties in addition need not be insisted on if the grantee institution or organisation is a society registered under the Society Registration Act., 1860 or is a Co-operative Society, or is an institution of a standing in a booth case such sureties, are not considered necessary by the Administrative Department, a Certificate to the effect that the grantee has executed the requisite bond or has been exempted from doing so after working out alternative arrangement in consultation with the law department and Finance Department should be furnished along with the grant-in-aid bill duly countersigned by the officer on whose signature or countersignature the grant-in-aid bill is drawn.

In cases where bills for the drawal of Grants-in-aid do not require countersignature of the Officer mentioned in the preceding paragraph, the sanction letter should specifically state that the bond would be duly executed by the grantee before the drawal of the amount of the grant. It should also indicate that the Accounts Officers/Disbursing Officers would authorise payment only on receipt of a certificate from the sanctioning authority that the bond has been obtained from the grantee. The sanctioning authority should ensure that the requisite Certificates is furnished to the Accounts Officers/disbursing Officers as soon as the bond is received from the grantee so that the payment of money is not unduly delayed. The stamp duty payable on the bond shall be borne by the State Government. A suitable clause to this effect may be inserted in the norm of Agreement bond. (G.O.Ms. No. 297, Finance, (A & L) Dt. 31-10-1975.)

The rate of interest to be charged in such cases on the amount of Grant in-aid ordered to be refunded should be indicated.

The following supplementary instruction should be kept in view when dealing with such cases.

The stipulation in regard to refund of the amount of grant with interest thereon should be brought out clearly in the letter sanctioning the grant as well as in the bond required to be executed by the grantee. A recourse to enforcement of the clause relating to payment of interest may be had by the sanctioning authority in consultation with the Finance Department, not for every minor breach of bond but only after considering the nature and magnitude of the lapse involved. Similarly, the extent to which the penal clause may be enforced should be decided by the Administrative Department concerned specifying clearly whether the entire amount of grant or a part thereof is required to be refunded. Ordinarily, the recovery should be limited to that portion of the grant which a grantee fails to utilise on the purpose for which the grantee sanctioned though in cases

of serious breach of the terms of the grant, the recovery of the entire amount of the grant may be insisted upon. The period for which the interest is to be charged should also be indicated, in case it is decided to charge interest on the amount to be recovered. When a grant is released in installments, interest should normally be charged on each instalment from the date of its release till the date of its recovery. The sanctioning authority, while taking decision in this regard, should record its finding in writing and send details thereof to the Audit along with the appropriate orders issued in this regard a brief mention of breach and the decision of the sanctioning authority about the charging of interest as well as a reference to the orders issued should also be made in the utilisation certificate to be furnished to audit. [G.O.Ms. 230, Finance, Dt 8-6-1976]

3. Unless it is otherwise ordered by Government, every grant made for a specific object is subject to the implied conditions :—

(i) that the grant will be spent upon the object within a reasonable time, if no time limit has been fixed by the sanctioning authority; and

(ii) that any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

4. (1) Grants should be made a bail able as far as possible on the basis of specific schemes drawn up in sufficient details and duly approved by Government.

(2) Periodical reports indicating the expenditure on each of the objects as detailed in the scheme should be called for and scrutinised to check whether they have been any variations unauthorised diversion of funds.

(3) An audited record of all assets acquired wholly or substantively out of Government grants should be maintained; and

(4) In respect of grants to non-government or quasi-government bodies or institutions, a condition may be laid down that the assets referred to in (3) above should not, without the prior sanction of Government, be disposed of, encumbered or utilised for purposes other than those for which the grants were sanctioned.

[Memo. No 46614/Accts/60-1, Dt 25-5-1960]

5. The term “Assets” used in clauses (3) and (4) of para 4 above should mean (1) immovable property; and (ii) movable property of a capital nature where the value exceeds Rs. 1,000/-. [Memo.No. 56544/Accts/62-1, Dt 5-10-1962]

Scholarships and stipends

ARTICLE 212. The payment of Government scholarships and stipends in Government and non-Government institutions is regulated by the general or special orders on the subject which the Government issue from time to time, and by the detailed rules specified below :—

Nature of scholarship or stipend	Code or rules regulating the payment
(1) Scholarships and stipends in Industrial Schools.	The Code of Regulations for Industrial Schools.
(2) Scholarships attached to a specific college or institution.	Prospectus or rules of the institution approved by the Govt.

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|------------------------|--|
| (3) Other Scholarships | Annual Scholarship Notifications issued by the Director of Public Instruction. |
| (4) Other stipends | The Andhra Pradesh Educational Rules. |

Except for the scholarships attached to specific institutions, the Director of Public Instruction and his duly authorized subordinates have power to distribute the total number of scholarships available among the various institutions of each class, subject to the prescribed conditions and rates.

Discretionary grants

ARTICLE 213. Discretionary grants may be sanctioned by (i) the Governor, (ii) the Collectors of districts, (iii) the Deputy Inspector-General of Police, Railway and C.I.D., (iv) the Director of Social Welfare and (v) the Director of Fisheries. The objects for which such grants can be made and the other conditions and principles that apply to them are specified below (Memo. No 51158/665/Accts/63-9, Dt 28-3-1964).

(i) **Discretionary Grants by the Governor** :—These are petty grants and charitable donations to institutions of a public or quasi-public character and individuals that deserve assistance from public funds. The expenditure may be incurred under this head and it is not intended that any subscription of a purely private nature should be debited to it.

The Secretary to the Governor should, as far as possible, produce vouchers for the expenditure bearing the payee's receipts for purposes of audit and in exceptional cases, when he cannot obtain such a voucher, he should supply the Accountant-General with his own certificate that the amount was actually disbursed to the payee mentioned in the certificate. The Accountant-General is authorized to admit in audit such certificates signed by the Secretary to the Governor.

(ii) **Discretionary grants by the Collectors** :—From the amount allotted to his District out of the budget provision each year, the Collector has power to make discretionary grants for following public objects :

(1) Construction or improvement of public baths, bathing places and bathing ghats. This restriction applies to objects I to 14 only.
(Memo. No. 57494/Accts./61-I, Dt 27-9-1961).

(2) Improving river landings and foot-bridges.

(3) Building culverts and bridges on village cart-tracks and foot-paths or village roads for which no Government grant is available from any other source.

(4) Constructing, repairing or improving wells or other sources of drinking water for the poorer classes.

(5) Construction or improvement of ponds in panchayat forest for the use of cattle. (This is subject to the condition that the Collector is satisfied that the forest panchayat is unable, for reasons beyond its control, to meet the expenditure).

(6) Provision and maintenance of playgrounds for village elementary schools and the formation and maintenance of village playgrounds.

(7) Provision of sites for, or improvement of, burial and burning grounds and repair of paths leading to such grounds, and provision of additional land for village communal purposes (e.g. threshing floor or cattle-stand).

(8) Provision of ballacuts or boats for crossing streams and canals which are liable to sudden floods.

(9) Contributions towards the relief of poor people whose houses have been burned or who are suffering from the effects of a flood, cyclone or other sudden calamity, when relief is immediately required and there is no time to obtain a grant from the Board of Revenue or the Government from the provision under "Famine Relief" or any other appropriate head.

(10) Contributions to help poor people to obtain materials for building huts, when they are obliged to vacate their houses on account of plague or any other epidemic disease.

(11) Rewards to persons who have supported law and order in a special meritorious way, or displayed special courage or public spirit in saving or attempting to save human life.

(12) Extinguishing of fire, including grant of rewards to persons other than members of the Andhra Pradesh Fire Services who show special courage and public spirit and incur risks in putting out fires.

(13) Raising seedlings for tree planting in villages.

(14) Award of prizes to the agriculturists for the encouragement of improved farming, livestock production and Poultry farming.

(15) Any other object which in the Collector's opinion is calculated to promote public well-being and contentment.

(16) Contribution to clubs of non-gazetted Government servants.
(Memo.No. 7583-Exp-C/55-3, Finance, Dt. 28-2-1956).

(17) Collectors are authorised to make payments from their discretionary grants to blind students, blind persons and crippled persons as temporary assistance to tide over difficult periods. (Memo.No. 15154/352/ 69-3, Dt. 14-5-1969).

The expenditure is subject to the following restrictions

(i) Only real village necessities are eligible for grants, and no grant should be given for any work unless it is a necessity in the particular locality.

(ii) Every grant should be non-recurring i.e., it should not involve any further commitment whatever.

(iii) The annual aggregate expenditure in any District should not exceed Rs. 20,000/- i.e., Rs. 16,000/- under ordinary grants and Rs. 4,000/- under special Grants for objects Specified in Item (14) above.

(G.O.Ms.No. 256, Fin. & Plg. (Accts-II) Dept., Dt. 18-9-1986).

Apart from Rs. 1,000/-, Collectors may incur expenditure on the object specified in item (14) subject to the limits mentioned below :

<i>District</i>	<i>Maximum amount per annum</i>
	Rs.
Srikakulam ...	300
Visakhapatnam ...	400
East Godavari ...	550
West Godavari ...	300
Krishna ...	500
Guntur ...	700
Kurnool ...	450
Anantapur ...	500
Cuddapah ...	400
Nellore ...	500
Chittoor ...	500

(iv) Collectors may incur expenditure on the object specified in item (16) subject to the conditions that the club consists predominantly of non-gazetted staff and that the grant is in definite proportion to their sources raised by the clubs themselves.

(Memo.No. 73583/Exp-C/55-3, Finance, Dt. 28-2-1956).

(iii) **Discretionary grants by the Deputy Inspector-General of Police Railways and C.I.D.** The Deputy Inspector-General of Police Railways and C.I.D., has power to make discretionary grants for the following objects in connection with the management of the habitual offenders settlements—

(1) Sanitation.

(2) Expenditure on uniforms, travelling allowances, etc., for boy scouts and girl guides and on sports and amusements.

(3) Rewards to settlers for good conduct.

(4) Rewards to bright pupils in settlement schools.

The expenditure on amusements for children should not exceed twenty five Paise a child.

Note :—The annual aggregate expenditure on account of the discretionary grants in connected with the management of the habitual offenders settlements should not exceed Rs. 1,200. This limit is exclusive of the expenditure on uniforms, travelling allowances. etc., for boy scouts and girl guides.

(iv) **Discretionary grants by the Director of Social Welfare** :—The Director of Social Welfare has power to make discretionary grants for the following objects connection with welfare work for the communities eligible for help by the Social Welfare

Department, provided that no grants are made for supplementing the grants paid by the Education Department in respect of aided elementary schools :-

(1) Grants to assist societies, institutions or individuals in educating members of the communities, eligible for help by the Social Welfare Department or improving their social and economic conditions.

(2) Contribution to newspapers, periodicals and other publications intended for and actually engaged in educating the communities eligible for help by the Social Welfare Department.

(3) Contributions for the encouragement of athletic association among members of the communities eligible for help to the Social Welfare Department and the provision of games requisites for them.

(4) Contributions to help members of the communities eligible for help by the Social Welfare Department who are in a distress on account of a fire, flood, cyclone, epidemic or other similar sudden calamity.

Note :—The annual aggregate expenditure on account of the discretionary grants in connection with the welfare work for the committee eligible for help by the Social Welfare Department should not exceeds Rs. 3,000/-.

(v) Discretionary grants by the Director of Fisheries :—

A lumpsum grant is ordinarily placed at the disposal of the Director of Fisheries to enable him to make discretionary grants to provide for unusual expenditure that may urgently be necessary in connection with preventing illegal fishing and poaching in the reservoirs and for assisting to the poor community of fishermen for relief from natural calamities such as fire, cyclone, storm, inundation etc. He has power to utilise this amount only for the objects specified below, subject to the money limits indicated—

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| 1. Rewards to informants other than staff for giving information regarding poaching in reservoirs. | Subject to a maximum of Rs. 500 in a Financial year. |
| 2. Rewards for deeds of special merit involving personal risk or self sacrifice (to members of the Public). | Subject to a maximum of Rs. 500 in a Financial Year. |
| 3. Contribution towards relief of poor fishermen whose huts and nets have been damaged due to cyclone, storm or fire or tidal upheaval, subject to the condition that the same persons who have been given relief by Revenue authorities are not given again by the Director of Fisheries. | Subject to a maximum of Rs. 1,500 in a Financial Year. |
| 4. Compensation for accidents to mechanised boats, Navas and Tappas. | Subject to a maximum of Rs. 1,500 in a Financial Year. |
| 5. Special sanitary arrangements during epidemics, including erection of water pandals to prevent the spread of an epidemic. | Subject to a maximum of Rs. 1,500 in a Financial Year. |

6. Other Urgent and unforeseen items of expenditure connected with mechanisation of boats.

Subject to a maximum of Rs. 200 in a programme Financial a Year.

(Memo.No. 5115/8665/Accts./63-9, Dt. 28-3-1964).

Overtime Fees

ARTICLE 214. The payment of overtime fees to Government servants is regulated by the general or special orders passed by the Government in regard to such fees under Fundamental Rules 46 and 47 (see also subsidiary Rule 17 under Treasury Rule 16).

Compensation for loss of property

ARTICLE 215. Heads of departments should observe the following instructions when making any recommendation for the grant by the Government of compensation to a Government servant for loss of his property—

(1) (a) Claims to compensation for loss of property made by Government servants will ordinarily be considered only in case in which

(i) the exposure of the property to risk is directly connected with the duties on which the Government servants is employed at the time, e.g., when the action or an enemy force, insurgents, aiders or wild tribe causes a loss of property of a Government servant employed in the area affected, or

(ii) the property is lost in consequence of endeavors on the part of the Government servant to save the property of the Government which was also endangered at the time, or

(iii) the property is destroyed under the orders of a competent authority.

(b) No compensation will be paid in respect of any loss which is due in any way to negligence or other default on the part of the claimant. Compensation will also not be granted when, as a matter of ordinary prudence, the Government servant who owned the property should have insured it. The question whether the property should have been insured is a question of fact to be decided by the Government.

(c) Compensation will not ordinarily be granted to a Government servant for any loss of his property which is caused by an “act of God,” e.g., an earthquake or flood, or which is due to an ordinary everyday accident such as may occur to any citizen, e.g., loss by theft even when accompanied by violence, or loss due to a railway accident, fire, etc. The mere fact that, at the time of the accident, the Government servant is technically on duty or is living in Government quarters in which he is bound to reside for the performance of his duties will not be considered as a sufficient ground for the grant of compensation.

(d) The grant of compensation may be recommended in respect of animals (1) that are killed, captured or stolen by an enemy force, (2) that are destroyed under the orders of a competent authority to prevent the spread of infectious or contagious diseases, or (3) that die as a result of exposure or excessive work necessitated by use in the public service or of an accident directly due to such use. When an animal belonging to a Government servant is destroyed under the orders of a competent authority to prevent the spread of an infectious or contagious disease, the amount of compensation recommended should not exceed the amount payable to a private person in similar circumstances.

(2) When anyone of the three conditions mentioned in instruction (1)(a) is satisfied, the head of the department may recommend the grant of compensation to the Government servant concerned as an act of grace up to the value at the time of loss of the necessaries lost by him. The head of the department should examine the question whether the articles lost or “necessaries” within the meaning of this instruction with reference to the Government servant’s personal standing and circumstance and make his recommendation accordingly.

Grants in lieu of magisterial fines

ARTICLE 216. Grants in lieu of various classes of fines realized by courts and credited to the Government should be paid to certain local bodies and private bodies as indicated in Article 306.

Maintenance of military camping grounds

ARTICLE 217. In regard to expenditure on the maintenance and conservancy of military camping grounds, and on the purchase of supplies, etc., for the Defence Department, Government servants should observe the rules contained in Chapter IX of the Standing Orders of the Board of Revenue.

Deportation charges

ARTICLE 218. Expenditure incurred for sending emigrants deported from Malaya to their destination should be borne by the Government of the Federated Malaya States.

CHAPTER X

LOANS AND ADVANCES

GENERAL

Main classes of loans and advances

ARTICLE 219. The Government grant loans and advances under the following main heads.

Loans bearing interest

- I. Loans to municipalities, port trusts, etc., (including advances to cultivators).
- II. Loans to Government servants,
- III. Advances to repayable.
- IV. Permanent advances.

This Chapter contains the detailed rules governing these loans and advances.

I. LOANS TO MUNICIPALITIES, PORT FUNDS, ETC.

Sanctioning authority

ARTICLE 220. This head covers all interest-bearing loans made by the Government except those made to Government servants and includes the following classes of loans

- (a) Loans to Municipal Corporation, Port Trusts and other Port funds.
- (b) Loans to municipalities.
- (c) Loans to Zilla Parishad and other local bodies.
- (d) Loans to landholders and their notabilities and private individuals.
- (e) Advances to cultivators.
- (f) Advances under special laws.
- (g) Loans to local bodies for railway construction.
- (h) Miscellaneous loans and advances.

Heads of departments and other Government servants may sanction loans of classes (e) and (h) to the extent of the powers delegated to them and the appropriations placed at their disposal see Appendix 16. The Government have not delegated to any authority and power to sanction loans of the other classes falling under this head, and they are therefore sanctioned only by the Government.

General instructions

ARTICLE 221. The following general instructions apply to all loans falling under this head, and the conditions on which the loans are granted should be framed in accordance with them—

Interest

(i) Interest should be charged at the rate prescribed by the Government for the class of loans concerned. It should be charged for the day of advance but not for the day of repayment. For a period less than a complete, half year, the interest should be calculated as the number of days/365 X the yearly rate of interest. For a period of more than a half-year but less than a year half the yearly interest should be charged in respect of the complete half-year, together with interest for the remaining period of less than a half- year calculated as above. In the case of “Advances to Cultivators,” however the interest for a period of less than a year should be calculated by taking, the calendar month as the unit, periods of fifteen days or more in a calendar month being treated as calendar month and periods of less than fifteen days being ignored,

Note :—In the case of Co-operative House Construction Societies in the State, interest should however be charged from the date of actual realisation of the cheque issued to them and not from the date of the advance.

Repayment

(ii) (a) The borrower should be required to repay the loan in full within a specific term, which should be as short as possible, by paying the appropriate fixed installment not later than the dates prescribed by the Government or other competent authority. The term should run from the date on which the drawal of the loan is completed, unless the Government or other competent authority) declare the loan closed with effect from that date. The amount of each instalment to be repaid by the borrower should be rounded to the nearest rupee, except in the case of the last instalment where the amount will be rounded to the nearest Five paisa.

(b) If a borrower draws a loan in installments and is required to repay it by half-yearly installments for which no specified half-yearly dates are fixed when the loan is sanctioned, he should be required to take the first regular, half-yearly payment six months after the date from which the term of the loan runs and simple interest only should be charged on that date for the period prior to it.

If specified half-yearly dates are fixed for the payment of the half-yearly installments when the loan is sanctioned the borrower should be required to make the first half-yearly payment on the second of those half-yearly dates after the date from which the terms of the loan runs, and simple interest only should be charged on the first half-yearly date. For example, if the drawal of a loan is completed on the 31st March, and the installments are payable half-yearly on the 30th June and 31st December the first regular half-yearly instalment should fall due on the 31st December following, and simple interest only should be charged on the 31st June.

If a borrower unduly delays the completion of the drawal of a loan, the matter should be reported to the Government or other competent authority with a recommendation that the loan be declared to have been closed as from a suitable specified date.

The Accountant-General watches the recoveries relating to each individual loan included in any of the classes of loan mentioned in item (a), (b), (c), (g) and the portion of (h) relating to loans to local bodies to cover revenue deficits.

The department authorities concerned will have to watch the recoveries relating to each individual loan at items (d), (e), (1) and the portion (h) relating to loans other than to the local bodies to cover revenue deficits of Articles 220 of A.P.F.C. Vol. I by maintaining the detailed accounts in the proper forms. They should report to Government any undue delay in completing the drawal of any such loan payable in installments, whether dates have been fixed, for the drawal of installments or not. They will be responsible to see that the conditions attached to each loan or advance are fulfilled. They should take necessary action in regard to undue delay in completing the drawal of any other loan payable in installments. All the Heads of the Departments of the Secretariat shall send to the A.G., A.P., Hyderabad by 30th September of each year, an annual statement for the previous financial year in the prescribed form for the Andhra and Telangana areas separately containing the information about the outstanding balance overdue arrears or principal and interest and the steps taken for the recovery of arrears etc. Copies of these annual statements should be sent to Finance and Plg. (A. & L.) Department also.

This instruction applies mutatis mutandis to loans repayable by installments other than half-yearly installments.

(c) Any amount paid by a borrower in advance when no instalment or part of an instalment is due should be credited to the next instalment, first to the extent necessary to interest and then to principal as if it were paid on the date, unless a different procedure is prescribed for special reasons in any particular case or class of cases.

Defaults in payment

(iii) (a) The Accountant-General should report promptly to the Government any failure by a borrower to pay on the due date a payment due under a loan included in one

of the classes of loans which he watches individually See sub-clause (b) of clause (ii) above. The departmental authorities should take the necessary action immediately in regard to any default in making a payment due under any other loan. They should bear in mind the fact that a loan repayable with interest by equal periodical installments will not really be fully discharged by the installments unless each is paid punctually on the due date.

(b) The authority which sanctions a loan should ordinarily lay down in the order of sanction a penal rate of compound interest to be charged on any payment due by the borrower on account of the loan which is not received by the due date, and should ordinarily actually levy interest at that rate on any such payment which is not received by the due date.

Note :—In order to avoid any default in the repayment of loan the sanctioning authorities who maintain the detailed accounts of loans should warn the loanee, say a month in advance, of the due date for the repayment of any instalment of the principal and or interest thereon. Omission to give this warning does not, however, give the loanee any claim to exemption from the consequences of default in the repayment of principal and or interest thereon.

Modification of original terms

(iv) Every borrower should be required to fulfil strictly the terms settled when his loan was sanctioned. No Government servant should recommend to the Government or other competent authority a change in the original terms for the benefit of a borrower unless there are very special and exceptional grounds for doing so.

Loans to municipalities and to Zilla Parishads and other local bodies

ARTICLE 222. The detailed procedure to be required in connection with borrowing by local authorities both from the Government and otherwise is laid down in the Local Authorities Loans Rules, 1937 (see Appendix 17). Article 204 contains certain rule relating to the execution of works by the Public Works Department and the Electricity Department on behalf of local bodies out of loan funds sanctioned by the Government.

Advances to cultivators

ARTICLE 223. Advances to cultivators include—

(i) advances made under the Land Improvement and Agriculturists Loans (General) Rules, 1933

(ii) advances made under the Land Improvement and Agriculturists' Loans (Pumping Installations and Agricultural Machinery on Plant) Rules, 1933

(iii) advances made under the Agency Tracts (Partially excluded Areas) Agriculturists' Loans Rules, 1938

(iv) advances made under the Agriculturists' Loans (Relief of Indebtedness) Rules, 1938, and

(v) any other advances made to cultivators in connection with revenue agriculture of famine under any Act of the Legislature or under any order of the Government.

The Board of Revenue controls these loans and the detailed rules and instructions regarding items (i) to (iii) above are contained in the Loans (Takkavi) Manual.

Advances under special laws

ARTICLE 224. Advances under special laws included at present only advances sanctioned by the Government under the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) and the rules framed under it.

Miscellaneous loans and advances

ARTICLE 225. Loans (other than loans to Government servants) which do not fall strictly under any of the other classes mentioned in Article 220 come under the head, e.g., loans for the acquisition of house-sites for members of the communities eligible for help by the Social Welfare Department, loans to co-operative societies and banks and loans to local bodies to cover deficits. The grant and repayment of these loans are governed by the general principles laid down in Article 221, and the detailed orders issued by the Government from time to time. A Government servant who is concerned with any category of loans falling under this head should keep an up-to-date file of the orders in force regarding them.

ARTICLE 225-A. The Departmental Officer authorised to issue loans or advances and who is required to maintain the initial accounts therefor is responsible for the monthly reconciliation of the figures in respect of each head of account which enter his registers and returns. For this purpose, the District Officer or the Principal District Officer of the Department concerned should arrange to reconcile, monthly, his departmental figures with those shown in the plus and minus memoranda maintained separately for each head of account by the Treasury Officer, in the manner indicated for the reconciliation of transactions relating to "Advances to Cultivators" (vide local ruling 3 under Article 90 of the Andhra Pradesh Accounts Code, Volume II). The head of the department should watch that the reconciliation is effected by his subordinate officers in the districts without fail. The head of the department will then consolidate the figures for the whole State, reconcile them with the closing balances according to the books of the Accountant-General.

For this purpose, he should depute his reconciliation staff to the Accountant-General's office by the first week of each month (for the figures and receipts relating to the various loan heads of account under his control. He should compare these figures with the departmental figures obtained from the District Officers and other subordinate officers under his control and reconcile the discrepancies. He should send the reconciliation certificates along with the reconciliation statement and report by the last day of the month i.e., the reconciliation certificate for a particular month (e.g., April 1963) should be sent on the last day of the second succeeding month (i.e., 30-6-1963).

(Memo.No. 12284-A/607/Accts./63-1, Dt. 30-6-1963).

II. — LOANS TO GOVERNMENT SERVANTS

GENERAL

Classes of loans

ARTICLE 226. The following interest-bearing advances are included under this head :-

- (A) Advances for the purchase of motor cars.

- (B) Advances for the purchase of other conveyance.
- (C) Passage advances.
- (D) Advances for the purchase and construction of houses.
- (E) Advances for the purchase of horses and saddlery, and
- (F) Other advances.

The Government grant these advances to their servants in accordance with the rules contained in Article 227 to 235.

General principles

ARTICLE 227. The following general principles and conditions apply to these advances

(1) No authority may sanction any advance if it would involve a breach of a standard of financial propriety (Article 3).

Government servants to whom advances may be granted

(2) As a general rule no advance should be granted to any Government servant unless he is in permanent service since the pay of a non-permanent Government servant is not adequate security for the repayment of an advance. The Government may, however, sanction an advance to an officiating or temporary Government servant who is an approved probationer in a service and is not likely, so far as can be foreseen at the time, to be ousted subject to the rules applicable to advances of that kind and to the following further conditions

(i) No such advances should be granted unless a personal security bond is furnished in Form II duly executed by the borrower together with a permanent Government servant drawing a pay not less than that of the borrower as surety guaranteeing the repayment of the advance.

(ii) The number of monthly installments by which repayment is to be made should, when necessary with reference to all the circumstances including the period for which the temporary post is sanctioned, be fixed at a suitable number lower than the permissible maximum.

An authority subordinate to the Government that is competent to sanction an advance to a permanent Government servant under Article 228 or Article 254 may also sanction such an advance to an officiating or temporary Government servant, subject to the condition laid down above for advances by the Government to an officiating or temporary Government Servant.

Exception :—The Direct Recruit Junior I.P.S. officers posted to sub-divisional charge during the period of probation, even though they are not approved probationers can apply for and get an advance for the purchase of motor cars as provided for in Article 230 subject to the condition that each applicant in addition to mortgaging the vehicle to Government executes a personal security bond in Form II together with surety of a permanent Government servant, drawing a pay not less than that drawn by him, guaranteeing the repayment of the advance. (Memo.No. 10234/Exp-I-C/ Finance, Dt. 26-2-1957).

Note :—Permanent Government servants of the Union Government or other State on deputation to this State should be treated as temporary for the purpose of these rules.

Interest

(3) Simple interest should be charged at the rate fixed by the Government from time to time.

Repayment

(4) (a) The principal of an advance should be recovered in equal monthly installments by compulsory deductions from the pay of the borrowing Government servant, beginning with the first payment of a full month's pay after the advance is drawn provided that a borrower may repay two or more installments at the same time. The amount of the monthly installments other than the last should be fixed in whole rupees, and as the last instalment the remaining balance including any fraction of a rupee should be recovered. The maximum number of monthly installments in which the sanctioning authority may permit the principal of an advance of each kind to be repaid is as follows:

- | | | |
|------|--|--|
| A(1) | Advances for the purchase of Motor Cars, | The Principal of the loan shall be recoverable in 90 monthly installments and interest accrued thereon in 30 monthly installments. |
| A(2) | Advances for the purchase of Motor Cycles. | The principal of the loan shall be recoverable in 60 monthly installments and interest accrued thereon in 12 monthly installments. |

Such of the officers who are eligible for both the advance shall be sanctioned only one of the advances i.e., either for Motor car or Motor cycle.

- | | | |
|-----|--|---|
| (B) | Advances for the purchase of Conveyances not included | 24. In the Case of Bicycle advance, the amount of interest amount shall be recovered shall be in item (A). recovered in 2 installments. |
| (C) | Passage advances | 36. |
| (D) | Advances for the purchase and construction of houses. | 120. (Principal together with interest). |
| (E) | Advances for the purchase of horses and saddlery. | 36. |
| (F) | Other advances Advances for the purchase of typewriters. | 12. |

In the case of non-gazetted Government servant where the head of office draws and disburses the pay and allowances and makes the recovery of advances paid to Government servant, the responsibility to calculate interest due lies with the head of office. The Accountant-General will furnish such particulars as the head of office may require for calculation of interest, as well as such assistance he may need.

[**Note (1)** :—Deleted by Memo.No. 68759, B/1981/Accts./Dt. 21-8-1974.]

Note (2) :—No interest is to be collected from the loanee for any period beyond the date of his retirement on that portion of the outstanding advance (referred to in Article 226) as interest on the date of retirement would be wiped off by adjustment of the gratuity or the leave salary payable to him by the Government.

The recovery of interest should begin with the pay of the next month after the repayment of the principal is completed. If the total amount of interest to be charged does not appreciably exceed the amount fixed for the equal monthly installments for recovery of the principle, it should be recovered in a single instalment; otherwise it should be recovered in installments not appreciably exceeding that amount. Interest may however, be calculated for the last month of recovery upto the date of repayment and no interest need be charged for the day of repayment. (Memo.No.103608/Accts./60-1,Dt.27-1-1961).

(b) Unless otherwise provided in the rule applicable to advances of a particular kind, the amount of the monthly installments to be recovered on account of an advance should not be changed by reason of the borrowing Government servant's going on any kind of leave with leave salary or his drawing subsistence grant. In special circumstances the head of the department may recommend that the Government should reduce the monthly installments in a particular case for the duration of the period during which the borrower does not draw pay. The whole amount due should, however, always be completely recovered within the period originally fixed unless, for exceptionally strong reasons, the Government sanction a special extension of that period.

(c) Penal interest at 7% per annum shall be collected from the loanees who either apply and or draw loan amounts but fail to utilise the amounts within the period stipulated in the rules without specific permission of the Government or utilise them for clearance of private debts. In the former category penal interest shall be levied for the period not covered by Government sanction, This will be without prejudice to summary recovery which may also be ordered by Government. (Memo.No. 49878/Accts./61-2, Dt. 23-9-1961).

(A) AND (B) ADVANCES FOR THE PURCHASE OF CONVEYANCE

(i) GENERAL

Sanctioning authority

ARTICLE 228. All the Heads of Departments declared as such under Appendix I of Andhra Pradesh Financial Code Vol. II may sanction advances to Gazetted and Non-Gazetted Government Servants under their control for the purchases of conveyances inclusive of Motor Car and Motor Cycle.

Exception :—The application of the Heads of Department themselves and All India Service Officers for sanction of advances for purchase of conveyances shall be dealt with by the Government.

Note :—The following authorities are empowered to sanction advances for the purchase of conveyances other than a Motor Car and Motor Cycle.

- (i) Translator to Government and Ex-Officio Registrar of Books.
- (ii) Chairman, Tribunal for Disciplinary Proceedings.
- (iii) Director of Civil Supplies.
- (iv) Chairman, Sales-tax Appellate Tribunal.
- (v) District Collectors.

Procedure for Sanction

ARTICLE 229. Every application for an advance should be referred to the Accountant-General for remarks as to whether the grant of the advance would involve any departure from the ordinary rules and what amounts, if any, are outstanding against the applicant on account of advances of all kinds. The sanctioning authority should specify in the sanction order a date by which the advance should be drawn, which should be within two months from the date of sanction. The sanction order lapses, if the advance is not drawn by the specified date. (Memo.No. 44824/1513/Accts./63-7, Dt. 16-3-1964).

The applications of Non-gazetted Officers for other than H.B.A. need not be referred to Accountant-General. The application for H.B.A. in respect of Non-gazetted Officers and all loan applications of Gazetted Officers have to be referred to Accountant-General for security.

In respect of Gazetted Officers working in Districts and all non-gazetted Officers shall be dispensed with the above procedure with immediate effect. In respect of Gazetted Officers working in the twin cities of Hyderabad and Secunderabad whose pay particulars are maintained by Pay and Accounts Officer, the Pay and Accounts Officer, Hyderabad shall scrutinise the loan application before Sanction is accorded by the concerned Administrative Department of Secretariat. (G.O.Ms.No.92, Fin(A.&L) Dept., Dt.18-3-78)

(ii) ADVANCES FOR THE PURCHASE OF MOTOR CARS

ARTICLE 230. These advances are sanctioned subject to the provisions of Articles 227, 228 and 229 and the following rules :

Eligibility of Government servant for and advance

(a) Advances will be given to all the officers of the State Government including the I.A.S. Officers working in the State Government and drawing basic pay of Rs. 1,250/- p.m. and above.

(G.O.Ms.No. 35, Fin & Plg. Dt. 27-2-1981).

Conditions on which an advance is granted

(b) The grant of an advance is subject to the following conditions :

(1) Except in the case mentioned in condition (3), clause (ii) below a Government servant is not eligible for an advance on account of a motor car of which he has already taken delivery in India when he submits his application for an advance.

Note :—If Government servant on duty in India who has applied for an advance from the Government has a favourable opportunity of buying a suitable car, he may take delivery of it on payment of the whole or any portion of its purchase price, to be recouped later from the advance already applied for, if and when the Government sanction it.

(2) Pay range and maximum amount of loan.

Pay Range	Maximum amount of loan
All officers of the State Govt. including IAS. Officers working in the State and drawing a pay of Rs. 1,250/- per month and above.	25 times of basic pay subject to a maximum of Rs. 44,000/- or the actual price of Motor Car to be purchased which-ever is the least.

(G.O.Ms.No. 35, Fin. & Plg., Dt. 27-2-1981)

If the anticipated price of the car or the cost of the new motor car minus the sale proceeds of the Government servant's old car, in any case, is less than the above mentioned ceiling, the smaller amount should be sanctioned. But in cases when a period of one year has elapsed since the sale of the old car, full amount of entitlement as above should be sanctioned without taking into account the sale proceeds of the old car.

(Memo.No.- 59692-A/58/Accts./67-13, Dt. 28-6-1969).

(3) (i) When the Government sanction an advance to a Government servant who is on leave in India, Ceylon, Nepal, Burma, or Aden, or about to proceed on such leave, he is not allowed to draw it earlier than a week before the expiry of his leave.

Note :—No advance is admissible to Government servant for the purchase of motor car abroad, either while on leave or on deputation out of India, Ceylon, Nepal, Burma, or Aden.

(ii) A Government servant who trades in his old car when he goes on leave on condition that the firm shall supply him with a new car on his return from leave, may, soon taking delivery of the new car, apply for an advance not exceeding the amount which he had actually paid in cash towards the price of the new car.

(4) Except when a Government servant proceeds on leave other than leave on average pay not exceeding four months, or retires from the service, or is transferred to an appointment the duties of which do not render the possession of a motor car necessary, he may not without the Government's previous sanction sell a car purchased with the aid of an advance which, with the interest on it in accordance with Article 227(3) and (4), has not been fully repaid. If a Government servant wishes to transfer such a car to another Government servant who performs duties for which a motor car is necessary, the Government may permit the transfer of the liability attaching to the car to the latter Government servant, provided that he records a declaration that he is aware that the car transferred to him remains subject to the mortgage bond that he is bound by its terms and provisions.

(5) Whenever a Government servant sells a car before completing the repayment of an advance received from the Government for its purchase with the interest on it in accordance with Article 227(3) and (4), he should apply the sale-proceeds, so far as may be necessary, towards the repayment of the outstanding balance due to the Government. If however, the borrower sells the car only in order to purchase another car, the Government may permit him to apply the sale-proceeds towards the purchase, subject to the following conditions—

(i) If the amount outstanding exceeds the cost of the new car the Government servant should repay the excess to the Government immediately.

(ii) The Government servant should continue to repay the amount outstanding by the monthly installments already fixed.

(iii) The new car should be purchased within one month from the date of sale of the old car and it should be insured and mortgaged to the Government as required by the rules. (Memo.No. 87404/Accts./60-1, Dt. 3-11-1960).

(6) A further advance may be sanctioned to a Government servant for the purchase of a second motor car when he already has car bought with the aid of an

advance on account of which there is a balance still outstanding, provided that it is shown to be clearly desirable in the public interest for him to possess two cars, and provided that the total amount outstanding against him at any one time on account of both advances does not exceed the permissible maximum.

(7) Every Government servant who applies for an advance should forward with his application an agreement executed by him in the prescribed form. If the advance is granted, he should execute a mortgage bond in the prescribed form after buying the car and should also insure the car.

(8) No Officer shall be granted a fresh car advance until five years have elapsed from the date of availment of the previous loan, If a Government wishes to sell the car he is having and purchase another car with the aid a Government loan, he shall obtain the prior permission of the Chief Secretary to the sale of his car; otherwise his loan application will not entertained. The sanctioning authority shall furnish a certificate with the orders sanctioning the advance, that the advance is either a first advance or a second advance sanctioned after a period of five years of the previous advance.

No second advance for purchase of Motor Car/Cycle shall be sanctioned to a Govt. servant who mis-utilised the Previous loan. (G.O.Ms.No.4, Fin & Plg., Dt.19-2-82).

(9) Such of the Officers who are eligible for both Motor Car and Motor Cycles advances shall be sanctioned only one of the advances either for Motor Car or Motor Cycle, as the case may be. (G.O.Ms.No. 35, Fin. & Plg., Dt. 27-2-1981).

Procedure

(c) (1) A Government servant who is eligible for and requires an advance should submit has application in Form 12.

(2) A Government servant who requires an advance for the purchase of a motor car should submit with his application an agreement executed by him in Form 13 or Form 13-C as the case may be. If the application and agreement are in order, the head of the department should certify accordingly and forward them to the Government through the Accountant- General for his remarks with reference to article 229. If, for any reason, the sanctioning authority has to return the application or the agreement for correction, the Government servant should resubmit the revised application or agreement through the head of the department who should certify as to its correctness.

(Memo.No. 44824/1513/Accts.163-7, Dt. 16-3-1964).

(3) A Government servant who draws an advance should pay finally for and take delivery of, the car within one month from the date of drawing the advance; otherwise he should repay to the Government at once the full amount of the advance drawn with interest on it for one month. If he completes the transaction within the one month allowed, he should then immediately execute a mortgage bond in Form 14, hypothecating the car to the Government as the security for the advance. He should enter the actual price paid for that car in the schedule attached to the bond and attach stamped receipt for the amount paid. The sanctioning authority should see that the borrower completes the transaction within the time allowed or makes the necessary repayment immediately on its expiry. Extension of time upto a reasonable period may be allowed in those cases where the purchase of the vehicle or other formalities are delayed due to

the circumstances beyond the control of the loanee. Finance Department may sanction extension of time in deserving cases. All applications for grant of extension of time should be referred to the Finance Department by the sanctioning authorities through their respective Department of the Secretariat. If he duly completes the transaction in time, the sanctioning authority should see that he immediately submits the necessary mortgage and duly executed and should transmit it promptly to the Accountant-General for scrutiny. It should after such scrutiny be forwarded to the Government for custody.

(Memo.No. 46199-A/1180/Accts./66-1, Dt. 16-9-1960)

Note 1 :—For the purpose of loans for the purchase of Motor Car/ Motor Cycle the expression actual price, occurring in the seventh line of the above para and also in Article 232 (b)(i) and Form 13 of Andhra Pradesh Financial Code Volume I, should be considered as referring to the price paid by the Government servant as the cost of motor car/cycle and should be interpreted as excluding extraneous items of expenditure as insurance, registration charges and the cost of additional accessories, fittings spare wheels, etc., which are incurred for running the motor vehicle.

(Memo.No. 58973/Accts./61-1, Dt. 20-9-1961).

When second hand conveyances are purchased out of the advance granted by the Government, the labour charges incurred, besides the cost of such essential spare parts as are purchased for making the conveyance road worthy, should also be reckoned against the actual price of the conveyance subject to the condition that such accessories are bought and/or labour charges are incurred within three months of the date of purchase of the conveyance and that the amount does not exceed Rs. 500 in the case of cars and Rs. 200 in the case of motor cycles. These orders will be applicable to cases where conveyances are purchased after 18th March 1963, i.e. the date of issue of G.O.Ms.No. 223, Finance (C.P. &L.), dated 18-3-1963.

(Memo.No. 20654-A/836/Accts./63-2, Dt. 25-4-1963).

Note 2 : —Penal interest at 11/2 times the normal rate shall be collected from the loanees who fail to utilise the amounts and to complete the order formalities including insurance or renewal of insurance etc. within the period stipulated in the rules, without specific permission of the Government and also who misuse the loan amount. The penal rate of interest will be calculated on the balances outstanding for the actual period in excess of the stipulated period. If any extension is granted in a case penal interest will be charged on the expiry of the extended period.

In the above said cases, the penalty levied will not exceed 11/2 times the normal rate, even though it is levied at three times the annual premium charged by any reputed insurance company.

(G.O.Ms.No. 42, Fin. & Plg. Dt. 19-2-1982).

Submission of documents — Instructions

According to Article 230(c)(3) of Andhra Pradesh Financial Code Volume I, a Government servant who draws an advance for the purchase of Motor Car/Cycle shall purchase the vehicle within one month from the date of drawal of the advances and he should then immediately execute mortgage bond hypothecating the car/cycle to the Government as the security for the advance and submit other documents.

The Board of Revenue have brought to the notice of the Government that there is not time limit fixed for the execution of Mortgage Bon and submission of documents by the loanee and they have suggested to fix time.

Government after careful consideration hereby order that the Government servants who have drawn an advance for the purchase of Motor Car/ Cycle shall execute the Mortgage Bond and submit documents within fortnight from the date of purchase of the vehicle.

(Memo.No. 51835/1131/A.&L./75 (Fin. & Plg.) Dt. 18-10-1975).

Date of sanction of advances should be the crucial date for the determination of pay for the purpose of Motor Car/Cycle advances.

[Memo.No. 57425-A/1953/Accts./65-2, Dt. 29-11-1965]

(4) The mortgage bond to be executed by a Government servant who draws an advance provides that he shall keep the car insured against loss or damage by fire, theft, or accident. He should effect the necessary insurance from the date of purchase of the car. Insurance on owner driven or other similar qualified terms is not sufficient for the purpose of this rule, but insurance at a reduced rate of premium in consideration of (i) the owners undertaking to meet up to the first Rs. 250 of any claim under the policy, or (ii) the car's not being insured against accident for any season of the year during which it is not in use but is a garage, should be accepted as adequate.

(Memo.No. 10467-8/A/Accts./60-4, Dt. 3-4-1961).

If the borrower fails to insure the car he should refund the whole of the advance with the interest that has accrued on it. The amount for which the car is insured during any period should not be less than the outstanding balance of the advance with the interest that has accrued at the beginning of that period, and the insurance should be renewed from time to time until the amount due is completely repaid. If at any time the amount for which the car is actually insured is less than the outstanding balance of the advance including the interest that has already accrued the Government servant should refund the difference to the Government in more than three monthly installments. In the case of insurance policies under which the companies will be liable to pay only the market value or the insured value of the car, whichever is less, the difference between the market value and the outstanding advance against the officer, including interest, should be refunded by the officer ordinarily in three monthly installments.

On receipt of the sanctioning authority's certificate prescribed in the last sentence of sub-clause (2) above, the Accountant-General will obtain from the borrower a letter in Form 15 to the Insurance Company with which the car is insured informing them that the Government are interested in the insurance policy, and will forward this letter to the Company with the necessary endorsement and obtain their acknowledgment. The Accountant-General should repeat the same procedure whenever the policy is about to fall due for renewal, so long as any amount remains outstanding on account of the advance. He should also require the borrower to produce his receipt for the renewal premium on each such occasion before the date on which the policy is due for renewal, and should scrutinize it to see that it is in order.

Advances to Government servant on foreign service

(d) When a Government servant who is on foreign service requires an advance for the purchase of a motor car, he should apply to the foreign employer to grant it from its funds. If the foreign employer wishes to grant the advance, he should apply to the Government for their sanction. If the Government accord their sanction, it will be subject to the proviso that the advance by the foreign employer shall be regulated by the same conditions as would apply to an advance by the Government. If the foreign employer is not willing to grant the advance but recommends that the Government should do so, the Government may, if they think fit, sanction the grant of the advance from the State funds

under these rules, provided that the Government servant's duties make a motor car practically a necessity for him.

Exception :—The above rule, so far it relates to the debit of the advance will not apply to a Government servant whose services are lent to a local body. The advance sanctioned to such a Government servant will be met from the State funds.

(iii) ADVANCES FOR THE PURCHASE OF MOTOR CYCLES

Eligibility of Government servants for an advance

ARTICLE 231. Article 230 applies mutatis mutandis to advance for the purchase of a motor cycle, subject to the following modifications—

(a) The advance will be given for the purchase of a Motor Cycle to all officers of the State Government who are drawing a basic pay of Rs. 600/- p.m. and above.

(b) The total amount to be advanced to all officers of the State Government for the purchase of Motor Cycle shall not exceed 15 times of basic pay subject to maximum of Rs. 9,000/- or actual price of the Motor Cycle whichever is the least.

(Substituted as per G.O.Ms.No. 35. Fin. & Plg., Dt. 27-2-1981).

Authority Competent to sanction

(c) All Heads of Departments declared as such under Appendix I of Andhra Pradesh Financial Code, Volume II may sanction advance to Government servants under their administrative control for the purchase of motor cycles.

(Memo.No. 44868/1410/Accts./62-1 , Dt. 29-6-1962).

Delegation of powers to Heads of Departments

In Government order read above orders were issued delegating the powers to Heads of Departments declared as such under the Andhra Pradesh Financial Code to sanction Motor Cycle Advances and other conveyances to Government servants under their administrative control and also discharge the other functions of a sanctioning authority. It has come to the notice of the Government that some Heads of Departments are not sanctioning the Motor Cycle Advances and they are referring the cases to the concerned administrative departments in the Secretariat.

As the powers delegated is based on the recommendations of the Administrative Reforms Committee, all the Heads of Departments declared as such under the Andhra Pradesh Financial Code are informed that they can sanction of Motor Cycle Advances to Government servants under their administrative control and also discharge the other functions of a sanctioning authority.

The cases of Heads of Departments themselves and All India Service Officers will however, be dealt with at the Government level only. (G.O.Ms. No. 274, Fin. & Plg. Dt. 15-10-1975 & G.O.Ms.No. 201, Fin. Dept.. Dt. 22-5-1962).

(iv) ADVANCES FOR THE PURCHASE OF CONVEYANCES OTHER THAN MOTOR CARS AND MOTOR CYCLES

ARTICLE 232. The grant of these advances is governed by Articles 227, 228 and 229 and the following rules

Eligibility for an advance

(a) A Government servant who is not holding a post which would ordinarily be held by a member of an All-India Service or a low paid post as an attainer or peon, etc. is eligible for an advance if his post entails duties, involving towing or if, in the case of an application for an advance for the purchase of a bicycle, the Government consider that the possession of a bicycle would increase his efficiency.

Note 1 :—Attainers of the Secretariat may be granted advances for the purchases of bicycles—See also Note under the first sub-paragraph of Article 227(4)(a).

Note 2 :—No second advance should ordinarily be granted within three years of a previous advance, unless satisfactory evidence is produced by the Government servant concerned to the effect that the conveyance purchased with the help of the previous advance sanctioned is either a first advance or a second advance sanctioned after a period of three years of the previous advance. In other cases he should certify that he has satisfied himself that the conveyance for the purchase of which the previous advance was drawn by the Government servant was lost or has become unserviceable as the case may be.

Conditions on which an advance is granted

(b) (i) An advance should not exceed Rs. 350 or four month's pay or the estimated price of the conveyance whichever is the least. If the actual price paid is less than the advance taken, the balance should be refunded to the Government immediately.

(G.O. Ms No. 29 Fin. & P1g. Dt 5-2-1981).

Note :—Agricultural Demonstrator may be granted an advance not exceeding Rs. 366 in each case for the purchase of motor attachments for their push cycles See also Note under the Paragraph 4(a)(b) of Article 227. (Memo.No.31143 Exp. C/55-2, Finance, Dt 20-6-1955).

A Government servant who takes an advance should, within one month after drawing the advance, furnish the Accountant-General with a certificate stating either (1) that he has utilized the full amount of the advance for the object for which it was granted, or (2) that he has refunded into the treasury the balance of the advance in excess of the actual price paid for the conveyance. The gazetted officer, or the Head of the office, who draws the pay bill of the Government servant concerned should attach a certificate on the first pay bill cashed after the advance has been drawn and utilized that he has seen the conveyance and the voucher for its purchase. If the Government servant draws his own pay bill, the certificate should be furnished by the gazetted officer under whose immediate control he is working.

Note :—For the purpose of loans for the purchase of motor car/motor cycle the expression "actual price", occurring in the above paragraph and also in the agreement form (Form 13 of Andhra Pradesh Financial Code Volume I) should be considered as referring to the price paid by the Government servant as the cost of motor car/cycle and should be interpreted as excluding extraneous items of expenditure as insurance, registration charges and the cost of additional accessories, fitting spare wheels, etc., which are incurred for running the motor vehicles.

(Memo.No. 35674/Accts./61 -I Dt 19-9-1961).

(ii) A conveyance bought with an advance will be the property of the Government until the advance has been fully repaid together with the interest due on it. So long as a Government servant who has taken an advance still owes the Government anything in respect of it, he should submit to the head of his office every month a

certificate that the conveyance is in his possession and in good order. This certificate should be furnished before the Government servant's pay is disbursed, it should be attached to the pay bill if the Government servant draws his own pay bill and otherwise to the acquittance roll. The conveyance may, if necessary, be sold or otherwise disposed of with the previous sanction of the head of the department, provided that the sale- proceeds are applied towards the repayment of the advance and the interest due on it so far as may be necessary.

(iii) Such of the officers who are eligible for both Motor Car and Motor Cycle advances shall be sanctioned only one of the advances either for Motor Car or Motor Cycle, as the case may be. (G.O.Ms. No. 35 Fin. & Plg. Dt 27-2-1981).

Advances to Rural Medical Practitioners for the purchase of bicycles

Article 232-A. These advances are sanctioned, subject to the following rules and the provisions of Articles 227, 228 and 229 to the extent they are not inconsistent with the rules laid down in this Article :-

(1) **Eligibility for an advance** :—Advance will be granted for the purchase of bicycles to Rural Medical Practitioners working in Rural Subsidized Dispensaries except B class Practitioners working temporarily as Rural Medical Practitioners.

(2) **Conditions for the grant of an advance** :—The grant of an advance is subject to the following conditions :

(i) The advance will be limited to 80 per cent of the estimated cost of the bicycle, or Rs. 160 whichever is less.

(ii) The Rural Medical Practitioner who takes an advance should within one month after drawing the advance furnish the Accountant-General with a certificate stating either—

(a) that he has utilized the full amount of the advance for the purchase of a bicycle; or

(b) that he has refunded into the treasury any unutilized balance of the advance specifying the amount refunded.

(iii) The bicycle purchased with the advance should be mortgaged to the Government as security for the advance till it is completely repaid. The mortgage bond will be in Form 14-A. The procedure relating to the execution, examination and custody of the mortgage bond in respect of the advances for the purchase of motor cars! motor cycles laid down in Articles 230 and 231 will apply mutasis mutandis to the bonds executed by the Rural Medical Practitioner in subsidized dispensaries for the purchase of bicycles.

(3) **Procedure for application** :—A Rural Medical Practitioner who is eligible for and requires an advance should submit with his application an agreement executed by him in form 13-A to the President of the Zilla Parishad concerned who will send them to the Director of Medical Services, in the case of Registered Medical Practitioners working in Rural Subsidized Dispensaries of Indian Medicine and to the Honorary Special Officer, Indian Medicine Department in the case of those working in Dispensaries of Indigenous Medicine. The Director of Medical Services and the Honorary Special Offi

cer, Indian Medicine Department, should forward the applications to the Government through the Accountant-General.

(4) **Repayment of advance** :—The advance shall be recovered in ten monthly installments from the subsidies payable to the Rural Medical Practitioners, with interest at such rate as may be fixed by the Government from time to time.

The Treasury Officers concerned will be responsible for effecting the recoveries regularly from the subsidies payable till the advances are fully repaid with interest.

(C) PASSAGE ADVANCES

ARTICLE 233. The interest bearing “passage advances” falling under this head are granted to Government servants who are entitled to passage benefits as a condition of service but have exhausted them. (“Advances of passage money” are granted free of interest to Government servants who have never been entitled to any Government passage benefits — See Article 243).

A passage advance may be granted to a Government servant to enable him to meet the cost of passages by sea or air from a port in India to a port outside Asia for himself and members of his family (i.e., his wife, legitimate children and stepchildren residing with and wholly dependent upon him) and of the return voyage, subject to the general principles and conditions laid down in Article 227 and to the following rules :—

Eligibility of Government Servants for an advance

(a) (i) A gazetted Government servant of Non-Asiatic domicile holding substantively a permanent post under the Government, including a military Commissioned Officer in civil employ is eligible for an advance if he was entitled to passage benefits under Rule 12 of the Superior Civil Services Rules or under the Civil Services (Classification, Control and Appeal) Rules but exhausted them in respect of the person or persons for whose passages the advance is required.

Note :- A Government servant's domicile is determined for this purpose by the criteria laid down in Appendix B to Schedule IV of the Superior Civil Service Rules.

(ii) A Government servant is eligible for an advance on account of a member or members of his family, if otherwise admissible, even when he does not intend to travel with him.

(iii) A Government servant who does not intend to return to civil duty on the expiry of his leave is not eligible for an advance. When applying for an advance, a Government servant should submit a certificate that he intends to return to civil duty on the expiry of his leave, and also state whether he has taken, or intends to apply for, an advance for the same purpose from any General provident fund.

Sanctioning authority

(b) The High commissioner for India may sanction an advance to a Government servant who is on leave and draws his leave salary in London for the cost of return passages to India for the government servant and his family provided that no advance has been made for the same journey previously. Apart from that exception, the Government alone have power to sanction an advance.

Conditions on which an advance is granted

(c) (i) The amount of each advance should be a number of rupees which is a multiple of thirty-six and should not exceed Rs, 5,976 or four month's pay or the amount actually required at the time for the purpose for which it is granted whichever is less. When an advance had been sanctioned previously the amount of any further advance should be so restricted that the total amount outstanding will not exceed the above limits.

(ii) An advance should be recovered in installments in the manner indicated in Article 227, subject to the following further conditions

(1) When more than one advance has been sanctioned each advance should be treated separately for the purpose of making recoveries.

(2) The first instalment should ordinarily be recovered on the first occasion on which the borrower draws a full month's pay after drawing the advance and no recovery should ordinarily be made whilst the borrower is on leave. If, however, the borrower retires or is granted permission to retire as from the expiry of his leave, the outstanding balance of the advance (with the interest, if any due on it) should ordinarily be recovered at once, but if recovery in one instalment is likely to cause undue hardship, the Government or the High Commissioner for India may allow monthly recoveries to be made from the borrower's pension or leave salary at a rate of not less than half the monthly amount of the pension or leave salary. (In applying this rule, the amount to be handed over to a provident fund subscriber on his retirement should be taken into consideration).

(3) The borrower should submit to the Accountant-General or, if the advance is paid in England, to the High Commissioner for India, within three weeks of the receipt of the advance, receipts showing the amount actually paid for the passages for which the advance is granted. If however, the time allowed for submission of the receipts may be extended by two months. If the receipts are not produced within the time allowed, the amount advanced (with the interest, if any, due on it) should be recovered at once. If the receipts produced are for an amount less than that advanced, the balance should be recovered at once.

(iii) Immediately on receipt of the advance the borrower should sign and submit to the Government an agreement in Form 16.

(D) ADVANCES FOR THE PURCHASE AND CONSTRUCTION OF HOUSES

Article 233-A. Subject to the provisions of Articles 227 and 229 these advances are governed by the rules framed in G.O.Ms.No. 368, Finance, Dt 26-3-58 as subsequently amended from time to time.

Note :—A printed booklet containing the “Rules for the grant of Loans to Government servants for house building purposes” has been issued separately in Finance Department which should be referred to. (Memo.No. 6209-A/Accts/64-2,173-A, Dt 19-10-1964).

(E) ADVANCES FOR THE PURCHASE OF HORSES AND SADDLERY

Article 233-B.(1) The advances are subject to the provisions of Article 229 to the extent they are not inconsistent with the rules laid down in this Article.

(2) Officers of the Indian Administrative Service engaged on district administration are eligible for the advance.

(3) The advances will be sanctioned by the Government. The amount of advances should not exceed Rs. 1000 or the anticipated price of the horse and saddle, whichever is less. If the actual amount paid for purchase is less than the advance drawn, the balance should be refunded to the Government forthwith.

(4) Every application for an advance should be in Form 12-A and it should be forwarded to the Government together with an agreement in Form 13-B through the proper channel and the Accountant-General. In forwarding the application to the Government, the Accountant-General will state whether funds are available for the advance applied for, and what amounts if any are outstanding against the applicant on account of advances of all kinds, the Government will specify' in the sanction order a date by which the advance should be drawn which will not be more than a month later than the date of receipt of the Accountant-General's certificate. The sanction order will lapse if the advance is not drawn by the specified date.

(5) A second advance can be given only after the previous advance together with interest accrued has been repaid in full.

(6) The horse must be purchased within one month of the drawal of the advance. Failing this, the full amount of the advance with interest thereon for one month must be refunded to the Government. The receipt for the purchase should be forwarded to the Accountant-General for perusal and return.

(7) Recovery of the advance will be made in not more than 36 equal monthly installments by compulsory deductions from the pay bill of the Officer concerned, beginning with the first payment of a full month's pay after the advance is drawn provided that a borrower may repay two or more installments at the same time. Each monthly instalment will be an amount expressed in whole rupees, except the last one, when the remaining balance including any fraction of a rupee will be recovered.

(8) Interest will be charged on the advance at the rates prescribed by the Government from time to time which will be mentioned in the order sanctioning on the last day of each month and will be recovered in one or more installments, the amount of each such instalment being not appreciably greater than the amount fixed for the equal monthly installments for the recovery of the principal. The recovery of the interest will commence from the month following that in which the whole of the principal has been repaid.

(9) No horse and saddle purchased with an advance from the Government should be sold except with the previous sanction of the Government, unless the advance with the interest has been repaid in full. On the sale of a such horse and saddle the whole amount due to the Government must be refunded immediately, even if the amount then due to the Government be greater than the sale proceeds unless the Government sanction in writing the utilisation of the proceeds towards the purchase of another horse and saddle, subject to the limit of advance and other conditions herein prescribed and in that case, the officer concerned must execute a fresh agreement in Form 13-B.

(10) If an officer dies, retires or is discharged or dismissed from or quits the service of the Government during currency of the loan, the whole amount outstanding with interest accrued thereon will be recoverable at once.

(11) The horse will remain the property of the Government until the advance with interest is repaid in full.

(12) In the event of death of the horse due to natural or other causes recovery of the outstanding advance should continue to be made in accordance with the provisions contained in Rule 7 above.

(13) Within one month from the date of drawing the advance and after having purchased the horse, the Government servant should execute a mortgage bond in Form 14-B hypothecating the horse to the Government as security for the advance. The District Collector will transmit promptly the mortgage bond to the Accountant-General for scrutiny. It will, after such scrutiny be forwarded to the Government for safe custody.

(F) OTHER ADVANCES

(i) General

ARTICLE 234. These include (a) advance for the purchase of typewriters and (b) special advances such as those occasionally granted to Government servants who go abroad to pursue higher studies. The rules regarding advances for the purchase of typewriters are contained in Article 235. Special advances are granted by the Government only in exceptional cases and for specially strong reasons. When the Government grant a special advance, they specify in their order the conditions subject to which it is granted.

(ii) Advances for the purchase of typewriters

ARTICLE 235. An advance not exceeding Rs. 400 may be sanctioned for the purchase of a typewriter, subject to the general principles and conditions laid down in Article 227 and to the eligible for an advance.

Procedure for payment of an advance

(b) A Government servant who is eligible for and requires an advance in order to purchase a typewriter should apply to the Director of Stationery (through the head of the office in the case of a Section Officer of the Secretariat including the Secretariat of the Legislature) for the supply of the machine required, stating that he wishes the cost to be treated as an advance to him. The Director of Stationery will then arrange for the dealers to supply the typewriter to the Government servant and for the Accountant-General to pay the cost to the dealers by debit to the concerned head. No amount should be paid in cash to the borrower.

Conditions on which an advance is granted

(c) An advance should be recovered in installments in the manner indicated in Article 227. A typewriter bought with an advance will be the property of the Government until the advance has been fully repaid together with the interest due on it.

Note :—Gazetted Government servants on a pay exceeding Rs. 500 a month are allowed to buy typewriters through the Director of Stationery at the price at which they are supplied to the Government. On receipt of and requisition from any such Government servant, the director of Stationery will arrange for the dealers to supply the machine required direct to the Government servant at that price and to send the bill for it to the Government servant for payment direct.

(iii) ADVANCES REPAYABLE

General

ARTICLE 236. The transaction of Government business often necessitates the placing of funds at the disposal of Govt servants as temporary cash advances for public purposes. These are subsequently adjusted as expenditure under the appropriate heads account or recovered from the parties concerned. When such advances are free of interest, they are shown in the accounts as “Advances Repayable”, under the following minor heads:—

(i) Civil advances, (ii) Special advances. (iii) Revenue advances. (iv) Forest advances.

The rules applicable to each of these classes of advances are contained in the following Articles. Clauses (1) and (4)(b) of Article 227 also apply to these advances.

(i) CIVIL ADVANCES

Classes of advances

ARTICLE 237. The following are some of the classes of advances included under this head :—

- | | |
|----------------------------------|---------------------------------------|
| (1) Objection ‘book advances. | (2) Advances of passage money. |
| (3) Advances to junior Indian | (4) Advances for the encouragement of |
| Administrative Service Officers. | legal studies in England. |

They are dealt with in article 238 to 245.

(1) OBJECTION BOOK ADVANCES

Classes and advances

ARTICLE 238. These include the following :

- (A) Advances on transfer,
- (B) Advances on return from leave or special duty out of India and on first appointment.
- (C) Advances to patients sent for anti-rabic treatment.
- (D) Advances to Government servants on transfer to and from foreign service.
- (E) Advances to Government Servants Proceeding on deputation outside India
- (F) Festival Advances.
- (G) Ex-gratia payment to the families of Govt. Servants who die while in service.

The conditions on which these advances are granted are set out below.

Note 1 :—For advances for journeys on tour, which are debited to the service head concerned, See Articles 84 and 100.

Note 2 : —Officers who draw establishment bills should maintain a separate register in which they should enter all the particulars regarding advances of pay etc., sanctioned to the

members of the establishment and also advances noted as outstanding in the last pay certificate, of Government servants transferred to their offices. The amount of the advance in each case should be shown as outstanding until it is completely recovered or the outstanding balance is entered in the last pay certificate of the officer. The register should be consulted whenever a last pay certificate is prepared.

Note 3 :- Advance of pay is not admissible in the case of transfers in which no public interest is served.

(A) Advances on transfer

ARTICLE 239. These advances are granted in accordance with the following rules:—

Eligibility of Government servants for an advance

(a) Advances of pay and/or travelling allowance granted to (1) a Government servant who receives an order of transfer during duty of leave, (2) a Government servant employed in the Secretariat in respect of each authorized move to and from Waltair and (2) a gazetted or a non-gazetted Government servant of Raj Bhavan for the move to and from Waltair every year in connection with the Summer Camp of the Governor falls under this head.

Sanctioning Authority

(b) The authorities shown below have power to sanction these advances to the extent indicated against each.

<i>Nature of Advance</i>	<i>Authority competent to grant sanction</i>
Advance of pay and/or transfer T.A. to permanent or Officiating Government Servant who are approved probationers to temporary Government Servants who are likely to be discharged within four months.	All Government Servants who are authorized to draw pay & T.A. bills of establishments are also authorized to sanction advance of pay and/or transfer T.A. Provided that no such advance is sanctioned to a temporary Government Servant who is likely to be discharged within 4 months unless a personal security bond is furnished in form II duly executed by the borrower together with a permanent Govt.Servant drawing a pay not less than of the borrower as surety guaranteeing the payment of the advance.

(Memo.No. 70662/975/A.&L./71- 11, Fin., Dt. 17-12-1974).

Note :—Government Servants authorised to draw pay and travelling allowance bills of establishments may sanction advance or pay and travelling allowance to themselves.

Exception 1 :—The above rule will not apply in the case of Assistant Inspectors of Labour. The authority to sanction advances of pay and travelling allowance on transfer to the Assistant Inspectors of Labour is the Commissioner of Labour.

(Memo.No. 48984/Exp. B/54-1, Fin., Dt. 14-12-1954).

Exception 2 :—The Superintendent of Police, Commandants and other Heads of Offices of equivalent or higher rank in the Police Department may sanction advances of pay and travelling allowance on transfer to officiating Police personnel who are approved probationers without insisting on the surety of a permanent Government Servant, provided the drawing Officer is satisfied that the Government Servant is likely to continue in the service and that there is every possibility of recouping the amount of advance sanctioned. (Memo.No. 24033/Accts./61 -1, Dt. 26-4-1961).

Exception 3 :—The Joint Collectors are authorised to sanction advance of pay and travelling advances to themselves on transfer. (Memo.No. 10146/298/Accts/64-1, Dt. 18-2-1964).

Conditions on which an advance is granted

(c) (1) An advance should not exceed one month's pay (excluding overseas pay) which the Government Servant is in receipt of immediately before transfer of one month's pay of the new post to which the Government Servant is entitled after reporting to duty whichever is less, plus the Travelling Allowance which he is expected to become entitled, under the rules in consequence of the transfer to another Station.

(Memo.No. 70662/975/A.&L/71-11, Fin., Dt. 17-12-1974).

(2) An advance on account of a transfer should invariably be recorded of the Government Servant's last pay certificate. (See also instruction 1 (f) under Treasury Rule 19).

(3) The advance of pay should be recovered from the Government Servant's pay in three equal monthly installments, and the first instalment should be deducted from the first full month's pay drawn after the transfer or move. The first two installments should be fixed in whole rupees, and the remaining balance including any fraction of a rupee should be recovered as the third instalment. The advance of travelling allowance should be recovered in full in the Government servant's travelling allowance bill for the journey in question. The Government Servant should present this bill as soon as possible and, if the amount of the bill is less than the advance, he should refund the balance in cash at once. When recoveries have to be made from the same Government Servant on account of more than one advance of pay drawn on transfer, the recoveries should be made concurrently. Any amount recovered from the Government Servant in excess of the advance drawn should, if it remains unclaimed for one year from the date of the last recovery, credited as revenue to the Government.

(4) If any member of a Government Servant's family does not accompany him but follows him within six months from the date of his transfer (See Rule 75 of the Andhra Pradesh Travelling Allowance Rules), a separate advance may be granted at the time of account of the travelling expenses of that member, provided that no advance has already been drawn for the same purpose.

When a single advance is drawn for the travelling expenses of both the Government Servant and his family, it may be adjusted by submitting more than one bill, if the

members of the Government Servant's family do not actually complete the journey with him. The Government Servant should however certify on each adjustment bill that he will submit a further bill in due course for the travelling allowance admissible on account of the members of his family (to be specified) who have not yet completed the journey and that he expects the amount claimed in that bill to be not less than the balance of the advance left unadjusted. If necessary, he should refund a part of the balance in cash before signing this certificate.

(5) An advance of travelling allowance under this rule may be made by the competent authority to a temporary Government Servant without insisting on a surety from a permanent Government Servant provided it is restricted only to cover conveyance charges on account of the Government Servant concerned, his family and his baggage to the new station. The competent authority to do so will be the sanctioning authority in respect of a gazetted Government Servant and the Head of the Government concerned in respect of a non-gazetted or last grade Government Servant provided in the latter case the Government Servant concerned has completed one year's service and is not likely in the opinion of the Head of the Department, to be discharged within three months of the receipt of the advance. This does not preclude sanctioning of the advance of pay and travelling allowance to a temporary Government Servant on the same basis as for a permanent Government Servant provided the surety from a permanent Government Servant is obtained. (Memo.No. 37948/Exp-I-C/57-1, Finance, Dt. 11-1-1958).

(B) Advances on Return from Leave or Special Duty out of India and on

First Appointment

ARTICLE 240. These advances are granted in accordance with the following rules.

Eligibility for an advance

(a) Subject to the provisions of clause (2) of Article 227, an advance may be made.

(1) to any Government Servant (not being a member of the Indian Civil Service) on his arrival in India on first appointment, and

(2) to any Government Servant on return from leave or deputation elsewhere than in India, Ceylon, Nepal, Burma and Aden, provided that the leave was not leave on average pay not exceeding four months (or earned leave on full pay not exceeding the limit of earned leave on full pay that can be sanctioned at a time to the Government Servant concerned if he is governed by the Andhra Pradesh Leave Rules, 1933 or the former Hyderabad Leave Rules), and provided that no advance has been drawn under Article 239.

Sanctioning authority

(b) The advance may be drawn only under an order of the Accountant-General from the treasury specified in the order.

Conditions of grant

(c) (1) The amount of an advance granted on first appointment should not exceed two months substantive pay (excluding overseas pay) less the amount of any

advance made in England. When a Government Servant on arrival in India asks for an advance and does not produce a last pay certificate, he should be required to furnish a declaration that he has not drawn any advance in England.

(2) The amount of an advance granted on return from leave or deputation should not exceed two months substantive pay (excluding overseas pay) or Rs. 1,000/- whichever is less, in addition to any advance made in England.

(3) An advance whether made in England or India, should be recovered by monthly installments of one-third of the pay drawn, the installments other than the last should be rounded to the nearest whole rupee and the balance still due should be recovered as the last instalment.

Note : —The recovery of an advance made under the Military Rules to a military officer employed under the Government who is subject to the Military Leave Rules should be made in accordance with those rules.

(C) Advances to patients sent for anti-rabic treatment

ARTICLE 241. These advances are granted in accordance with the rules contained in Appendix 18.

(D) Advances to Government Servants on transfer to and from foreign service

ARTICLE 242.(a) Advances to Government Servants on transfer to foreign service may be sanctioned by the Authority competent to sanction the transfer. The reimbursement of the advance to Government by the foreign employer should be made in lump by sending a cheque or Demand Draft in favour of the Accountant-General Andhra Pradesh, Hyderabad (or Madras as the case may be) in whose books the advances originally booked.

(b) Advance of pay to a Government Servant on his reversion from foreign service should be granted by the foreign employer only after consultation with the authority competent to sanction the transfer of the Government Servant to foreign service. As for the repayment of the advance to the foreign employer, immediately on receipt of a demand from the foreign employer duly supported by the cash receipt obtained from the Officer concerned at the time of the payment of the advance, the competent authority should refund the total amount to the foreign employer by the usual mode of payment in such cases, including if necessary, by means of a bank draft. The amount of the bank draft may be debited under the head "Departmental Advance Civil Advances" "S. Deposits and Advances Pan III Advances not bearing interest". The recovery of the advance should be watched in the same manner as in the case of advance of pay sanctioned to a Government Servant under Article 239 of Andhra Pradesh Financial Code, Volume I. Since Travelling Allowance for the return journey on reversion of the Government Servant is to be borne by the foreign employer, the advance of Travelling Allowance granted by the foreign employer in this regard may be adjusted only on the Government Servant furnishing the Travelling Allowance bill which should be sent straight to the foreign employer.

(E) Advances to Government Servants Proceeding on Deputation Outside India

ARTICLE 242-A. Government Servants proceeding on deputation outside India may be granted advance of pay by the Government subject to the provision of Clause (2) of Article 227 and subject to the following conditions

- (1) The period of deputation is not less than one month;
- (2) The amount of advance is limited to a month's pay of the officer and is recovered in not more than three monthly installments; and
- (3) In case of temporary Government Servant, surety from permanent Government Servant is obtained before the advance is sanctioned.

(F) Festival Advances

ARTICLE 242-B. These advances are granted in accordance with the following rules

(i) The advance may be granted to non-gazetted State Government Servants, skilled workers in the Industrial Establishments, members of the last-grade service including workers skilled and unskilled and contingent and work charged establishments remunerated on monthly rates of pay or wages subject to these rules. Casual employees will not be eligible for the advance. The amount of advance admissible will be as follows

1. Class IV employees Rs. 3 00/-.
2. Non-Gazetted Government Officers Rs. 500/-.

(G.O.Ms.No. 143, Fin. & Plg. Dt. 20-6-1981).

Note 1 :—The concession may be extended to Government Servants employed under the emergency provisions also provided that the emergency candidates have put in at least one year of service on the date of drawal of the advance, that they are not likely to be ousted within a period of eight months beyond the month in which the advance is made and that before advances are sanctioned to them sureties from permanent Government Servants or any other form of security considered adequate by the sanctioning authority should be obtained—See also clause (v) below.

Note 2 :—Deleted as per G.O.Ms.No. 143, Fin. & Plg. Dt. 20-6-81.

(ii) The advances should be drawn two weeks immediately preceding the festival. It is admissible only to those on duty or leave on average pay or earned leave on full pay at the time the advance is drawn.

(iii) The advance will be recovered in not more than ten equal monthly installments by deduction from the pay bills, the first instalment being recorded from the pay following the month in which advance was made. The recoveries should be watched by the Head of the Office through a special register. The amount of each instalment should be rounded off to the nearest rupee, any balance being recovered in the last instalment.

(iv) The Advances shall be admissible on the eve of any festival mentioned in the list of holidays notified by the Government, every year irrespective of the community to which a Government Servant may belong and also irrespective of whether a general holiday or optional holiday has been declared for the festival in question. Only one advance can be sanctioned to an individual in a Financial year and that too when the arrears of a previous advance, if any, have been completely recovered.

(Memo.No. 29394-A/1042/ Accts./63-1, Dt. 26-4-1963).

(v) No member of any establishment should be granted more than one such advance in a financial year. [G.O.Ms.No. 143, Fin. & Plg. Dt. 20-6-1981]

(vi) Before these advances are sanctioned to temporary staff, sureties from permanent Government Servants or any other form of security considered adequate by the sanctioning authority should be obtained. The authorities competent to sanction these advances may, at their discretion, dispense with this requirements in the case of temporary staff/workers in industrial establishment etc., who have completed 3 years of continuous service and are likely to continue in service till the adjustment of the advance.

(vii) The advances should not be paid to temporary staff, workers in industrial establishments etc., who are not likely to continue in service for a period of at least eight months beyond the month in which the advance is paid.

(viii) No festival advance may be sanctioned to a Government Servant while the earlier advance sanctioned to him has not been completely recovered.

[Memo.No 53534/1 708/Accts./62-1, Dt. 11-9-1962]

No festival advance shall be granted to wife and husband when both of them happen to be Government Servants. In such cases only one of them is entitled for festival advance. [Memo.No. 5201/1008/Accts./70-IS, Dt. 11-7-1974]

The head of an office or the Gazetted Government Servant to whom the head of office has delegated the power of drawing establishment pay bills will be sanctioning authority. In the case of non-gazetted Government Servants who are empowered to draw bills on treasuries ad draw pay of self or establishment, their immediate Gazetted Officer will be the sanctioning authority for the drawal of the festival advance. These advances will on payment, be debitale to a new detailed head 766-Loans to Government Servants "Festival Advances". The recoveries of the advance will be accounted for on the receipt side under the same head. [Memo.No. 37158/Accts./61-1, Dt. 20-9-1961 & G.O.Ms.No. 143, Fin. & Plg. Dt. 20-6-1981]

(G) Ex-Gratia Payment to the Families of Government Servants who die while in Service

"ARTICLE 242-C. Ex-Gratia payment shall be made in accordance with the following rules :

(i) **Eligibility** :—The families of Gazetted and Non-gazetted Government Servants in permanent or temporary employee (excluding casual and daily rated staff) who die while in service (whether on duty or on leave with or without pay shall be eligible for the relief).

(ii) **Amount of Relief** :—Not more than the amount of Rs, 5 00/- should be given as ex-gratia payment to the families of Government Servants who die while in service per Art. 242-C(i)." [G.O.Ms.No. 217, Fin. & P1g. (Accts. II) Dept., Dt. 28-8-1981].

(iii) **Beneficiaries** :—In the case of Government Servants eligible for the benefits of old pension Rules of ex-Hyderabad Government with the benefit of the Death-cum-Retirement Gratuity under G.O.Ms.No. 396, Fin. (Pen-I) Department, dated 22-9-1962 and the Revised Pension Rules of 1951 of ex-Hyderabad Government and Andhra Pradesh Liberalised Pension rule of 1961, payment should be made only to the person or persons

nominated by them, or otherwise eligible (i.e., where there is no nomination) to receive the Death-cum-retirement gratuity in the same proportion as they are entitled to. In the case of Government Servants who are not eligible for the benefits of old pension rules of ex-Hyderabad with the benefits of the Death-cum-retirement gratuity under G.O.Ms.No. 396, Fin. (Pen-I) Department, dated 22-9-1962 and the Revised Pension Rules of ex-Hyderabad Government and benefits of Andhra Pradesh Liberalised Pension Rules, 1961 but are subscribers to the contributory provident fund or the general provident fund payment should be made to the person/persons nominated by them in the same proportion as they are entitled to the fund amounts as specified in the nomination. In cases where there are no nominations and there is a family, the payment should be made to the person or persons entitled to receive the amounts under Rule 25(i)(b) of the contributory provident fund Rules (Andhra Pradesh) or Rule 30(i)(b) of the General Provident Fund Rules (Andhra Pradesh) Rules, as the case may be and in the case where there is no family, the payment should be made to the person/persons entitled to the amount under the Provident Fund Act, 1925.

[xxx Para deleted as per G.O.Ms.No. 217, Fin. & Plg. Dept., Dt, 28-8-1981.]

(iv) **Account Head** :—Payments made under this order shall be debit to the respective service heads under other office expenses.

The sanction order communicated by the Head of the Departments! Head of Office to the Audit Officer should contain the following particulars

- (1) Name of the official (Gazetted or Non-gazetted).
- (2) Designation of the post and name of the office and the Department in which the person was last working.
- (3) Last pay drawn (permanent and officiating).
- (4) Amounts of Ex-gratia sanctioned.
- (5) Name of the payee (with details of relationship etc.).

(v) **Timely payments** :—The officer competent to draw and disburse the salary of the deceased Government servant should pay Ex-gratia to the beneficiaries immediately on a request being made to him either in writing or orally. Even in case where the beneficiaries do not make a request for any reason, the drawing and disbursing officer may enquire if possible and arrange the disbursement of the ex-gratia when so desired. The ex-gratia is to be drawn in A.P.F.C. Form 40 the bill for miscellaneous payments.

As it is essential to provide the relief in time, Heads of Departments/offices shall be empowered to use for this purpose the imprest or any other resources available for them for making immediate payment and recouping the amount by drawing from the Treasury as early as possible. The fact of payment in this behalf should be made in the L.P.C. sent with the papers relating to the Death-cum-retirement gratuity and similar other payments sent to the Audit Office. In case where submission of L.P.C. has been dispensed with, the fact of the payment of the advance should be indicated in the 'No Demand Certificate' or on page 3 of the Pension application or in the letter forwarding the pension papers to the Audit Officer.

(2) ADVANCES OF PASSAGE MONEY

ARTICLE 243. Passage advances granted free of interest to Government servants who have never been entitled to any passage benefits as a condition of their service fall under this head. They are subject to the general rules contained in Article 233 except that no interest is charged.

Note :—In respect of the Government servants who are deputed for training abroad and in whose cases the cost of to and for charges is to be met from State Funds, the payment of sea passage be made direct to the shipping Agents, who prefer the claims in advance of the journey. The payment of such passages is subject to its being adjusted in the detailed Travelling Allowance Bill and also the officer concerned gives an undertaking to the effect that if any part of the claim becomes inadmissible the over drawal will be refunded.

(3) ADVANCES TO JUNIOR I.A.S. AND I.P.S. OFFICERS

ARTICLE 244.(a) Each junior Indian Administrative Service Officer on appointment as Assistant Collector shall, on application to the Accountant-General be granted for the purchase of furniture and other necessary equipment, and advance not exceeding Rs. 1,500 which should be recovered by deduction of Rs. 150 from his monthly pay commencing with that for the fifth month after his joining duty in this State.

(b) Each Junior Indian Police Service Officer within two months from the date of joining his service in the State as Assistant Superintendent of Police, may on application to the Accountant-General be granted for the purchase of furniture and other necessary equipment an advance not exceeding Rs. 150 (Rs. five hundred only) which should be recovered by deduction in 10 (ten) equal monthly installments commencing from the third month of the drawal of the advance.

(Memo.No.37603-A/1318/63-3, Dt. 22-8-1963 & G.O.Ms.No. 170, Fin. & Plg., Dt. 1-5-1989).

Note :—Advances for the purchase of furniture and other necessary equipment may be sanctioned by the Government straightway without a report from the Accountant-General only in case where they are clearly aware of the availability of funds for the purpose and the outstanding monthly deduction from the pay of the junior Officer on account of other advance, if any, pending.

(4) ADVANCES FOR THE ENCOURAGEMENT OF LEGAL STUDIES IN ENGLAND

ARTICLE 245. These advances are made in England under the order of the High Commissioner for India and recovered in India in accordance with the rules relating to the grant of assistance to Government servants on leave in the United Kingdom who wish to prosecute their legal studies at one of the Inns of Court, London, or the King's Inns, Dublin. The detailed rules relating to members of the Indian Civil Service are contained in the Manual of Statutory Rules and Orders and those relating to members of the Andhra Pradesh Civil Service (Judicial Branch) are contained in the Andhra Pradesh Services Manual, Volume I.

(II) SPECIAL ADVANCES

General

ARTICLE 246. This head includes the following—

(1) imprests for minor irrigation works and works pertaining to rural water-supply schemes.

(2) imprests for works executed by the Revenue Department in the Scheduled Areas.

(3) advances to contractors and labourers employed on works executed by the Revenue Department in the Scheduled Areas.

(4) advances to contractors for making supplies to the Agricultural Department.

(5) advances for the destruction of agriculture pests and diseases.

(6) advances for the settlement of habitual offenders.

(7) advances to Kallars.

(8) advances for erecting temporary sheds in plague-affected areas.

(9) advances to Government Press employees for paying examination fees.

(10) advances to hostels.

(11) advances for rural re-construction works.

(12) advances to head constables, to the staff of the Finger Print Bureau, Anantapur, to Lance Naiks, Naik, Police constables and havaldars of the Special Armed Police and to the personnel in the Fire Service Dept. of the rank of leading firemen and below, for the purchase of spectacles, and

(13) any other interest-free special advances not classifiable under the other heads.

Note :—For advances for law suits, which are debited to the service head concerned as contingent charges, see Article 101.

The general or special orders of the Government governing each class of the advance mentioned above contain the special conditions that apply to them. The more important provisions are set out in Article 247 to 255-A.

(1) IMPRESTS FOR MINOR IRRIGATION WORKS AND] WORKS PERTAINING TO RURAL WATER-SUPPLY SCHEMES

ARTICLE 247. At the beginning of each year the Collector of a district should communicate to each Tahsildar a list of repairs to minor irrigation works sanctioned for execution in the year. In connection with these repairs he may grant an imprest not exceeding Rs. 500 to each Tahsildar. The Advance should be drawn from the treasury in round sums only as and when required, and should be adjusted from time to time by detailed bills forwarded with vouchers to the Revenue Divisional Officer, who should check and countersign them and forward them to the Treasury Officer for adjustment. When the imprest or any part of it is no longer required, e.g., when the rainy season starts and work ceases, it should be refunded to the treasury in round sums.

Subject to the general conditions stated above, the Collector of a district may also grant an imprest not exceeding Rs. 350/- to the Tahsildar concerned in connection with the execution of a work pertaining to rural water-supply schemes.

(2) IMPRESTS FOR WORKS EXECUTED BY THE REVENUE DEPARTMENT IN THE SCHEDULED AREAS

ARTICLE 248. In the Visakhapatnam and East Godavari districts the Collector may grant to any Tahsildar or Deputy Tahsildar in charge of a taluk and imprest not

exceeding Rs. 1,000 in connection with works of petty construction and repairs entrusts to him for execution in the Scheduled Areas (see Article 149 and 151). The general conditions laid down in Article 247 apply to these imprests also.

(3) ADVANCES TO CONTRACTORS AND LABOURERS EMPLOYED ON
WORKS EXECUTED BY THE REVENUE DEPARTMENT
IN THE SCHEDULED AREAS

ARTICLE 249. The Agent to the Government, Visakhapatnam, may grant advances to contractors and labourers employed on work executed by the Revenue Department in the Scheduled Areas under his jurisdiction in exceptional circumstances when no other arrangements can be made for getting the work done. When an advance is made, security should, if possible, be taken for its summary recovery in the event of its not being adjusted by work done. No advance should exceed 50 per cent of the amount of the estimate or Rs. 100, whichever is less. The advance should be entered as a charge in the cash book supported by a proper receipt signed by the payee, and should be adjusted in the first bill or part bill presented on account of work done.

(4) ADVANCES TO CONTRACTORS FOR MAKING SUPPLIES TO THE
AGRICULTURE DEPARTMENT

ARTICLE 250. Any head of an office in the Agricultural Department who is a gazetted Officer may grant an advance not exceeding Rs. 100 to a contractor for the supply of any article, subject to the following conditions

(i) every advance must be made on the personal responsibility of the head of the officer concerned,

(ii) no advance should be sanctioned as a matter of course, or unless is really essential,

(iii) no second advance may be given to the same contractor until the first one has been cleared, and

(iv) the maximum limit of Rs. 100 applies to the total amount of advances made for the supply of any article of one class, even when they are made to several contractors.

Advances to contractors in the Forest Department

ARTICLE 250-A. Range Officers are empowered to give advances to contractors on their own responsibility upto a limit of Rs. 500 for each individual. Foresters are similarly empowered to give advances upto a limit of Rs. 50.

(5) ADVANCES FOR THE DESTRUCTION OF AGRICULTURAL PESTS
AND DISEASES

ARTICLE 251. A Government servant who is appointed as an inspection officer and under the Madras Agricultural Pests and Diseases Act, 1919 (Madras Act III of 1919) may draw an advance of Rs. 25/-, from which he should meet the cost of the remedial or preventive measures taken by him under the Act.

As the work progresses, the inspecting officer should submit to the Tahsildar or of the Sub-treasury officer concerned the vouchers in support of the expenditure incurred by him from the advance and, on finishing the work he should refund any unexpended

balance. The cost of the remedial or preventive measures taken by the inspecting officer under the Act should be recovered from the occupiers of the area concerned in accordance with the rules and orders issued under the Act.

(6) ADVANCES FOR THE SETTLEMENT ON HABITUAL OFFENDERS

ARTICLE 252. The Deputy Inspector-General of Police, Railways and C.I.D., may grant advances, as shown below, to settlers including the Yenadis of the Chittoor district subject to a limit of Rs. 5,000 for the total amount of advances made each year —

<i>Nature and purpose of the advance</i>	<i>Maximum advance for each settler.</i>	<i>Period of recovery</i>
	<i>Rs.</i>	
(a) Industrial advances, for the purchase of looms and raw materials.	200	Not more than one year.
(b) Agricultural advances for the purchase of implements, seed, manure and cattle.	100	Not more than three years.

Note :—The Deputy Inspector-General of Police, Railways and C.I.D., may sanction an extension of time not exceeding an year for the repayment of an advance.

The advance should be made and recovered through co-operative societies as far as possible. At a Settlement where there is no co-operative society, the advances may be made to the individual settlers and recovered through the Manager.

The Deputy Inspector-General of Police, Railways and C.I.D., may also place at the disposal of each Manager of a habitual offenders Settlement run by the Government a lumpsum of Rs. 200 each year from the funds at his disposal, for granting advances to the settlers for agricultural purposes. The Manager of Government settlement may grant an advance not exceeding Rs. 10 to an individual settler for the purchase of seed, agricultural implements and similar articles necessary for the cultivators of his land. Such advances should be recovered within one year. The Manager should report to. The Deputy Inspector-General of Police, Railways and C.I.D. for subsequent approval of all advances which he makes. If he does not expect to be able to utilize in full his allotment of Rs. 200, he should surrender the balance in time towards the end of the year.

Note : —The Deputy Inspector-General of Police, Railways and C.I.D., may also sanction agricultural advances to ex-convicts who are sent to Settlements as voluntary settlers subject to the conditions laid down in this Article. He should pay due regard to the probable length of the settlers stay in the settlement.

(7) ADVANCES TO KALLARS

ARTICLE 253. Omitted.

(8) ADVANCES FOR ERECTING TEMPORARY SHEDS IN
PLAGUE-AFFECTED AREAS

ARTICLE 254. Subject to the provisions of clause (2) of Article 227, the head of a department (see Appendix I) may grant an advance not exceeding one month's

substantive pay to each non-gazetted Government servant (Including menials) of his department employed in a plague-affected area for erecting a temporary shed. The advance should be recovered in six equal monthly installments.

(9) ADVANCES TO GOVERNMENT PRESS EMPLOYEES FOR PAYING
EXAMINATION FEES

ARTICLE 255. The Director of Government Press Hyderabad may grant an advance of Rs. 6 for the lower grade and Rs. 12 for the higher grade examination in proof-reading to any employee of the Government Press who is required to pass the examination and whose monthly pay does not exceed Rs. 40 to enable him to pay the examination fee. The advance should be recovered in four equal monthly installments beginning with the first occasion on which a full month's pay is drawn after the advance is made.

(10) ADVANCES TO HEAD CONSTABLES, ETC., FOR THE
PURCHASE OF SPECTACLES

ARTICLE 255-A. Deputy Inspector-General of Police and the Commissioner of Police, Hyderabad, may sanction advances to Head Constables and constables with defective eye-sight to enable them to purchase spectacles subject to the following conditions—

(i) The advance should be limited to actual requirements subject to a maximum of Rs. 35 in each case and the officer sanctioning the advance should satisfy himself that the amount is utilized for the purpose for which it is granted.

(ii) The advance should be granted only to persons who, in the opinion of the sanctioning officer, are unable to buy spectacles without it. As it is an interest free advance it should not be granted as a matter of course to all those who apply.

(iii) The advance should be recovered in not more than eighteen equal monthly installments.

The Deputy Inspector-General of Police, Railways and C.I.D., Hyderabad, the Deputy Inspector-General of Police, Special Armed Police, Hyderabad, and the Regional Fire Officers, Fire Service Branch, respectively may sanction advances to the staff of the Finger Print Bureau, Anantapur, to the naiks, lance naiks, police constables and havaldars of the Special Armed Police, and to personnel in the Fire Service branch of the rank of leading firemen and below and telephone operators of the Fire Service Branch with defective eye-sight to enable them to purchase spectacles subject to the conditions mentioned in the above sub-paragraph.

ADVANCES FOR THE PURCHASE OF UNIFORM BY JUNIOR OFFICERS OF
ANDHRA PRADESH SPECIAL POLICE BATTALIONS

ARTICLE 255B. The Commandants of the Andhra Pradesh Special Police Battalions may sanction a uniform advance of Rs. 120 to the each of the Senior Reserve Inspectors, Reserve Inspectors, and Reserve Sub-Inspectors on individual applications once in five years towards purchase of uniform.

The advance granted shall be recovered in six regular monthly installments from the pay bill of the persons concerned.

The Drawing Officers shall make an entry of the grant of advance in the Service Books of the individuals concerned and shall attach a certificate while claiming the advance that no previous advance was sanctioned within the preceding five years to the applicant. They will also obtain utilisation certificates from the officers to whom the advance is granted.

The following procedure for watching the recoveries and maintaining detailed accounts of the advances granted will be followed

(i) The Commandant of the Battalion concerned should maintain individual- wise accounts of advances paid and recoveries effected.

(ii) The sanction for the advances should be enclosed to the bills in which the advances are claimed.

(iii) The Commandant should reconcile his figures of advances drawn and recoveries effected in each month with the treasury concerned and send detailed statements to the Director-General of Police, Accountant- General and Home Department.

(iv) The Director-General of Police should periodically reconcile the figures communicated to him by the Commandants with the figures booked in the Office of the Accountant-General and furnish the certificate of reconciliation to the Accountant-General for each month.

(III) REVENUE ADVANCES

ARTICLE 256. The following advances fall under this head—

Advances for demarcation purposes.

Advances for replacing missing boundary marks.

The detailed rules regarding the grant of these advances to Government servants of the Revenue and Survey Departments and their subsequent adjustment are contained in the Standing Orders of the Board of Revenue and the Andhra Pradesh Survey Manual.

(IV) FOREST ADVANCES

ARTICLE 257. A Government servant in the Forest Department who is not incharge of a District Forest Office may, in accordance with departmental regulations be entrusted with a sum of money not exceeding a specified amount as an advance for executing works or for meeting current expenditure including contingent expenses and petty disbursements under travelling allowances.

The responsibility for the repayment of an advance rests primarily with the Government servant who receives it, but the District Forest officer is also responsible for the recovery of all advances made to his subordinates,

(IV) PERMANENT ADVANCES

ARTICLE 258. The rules relating to permanent advances are contained in Articles 94-98 and 106-107.

PERIODICAL REVIEW OF LOANS

ARTICLE 259. The Accountant-General will furnish Government with annual statements of all outstanding loans to enable the Government to review the transactions.

IRRECOVERABLE LOANS AND ADVANCES**Duties and powers of officers to write off**

ARTICLE 260. In respect of advances for the detailed control, accounting and supervision of which the departmental Government servants are responsible, it is the duty of the departmental Government servants concerned, when any advance is ascertained to be irrecoverable, to take the necessary steps to get it written off the accounts under the sanction of the competent authority, and to advise the Accountant-General when it is written off in order that he may make the necessary adjustment in the accounts. Irrecoverable advances written off should be registered by the departmental Government servants concerned in a separate record in order that any recovery eventually found to be possible may be made.

The Government servants mentioned in Appendix 20 are authorised to remit or write-off loans and advances to the extent stated. Any such remission or write-off not covered by the powers specified in Appendix 20 requires the sanction of the Government.

CHAPTER XI**DEPOSITS****INTRODUCTORY**

ARTICLE 261. In connection with the transaction of public business the Government receive moneys deposited with them for various purposes by or on behalf of various public bodies and members of the public, and afterwards account for them by repayment or otherwise. Any department of the Government may receive such deposits; a large number of them relate to the revenue administration or the administration of justice. In relation to certain classes of deposits e.g., deposits of Local Fund, the Government's function is merely that of banker; in connection with certain other classes, e.g., Civil Deposits, they also control the administration of the journeys.

The Government sometimes decide to set aside sums for the revenues of a year or a series of years to be accumulated as a "fund", the balance at the credit of which is held as a deposit and expended on specified objects. They also receive contributions from other sources to some funds which they administer.

The transactions relating to moneys of the kinds described above are accounted for in the "Deposit Section" of Government accounts.

This Chapter deals with "Civil Deposits" which include the classes of deposits closely connected with the administration of various Government departments and controlled by the Government.

Classes of Civil Deposits

ARTICLE 262. "Civil Deposits" include —

- (i) Revenue Deposits
- (ii) Civil Court's Deposits

- (iii) Criminal Court's Deposits
- (iv) Personal Deposits
- (v) Public Works Deposits
- (vi) Trust Interest Funds
- (vii) Deposits for work done for public bodies or private individuals
- (viii) Unclaimed Provident Fund Deposits
- (ix) Deposits of subscriptions for a Government loan.

The kinds of deposits include under each of the heads (i) to (v) above are specified in Appendix 21 The nature of the deposits included under the other heads in briefly explained below.

ARTICLE 263. Trust Interest Funds :—Transactions relating to interest on securities held by the Examiner of Local Fund Accounts as Treasurer of Charitable Endowments or on account of Miscellaneous Trusts are recorded under this head.

ARTICLE 264. Deposits for work done for public bodies or private individuals:— These deposits are made with the Government by local or other bodies financially independent of the Government to cover the payment of compensation for land which the Government propose to acquire for such bodies under the Land Acquisition Act 1894, (India Act I of 1894) (see the detailed rules in the Andhra Pradesh Land Acquisition Manual).

ARTICLE 265. Unclaimed Provident Fund Deposits :—Amounts standing at the credit of subscribers in Provident Funds under the control of the Government are transferred to this head at the end of a year if they have remained unclaimed for a period exceeding six months from the date when the subscriber ceased to be in the service of the Government.

ARTICLE 266. Deposits of subscriptions for a Government Loan :—This head is opened temporarily whenever the Government raise a loan in the open market.

General Principles and Rules

ARTICLE 267. The treasury should not credit any amount under a deposit head without the formal sanction of the competent authority. As a general rule no amount should be credited under a deposit head if it can be properly credited to some other known head in the Government account. The Treasury or Sub-treasury Officer should see that this rule is strictly followed and make representations to the court or other authority ordering the acceptance of a deposit, if he considered that the amount should be credited under some other head of account.

In particular, the following items should not be treated as deposits, but should be credited, on receipt, to the departmental head of account most nearly concerned, in accordance with the authorized procedure

- (i) Revenue paid to the Government on account of a demand not yet, due.
- (ii) Land Revenue and cesses collected in one taluk on account of another.

(iii) Receipts for which full particulars are not available.

Note :—These should be credited as miscellaneous receipts and adjusted to the proper head subsequently if necessary.

(iv) Any pay, pension or allowance or part thereof on the ground of the absence of the payee or for any other reason.

Note :—In a district office, pay should not be drawn till the claimant appears.

(v) Fines realized in cases in which an appeal is ending except to the extent indicated in Part III of Appendix 21.

(vi) Refunds of receipts (including stamp refunds) pending a claim for refund.

(vii) Sale-proceeds of unclaimed property, except to the extent indicated in Part III of Appendix 21.

(viii) Initial receipts of less than one rupee and balances of deposits due for refund of less than one rupee, except when they are credited to a deposit held under the orders of a court or received in connection with the acquisition or sale of land.

ARTICLE 268. No transactions other than cash transactions may be accounted for in the deposit section of the Government account, Security deposits received from contractors, Government servants, etc., in forms other than cash and jewels or other property received for safe custody and return in kind should be brought on to the special registers prescribed for the purpose. They should not be credited as revenue or brought on to the deposit register, even though their value is stated in money — See Articles 276 and 278.

ARTICLE 269. No money tendered as Personal Deposits by private individuals or by Government servants acting otherwise than in their Official capacity and no funds of quasi public institutions, even though they are aided by the Government, may be accepted for deposit in a treasury except under an order of the Government.

ARTICLE 270. The procedure to be followed by Government servants in paying moneys received as deposits into the treasury or the Bank and subsequent withdrawing them when necessary, for repayment to the depositors or other persons entitled to them is prescribed in the Andhra Pradesh Treasury Code (see subsidiary rules and instructions wider Treasury Rules 10 & 16).

Lapse of deposits to the Government.

ARTICLE 271. In certain circumstances deposits lapse to the Government and are credited to the Government under the appropriate revenue head of account. The following rules specify these circumstances—

(i) *Revenue deposits* :—Deposits not exceeding five rupees unclaimed during the whole of a financial year, balances, not exceeding five years in each case of deposits partly repaid during the year the closing, and all deposits unclaimed for more than three complete financial years should be credited to the Government at the close of March in each year. For the purpose of this rule, the age of a deposit or the balance of a deposit not yet repaid should be reckoned from the date of the original deposits and not from the date of the last repayment.

	Time limits of lapse
Caution deposits taken from pupil-midwives and pupil-compounders undergoing training in Government Medical Institutions.	Two financial years.
Caution deposits taken from students in the Agriculture College, Bapatla.	Five financial years.
Caution deposits taken from the students of the Government Medical Colleges.	Seven financial years.
Caution deposits from students in the Government Engineering Colleges.	Five financial years.

Note :—For the purpose of this rule, the age of the deposits, remitted by local bodies and Co-operative Societies for special establishments deputed for service under local bodies or cooperative societies on foreign service terms, shall be reckoned from the date on which they become payable and not from the date of original deposit.

Exception 1 :—The Security deposits collected under the provisions of the Rice Milling Industry (Regulation) Act, 1958; the Andhra Pradesh Food Grains Dealers' Licensing Order, 1964; The Andhra Pradesh Sugar Dealer's Licensing Order 1963 and the Andhra Pradesh Kerosene (Licensing and Distribution) Order, 1965 should be carried over from year to year without limitation when the licences are renewed.

Civil and Criminal Court's deposits :—(a) High Court's deposits — Section 1 of the Unclaimed Deposits Act, 1866 (India Act XXV of 1866). governs the lapsing of these deposits to the Government.

(b) *Deposits of the City Courts of Small Causes* :—The lapsing of these deposits to the Government is governed by the rules issued in this behalf.

(c) (i) *Other Civil Court's deposits* :—(Excluding deposits under the Payment of Wages Act, 1936). The lapsing of these deposits to the Government is governed by the rules issued by the High Court in this behalf.

(ii) *Deposits under the Payment of Wages Act, 1936* :—Amount due to a worker under Section 15 of the Payment of Wages Act, 1936, should be drawn by the worker or any person entitled to claim it on his behalf from the authority appointed under Section 15, sub-section (1) of the said Act within a period of three years from the date on which the amount is deposited with or received by the said authority. If it is not drawn within this period, it shall at the end of the financial year in which the said period of three years expired be treated as unclaimed deposit and credited to the State Government by book adjustment by the Accountant- General on receipt of detailed statements from the authority concerned.

(d) *Criminal Courts deposits* :—These deposits lapse to the Government in the same manner as "Revenue Deposits" item (i) above.

(iii) *Personal deposits* :—(1) *Official Receiver's deposit* — The lapsing of these deposits is governed by the rules issued by the Hon'ble the Chief Justice Court of Judicature at Hyderabad in this behalf.

(2) *Cash deposits of patients in Government hospitals* —(Cash receipts other than cash deposits towards hospital stoppages). — These deposits should be allowed to lapse to Government if they remain unclaimed for more than three complete financial years.

(3) Caution money deposit taken from students or trainees of Government Educational institutions shall lapse after three financial years from the date it becomes repayable. (Memo.No. 65172/1230/Accts./67-1 1, Dt, 14-6-1968).

(4) *Other personal deposits accounts* :—The balances in the personal Deposit Accounts do not lapse to Government if outstanding for more than three complete account years. Except where by law or rules having the force of law, personal deposit accounts are created by transferring funds from a Consolidated fund for discharging liabilities of the Government arising out of special enactment, personal deposit accounts created by debit to the Consolidated fund should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated fund, the personal deposit accounts being opened next year again, if necessary, in the usual manner.

(Memo.No. 1596/Accts./59-4, Dt. 31-12-1959).

If a personal Deposit Account is not operated upon for a considerable period and there is reason to believe that the need for the Deposit Account has ceased, the same should be closed in consultation with the Officer in whose favour the Deposit Account has been opened.

Note :—Personal Deposit Accounts opened by debit to the consolidated fund, in connection with the working of schemes of commercial and quasi-commercial nature and schemes whose transactions spread over more than one financial year, need not be closed at the end of the financial year in which the Deposit Accounts have been opened. Such Deposit Accounts should be closed when the need for them ceases.

(iv) *Public Works deposits (including those relating to the Electricity Department)*:— These deposits lapse to the Government in the manner as “Revenue Deposits” item (i) above, except that the age of a Public Works Deposit, or the balance of a Public Works Deposit not yet repaid should be reckoned from the date when the deposit or balance, as the case may be first becomes repayable.

Note :—The balances pending in the Treasuries under the head ‘work done for the Public bodies’ may be treated as Revenue deposits after ensuring that.—

(i) No claim of the local body is pending for refunding of any excess deposits, and

(ii) No part of the amount represents balances that should have been transferred to Civil Court Deposits.

If any claim arises subsequently after clearing the items pending in the treasuries, the usual procedure and norms for the refund of Revenue Deposits should be followed.

ARTICLE 272. A deposit credited to the Government under Article 271 and for which the detailed accounts are not kept at the treasury except in the case of undisbursed amounts of beriz deductions credited to “*Revenue Deposits*” prior to 31st March, 1937 and lapsed to Government should only be repaid with the previous sanction of the Accountant-General. He will authorize payment on being satisfied—

- (1) that the item was really received.
- (2) that it was credited to the Government as lapsed.
- (3) that it is claimed by a person who might have drawn it before it lapsed, and
- (4) that the competent departmental authority has signed the refund application and furnished the necessary certificates as to the claimant's identity and title to the amount see also Article 34.

Note :—Deposits, the detailed accounts of which are kept at the treasuries and which are credited to the Government under Article 271 may be refunded without the sanction of the Accountant-General. Before authorising the refund in such cases, the treasury officer shall ascertain that the item was really received and is traceable in his records, was carried to the credit of the Government as lapsed and was not paid previously and that the claimants identity and title to the money are certified by the officer signing the application for refund.

CHAPTER XII

RESPONSIBILITY FOR LOSSES OF PUBLIC MONEYS OR PROPERTY

General

ARTICLE 273. The Government will hold a Government servant personally responsible for any loss sustained by the Government through fraud or negligence on his part and also for any loss through fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence — (see also Article 5.)

The cardinal principle governing the assessment of responsibility for such losses is that every Government servant should exercise the same diligence and care in respect of all expenditure from public funds under his control as person of ordinary prudence would exercise in respect of the expenditure of his own money — (see also Article 3).

ARTICLE 274. A Govt. servant who has to arrange for public moneys to be carried from one place to another by a messenger should take all reasonable precautions to prevent any loss in transit due to misappropriation of the moneys by the messenger or any other cause. He should pay due regard to all relevant factors including the status of the messenger employed and the distance over which the moneys have to be carried. As far as possible he should use for this purpose only permanent Government Servants whom he knows to be reliable. When the amount to be carried is considerable, he should not entrust it to a single low-paid subordinate.

ARTICLE 274-A. The following rules should be observed in cashing bills or in remitting money from one office to another. They prescribe the minimum precautions to be observed for safeguarding Government money outside a Government office in normal circumstances. If conditions are in any way abnormal, as when the general tranquility is disturbed or when the money has to be transported over a long distance or when crimes against property have been unusually ripe in any area, the officers should use their judgment as to the additional precautions that may be required. Officers can also relax

at their discretion the requirements of the rules, where it is safe to do so and depute such other suitable persons as they deem fit; but the officers will be personally held responsible for any loss which may occur as a result of misuse of the discretion.

These rules do not apply to the remittance of the treasure which is governed by the rules in Andhra Pradesh Treasury Code or to village Officers remittances.

(a) *Sums below Rs. 500* :—(i) If the sum is below Rs. 250, a single peon should be employed.

(ii) If the sum is Rs. 250 or above, but less than Rs. 500 two peons, or an attainer, or a shroff or clerk, or a Government servant of a corresponding status should be employed.

In the case of Registration and Stamps Department for remittances upto a sum of Rs. 500 a single peon should be employed.

(b) *Sums of Rs. 500 and above, but below Rs. 5,000* :—A clerk, or a person of corresponding status in superior service accompanied by a peon should be employed.

(c) *Sums of Rs. 5,000 and above, but below Rs. 50,000* :—Two clerks or a clerk and a shroff, or an officer not lower in status than a Huzur Treasurer a Taluk Head Accountant, accompanied by one or two peons should be employed.

(d) *Sums of Rs. 50,000 and above* :—An officer not lower in status than Huzur Treasurer or Taluk Head Accountant, and a clerk or shroff, with an escort of two peons should be employed.

Note (i) :—Officers must use their discretion as to the persons employed. A peon recently entertained or a peon whose honesty has been suspected should not be employed alone.

Note (ii) :—When a sum of money between Rs. 5,000 and Rs. 20,000 has to be brought from, or sent to the Bank or treasury, only persons who hold substantive posts in Government service and have rendered a service of not less than ten years should be sent.

Note (iii) —Special arrangements should be made where this is essential or ordinarily when the amounts cashed are greatly in excess of Rs. 50,000. If police escort is considered necessary, the general or special sanction of the Government should be obtained explaining fully the necessity for it.

Exception :—The Superintendent of Police in the case of District/Treasuries/Sub-Treasuries/and the Commissioner of City Police in the case of Pension Payment Office, Hyderabad should provide the reduced Police Escorts to the District Treasuries/Sub-Treasuries/Pension Payment Office subject to availability of manpower.

Note :—The detailed rules relating to the Public Works, Electricity and Police Department are contained in the Public Works Department Code, the Electricity Department Manual and the Police Standing Orders respectively.

ARTICLE 275. One important method by which the Government endeavor to minimize the risk of losses and ensure that it shall be possible to recover the amount of any loss that may be sustained is the taking of adequate security from certain Government servants who are entrusted with the custody or handling of Government servants who are entrusted with the custody or handling of Government cash or stores and from contractors who supply stores or execute works for the Government. This chapter contains the rules

relating to (i) security deposits and (ii) the action to be taken when any loss of public moneys or property occurs.

SECURITY DEPOSITS

Security Deposits — Government Servants

ARTICLE 276. Every cashier, store-keeper, sub-store-keeper and other subordinate who is entrusted, whether permanently or temporarily with the custody of Government cash or stores should ordinarily be required to furnish security and to execute a security and may ultimately refund or appropriate it (see Article 283). A reference to each such bond should be recorded in the Register of Security Deposits. This register should be in Form 17, except when some other form is specially prescribed in the rules or orders applicable to any department. If preferred, the forms prescribed for use in the Public Works department may be adopted by any other department. The amount of security to be furnished by each such Government servant should be fixed with due regard to circumstances and local conditions in accordance with the rules contained in the department if any. If a case arises which does not fall early within the provisions of any existing rule or order, the head of the office should report the circumstances in full and obtain the specific orders of the head of the department or other prescribed authority as to whether security should be taken and, if so for what amount.

ARTICLE 277. When a Government servant who has furnished security takes leave other than casual leave or is deputed to other duty, the government servant who is appointed to officiate for him should be required to furnish the full amount of security prescribed for the post, unless a competent authority has authorized a relaxation of the rules regarding security applicable to his case.

Note :—Exemption may be accorded to an individual in exceptional circumstances from furnishing the required receipts subject to the following conditions

- (i) that the Departments of Secretariat are satisfied that there is no risk involved
- (ii) such exemption is granted only in the case of permanent Government servants; and
- (iii) that the period of officiating arrangement does not exceed four months.

Security deposits — contractors

ARTICLE 278. Whenever a private person or a firm contracts with the Government to supply stores or execute a work, he or it should, unless exempted by competent authority, be required to give security for the due fulfillments of the contract and suitable provisions regarding the security should be incorporated in the agreement executed with reference to Articles 128 and 166. A reference to the agreement should be recovered in the Register of Security Deposits — See Article 276.

Forms of security and conditions on which they are accepted

ARTICLE 279. The security taken from a Government servant or a contractor should be in one of the following form subject to conditions noted against each or partly in one and partly in another of these forms when this is specially permitted by the departmental authority authorized to accept the security

Forms (1)	Conditions (2)
1. Cash	The Government will pay no interest on any deposit held by them in the form of cash except in the case of security deposits received from the consumers in all the operating systems of the Electricity Department.
2. Promissory notes of the Government, the Central Government or any other State Government, Municipal Debentures, Port Trust Bonds or Bonds and or Debentures issued by the State Financial Corporations or A.P.S.E.B.	These securities should be accepted at 5 per cent below the market price or at the face value, whichever is less, and should be duly endorsed in favour of the prescribed authority in accordance with the rules in Chapter X of the Government Securities Manual (4th Edition). Contractors who furnish security in this form should be required to endorse the securities in favour of the Executive Engineer in the Public Works Department, the disbursing officer in the Electricity Department and the District Forest Officer in Forest Department.
<p><i>Note</i> :—The departmental authority before accepting Government promissory notes from the Government servant or a contractor should carefully scrutinise the chain of endorsements appearing on the notes in the light of the instructions contained in Chapter V of the Government Securities Manual (4th Edition). He should also furnish the details of the notes to District Treasury where the notes are enfaced for payment of interest and ascertain whether the notes are outstanding. If the Departmental authority is not fully satisfied that the chain of endorsements appearing on the notes is in order, he may lodge the notes at the counter of Public Debt Office for examination. If the Public Debt Office is not located at that place, the departmental authority may insist on the notes bearing doubtful endorsement being renewed before accepting them. However, if the Govt. servant or the contractor presenting the security expressly authorises the departmental authority to send the securities to the Public Debt Office for examination at his risk and case, such request may be acceded to. The notes should in such cases be sent to the Public Debt Office concerned by registered post insured for a nominal sum of Rs. 100.</p>	
3. Stock certificates of the Government, Central Government or any other State Government.	These should be accepted at 5 per cent below the market price or at the face value whichever is less. The person who furnishes these certificates as security should transfer them to the prescribed authority (in the name of his office) by registration in the books of the Public Debt Office and produce evidence of such registration before the certificates are accepted as security deposit. Similarly, when the security has to be returned to the person who furnished it, the authority concerned should effect the retransfer by registration in the Public Debt Office See the rules contained in Chapter X of the Government Securities Manual
4. Post Office Savings Bank deposits.	A pass book for a deposit made under Rule. 45(b) of the Post Office Savings Bank Rules may be accepted as security, provided that the depositor has signed and delivered to the Postmaster a letter in the prescribed form, as required by Rule 45(f) of those Rules. Alternatively the Government servants or contractor who furnishes security may offer security in the form of cash with a request that it be deposited in the post office Savings Bank in the name of the pledgee (departmental authority which takes the security)

(1)	(2)
5. Post Office Cash Certificates and Saving Certificates issued by the Govt.	<p>in accordance with Rule 4 5(g) of the Post Office Savings Bank Rules. (See Article 281).</p> <p>The certificates should be formally transferred to the pledgee with the sanction of the Head Postmaster in accordance with Rule 5 of the Post Office Cash Certificate Rules, and should be accepted at their surrender value at the time of tender.</p> <p>In the event of the security given in the form of 'savings certificates' being forfeited to the Government within the period during which the certificates are not encashable, the certificates should be retained by the Govt. servant holding the security for the minimum period required and then encashed of the purpose of appropriating to Government the amount due.</p>
6. Deposit receipts of the State Bank of India, the State Bank of Hyd. and all Scheduled Banks.	<p>(i) The deposit receipt should be made out in the name of the pledges or if it is made out in the name of the pledger, the bank should certify on it that the deposit can be withdrawn only on the demand or with the sanction of the pledges.</p> <p>(ii) The depositor should agree in writing to undertake any risks involved in the investment.</p> <p>(iii) The bank should agree that, on receiving a signed treasury challan and a withdrawal order from the pledgee in respect of the deposit or any part of it, it will at once remit the amount specified into the nearest treasury along with the challan and send the treasury receipt to the pledgee.</p> <p>(iv) The responsibility of the pledgee in connection with the deposit and the interest on it will cease when he issues a final withdrawal order to the depositor and sends an intimation to the bank that he has done so.</p>
<p>Note :—The parties concerned may make, either by a suitable deposit or a guarantee, arrangements with any bank which should deposit Government securities to cover the amount of security demanded, with a margin of 5 per cent below market value.</p>	
7. Fidelity bonds of Insurance Companies approved by the Government for this purpose— See the list of approved firms in Appendix 22.	<p>A fidelity bond may be accepted as security from a Government servant (but not from a contractor), provided that it is in Form 18.</p>
<p>Note :—The form of Fidelity Guarantee Bond issued by the Indian Insurance Companies' Association Pool (Form No. 18-A) may be accepted in lieu of Form No. 18 in the case of Insurance Companies which are members of the Indian Insurance Companies Association Pool.</p>	
7-A. Treasury Savings Deposit Certificates and National Plan Certificates.	<p>Treasury Savings Deposit Certificates and National Plan Certificates may be accepted as security, at their surrender value.</p>

(1)	(2)
8. Other forms of security specifically approved by the Government for acceptance in any particular department, e.g., mortgages on real property and personal security in the Revenue Department and Treasury and Accounts Dept.	Security in any such form should be accepted in the particular department concerned only in accordance with the rules and conditions laid down in the relevant departmental code or manual or in special orders of the Government.

Note :—When a work is executed on the piece-work contract system security may also be taken in the form of percentage deduction made from the contractors's bills — See Article 163.

ARTICLE 280. Security furnished in cash by a Government servant or a contractor may be converted, at the cost of the depositor, into one (or, when specially permitted, partly into one and partly into another) of the interest bearing forms of security mentioned in items (2) to (6) in the preceding Article, provided—

- (i) that the depositor has expressly requested in writing that this be done and
- (ii) that the acceptance of new form or forms of security is permissible under the terms of the agreement or bond.

Cash actually received or recovered may be converted into an interest bearing form of security in the manner described above, even when it forms part of a deposit which is being paid in installments and has not yet been realised in full. Percentage deductions made from a contractor's bills held as security for the due fulfillments of a contract should not, however, be converted into any other form of security unless a departmental rule or order makes special provision for such conversion.

Post Office Savings Bank Deposits

ARTICLE 281. The following procedure should be observed when cash tendered as security is to be deposited in the Post Office Savings Bank :-

(i) The Government servant who takes the security (the pledgee) should send a letter to the Postmaster through the person who has to furnish the security explaining the nature of the security and requiring the Postmaster to receive the deposit and issue the pass book in his (pledgee's) name "on account of the security of A.B. (the person pledging)". The person who is to furnish the Security should present the letter at the Post Office with the requisite amount in cash and the Savings Bank index card in the prescribed form signed at the foot by the pledgee.

(ii) The Postmaster will deliver the Savings Bank pass book to the person pledging the security. The latter should transmit it without delay to the pledgee, and the pledgee should give him a receipt for it in the prescribed, form.

Fidelity bond premia

ARTICLE 282. When a Government servant has furnished security in the form of a fidelity bond, the departmental authority receiving the bond should see that the

government servant pays the premia necessary to keep it alive on the due dates. If the Government servant fails to deliver the premium receipt to the departmental authority in time, he should be removed from his post at once.

Forms of security bonds

ARTICLE 283. The form of the security bond to be executed by a Government servant at the time of furnishing security (see Article 276) will vary according to the form of security furnished. See Form 19. If a Government servant is specially permitted to furnish security partly in one and partly in another the forms of security specified in Article 279, he should execute two bonds, one for each kind of security. A proviso should be inserted in every security bond stating that the security for any new post to which the Government servant may be transferred.

Registration of security bonds

ARTICLE 284. The registration of a security bond is compulsory if security is furnished in the form of immovable property. See section 17 (b) of the Indian Registration Act, 1908 (India Act XVI of 1908) and Section 59 of the Transfer of Property Act, 1882 (India Act IV of 1882). When security is furnished in any other form, registration of the security bond is optional and it need not be registered, unless in any particular case the departmental authority which takes the security bond considers that the Government's interests would be prejudiced by not registering it. In all cases where registration is considered necessary, it should be done at the expense of the Government.

Custody of securities and security bonds

ARTICLE 285. Post Office Savings Bank pass books, fidelity bonds and security bonds or agreements should be kept in the safe custody of the departmental authority which takes the security.

All the Post Office Savings Bank pass books should be sent to the Post Office as soon as possible after the 15th June of each year, so that the necessary entries on account of interest may be made in them.

The security bonds of Government servants employed in the treasuries in each district should be kept in a locked box in the double-lock strong room of the district treasury; the Treasury Officer is responsible for the safe custody of the bonds and should keep the key of the box in his personal custody.

Government promissory notes, stock certificates, Post Office cash certificates and saving certificates issued by the Government, municipal debentures and Port Trust deposited as security should be lodged for safe custody with the State Bank of Hyderabad, in Hyderabad city and with District treasury in other places, in accordance with the rules in Chapter IX and X of the Government Securities Manual.

As an exception to this rule, in the Electricity Department Post Office cash certificates and savings certificates issued by the Government deposited as security by consumers of electricity may be kept in safe custody in a locked safe by the Superintending Engineer or the Chief Accountant concerned.

A departmental authority which accepts a deposit receipt of the bank mentioned in item (6) of Article 279 as security should retain the receipt in its safe custody. The

depositor should receive the interest, when due, direct from the bank on a letter from the pledgee authorizing the bank to pay it to him,

ARTICLE 286. A security deposit taken from a Government servant should be retained for at least six months from the date when he vacates his post, but a security bond should be retained permanently or until it is certain that there is no further necessity for keeping it.

ARTICLE 287. When a Government servant who has furnished security in one office is transferred to another office or department, the security should be retained by the first office until the period specified in the security bond has expired, so that any amounts ordered to be recovered during that period in respect of his service in the first office may be recovered from it. On the expiry of the specified period, the Government servant who took the security should release it from the pledge in his favour and pass it on to the head of the office to which the Government servant has been transferred, requesting him to return it to the pledger and obtain and forward his acknowledgment. If the Government servant's new post is also one in which security should be furnished, the head of the office should arrange, immediately on receipt of the security for return to the pledger to get a fresh security bond executed by him and to have the security duly pledged in favour of the proper departmental authority to the extent necessary. The pledger's acknowledgment mentioned above should, however, invariably be obtained and sent to the head of the first office.

The head of the office to which the Government servant is transferred should require him to furnish security at once for any amount by which the security required for the new post exceeds that furnished in the former post. Apart from that he may, if he considers the original security sufficient, wait for it to be passed on and duly pledged again, and need not require the Government servant to furnish fresh security. He should ascertain from the head of the office from which the Government servant is transferred what amount of security be furnished there and whether any recoveries are likely to be made from it before it is passed on, and should then decide whether that security will be sufficient or whether the Government servant should be required to furnish fresh security for the whole or any part of the amount.

Periodical verification of all securities

ARTICLE 288. Every departmental authority should verify periodically, and at least once a year in May, all security which it has taken in various forms from Government servants and contractors and report the result to the immediate superior authority.

This rule applies to all forms of security, including personal security or security in the form of immovable property. In verifying personal security, a departmental authority should satisfy itself as to the solvency of the surety, and in verifying security in the form of immovable property it should see that the actual market value of the property is not less than the amount of security required.

For the verification of securities lodged with the district treasury under Article 285, it is sufficient to obtain a certificate from the Collector once a year in May giving particulars of the securities deposited with the treasury for safe custody, and stating that he has checked and counted them and found them to be correct.

For the verification of securities lodged with the State Bank of Hyderabad under Article 285, it is sufficient to check as soon as it appears in the Andhra Pradesh Gazette, the annual list which the Bank publishes of the securities deposited with it for safe custody, and take steps at once to have any error or omission rectified See paragraph 112 of the Government Securities Manual.

Annual valuation of Government promissory notes etc.

ARTICLE 289. When a Government servant or a contractor has furnished any security in the form of promissory notes of the Government, the Central Government or any other State Government; or in the form of stock certificates of the Government, Central Government or any other State Government, Municipal debentures or Port Trust bonds, the departmental authority which received the securities and sent them for safe custody should ascertain in May of each year whether their value, when valued at the market price of May 1st of that year or the face value whichever is less in each case, is still sufficient to cover the amount of security required. If the total value of the securities deposited by a Government servant or a contractor as ascertained at this annual valuation, falls short of the amount of security required plus 5 per cent by Rs. 100/- or more, the departmental authority should at once call on the depositor to furnish additional security to the extent of the shortage. No securities should be returned to any depositor on account of an increase in their value as ascertained at this annual valuation unless (i) the securities have appreciated as so considerably that securities of the face value of Rs. 100/- or more could be withdrawn and the remaining securities (valued as described above) would still be sufficient to cover the amount of security require plus 5 percent or proved against fluctuations, and (ii) the depositor submits a written request for the return of the securities that could be so withdrawn.

The Departmental authority before accepting Government promissory notes from a Government servant or a contractor should carefully scrutinise the chain of endorsements appearing on the notes in the light of the instructions contained in Chapter V of the Government Securities Manual (4th Edition). He should also furnish the details of the notes to District Treasury where the notes are enfaced for payment of interest and ascertain whether the notes are outstanding. If the Departmental authority is not fully satisfied that the chain of endorsements appearing on the notes is in order, he may lodge the notes at the counter of Public Debt Office for examination. If the Public Debt Office is not located at that place, the departmental authority may insist on the notes bearing doubtful endorsement being renewed before accepting them. However, if the Government servant or the contractor presenting the security expressly authorises the departmental authority to send the securities to the Public Debt Office for examination at his risk and cost such request may be accepted to. The notes should in such cases be sent to Public Debt Office concerned by registered post insured for a nominal sum of Rs. 100/-.

Repayment of security deposits

ARTICLE 290. Without the special orders of the competent authority, no security deposit should be paid or re-transferred to the depositor, or other- wise disposed of, except in accordance with the terms of his security bond or agreement. A departmental authority on returning any security to a depositor should invariably obtain his acknowledgment duly signed and witnessed. When an interest bearing security is returned or retransferred, the acknowledgment should set forth the full particulars of the security.

The percentage deduction from bills held as security in connection with contracts to execute works under the piece-work contract system should not be refunded till final bills have been prepared and passed.

Repayment of cash deposited in the Post Office Savings Banks

ARTICLE 291. When an amount lodged in the Post Office Savings Bank as a security deposit under Article 281 is no longer required, the departmental authority to which it is pledged (pledgee) should obtain from the person who pledged the security the receipt originally granted to him or the pass book or a fresh receipt duly signed and witnessed. Such receipt should be duly numbered and filed, and the numbers should be entered in the Register of Security Deposits. After obtaining a proper receipt, the pledgee should deliver the Post Office Savings Bank pass book to the person who pledged the security and furnish him with an application in the form prescribed by the Postal Department for the withdrawal of the balance at the credit of the account together with the interest due on it. The pledgee should sign the application and enter the name of the person who pledged the security as that of the messenger or agent entitled to receive payment. The person who pledged the security will then be able to withdraw the amount due to him from the Post Office Savings Banks.

Adjusted of claim against a security deposit lodged in the Post Office Savings Banks

ARTICLE 292. When the pledgee has a claim on behalf of the Government against security deposit account pledged to him in the Post Office Savings Bank [in accordance with Rule 45(f) or (g) of the Post Office Savings Bank Rules] at a Post Office which has direct transactions with the treasury and the amount of the claim is to be credited to the Government, he should send the pass book to the Post Office with the usual application for withdrawal, duly signed by him and with the words "To be adjusted by transfer in the Government accounts to the credit of the Department (State)" written in red ink across it. The Post Office will make the necessary entries in the pass book and send the pledgee a treasury voucher for the amount withdrawn. When the pledgee has more than one security deposit account pledged to him at the Post Office Savings Bank and applies for the withdrawal of moneys from more than one such account on the same day the Post Office will issue only a single treasury voucher covering all the withdrawals. If the pledgee does not receive the treasury voucher by the next day after that on which he sends the application he should call for it from the Post Office. On receipt of the treasury voucher, the departmental authority which applied for the withdrawal should verify the entries, countersign it and forward it to the Treasury or Sub-treasury Officer as soon as possible in accordance with the procedure prescribed in this connection in the A. P. Treasury Code (see Instructions 19 under Treasury Rule 10).

If the Post Office at which the security deposit account in the Post Office Savings Bank has been opened has no direct transactions with the treasury, the pledgee should apply to the Post Office for the withdrawal of the amount required in the ordinary manner and on receipt of the amount, should remit it into the treasury like any other departmental receipt.

When, after a transfer or payment, a pass book shows any balance in favour of the depositor, the Postmaster will return it to the pledgee. When the account is closed by a

transfer or payment, the Postmaster will not return the pass book to the pledgee; but will deal with it in accordance with the Post Office Savings Bank Rules.

Security deposit of a private employer of a Government servant on foreign service

ARTICLE 293. When a Government servant is to be transferred to foreign service under a private employer, the authority competent to sanction the transfer should require the employer to deposit, before the transfer is sanctioned, security equivalent to three months pay of the Government servant in foreign service. The security should consist of either (I) cash paid into the nearest Government treasury as a 'Revenue deposit' (see Appendix 21) or (ii) securities of the Central Government or the Andhra Pradesh Government in the form of promissory notes or stock certificates endorsed or transferred in favour of the authority sanctioning the transfer of the Government servant to foreign service or other prescribed authority, or (iii) a Post Office Savings Bank deposit, the pass book for which is deposited with and pledged to that authority, or (iv) Post office Cash Certificates and Savings Certificates issued by the Government valued at their surrender value at the time of tender and formally transferred to that authority. A Post Office Savings Bank pass book so pledged should be kept in the safe custody of the authority to which it is pledged; securities of the Central Government or the Andhra Pradesh Government in the form of promissory notes, Post Office cash certificates and savings certificates issued by the Government should be lodged for safe custody with the State Bank of Hyderabad in Hyderabad city and with the district treasury in other places in accordance with the rules in Chapter IX of the Government Securities Manual. The security deposit should be returned to the private employer after the Government servant's period of foreign service has expired, and the claims of the Government and the Government servant against the private employer have been settled.

Note :—Municipalities, Zilla Parishads, Universities, Railways, the Court of Wards and the Indian Central Cotton Committee, should not be treated as private employers for the purpose of this Article.

II. — LOSSES

Reports of the Losses

ARTICLE 294. When any facts indicating that defalcation or loss of public moneys, stamp, opium, stores or other movable or immovable property has occurred or that a serious account irregularity has been committed come to the notice of any Government servant, he should inform the head of the office immediately. If it appears to the head of the office prima facie that there has been any such occurrence which concerns his office or in which a Government servant subordinate to him is involved, he should send a preliminary report immediately to the Accountant-General, and through the proper channel, to the head of the department. On receipt of the information, the head of the department should report the matter to the Government without delay. These reports should be sent even when the person responsible for a loss has made it good. Reports regarding a loss by way of damage to immovable property belonging to the Government should be sent in accordance with the special provisions of Article 299.

The Collectors should submit telegraphic intimation, immediately followed by detailed reports, to the Board of Revenue and the Government in all cases of misappro

priation of public money involving Rs. 5,000/- and above. The Board of Revenue should submit a detailed report to the Government, as to the steps taken by it in the matter, as early as possible thereafter.

The preliminary report to the Accountant-General may be either a copy of the report to the head of the department or relevant extracts from it showing, so far as information is available at the time, the exact nature of the defalcation or loss and the circumstances which made it possible.

Losses involving embezzlement, serious irregularities, etc. should be reported by the Government servant concerned to higher authorities irrespective of amount involved.

After sending the preliminary reports, the head of the office should investigate the matter fully without delay and take all necessary further action See Article 300 to 302. As soon as the investigation is complete he should send a complete and detailed final report to the Accountant-General and, through the proper, channel to the head of the department describing the nature and extent of the loss or account irregularity and the circumstances (including any breach or neglect of an existing rule) which made it possible, and stating whether any amount lost has been recovered and, if not, whether it is possible to recover it in any way. The report should also state what disciplinary action, has been taken or is recommended against the Government servant responsible and what steps have been taken or are recommended with a view to prevent the recurrence of any such loss or account irregularity. The head of the department should also submit a final report to the Government giving full information on all these points and, when necessary, making his recommendations.

When a petty loss not exceeding Rs. 400/- does not appear to involve an embezzlement, a serious account irregularity or any other important feature requiring detailed investigation and consideration, or to concern the Reserve Bank, the preliminary and final reports prescribed in this Article need only be sent to the authority competent to write off the loss or deal with it otherwise. The Board of Revenue is authorized to dispose of all cases of embezzlement by village officers without reference to the Government, unless in its opinion the case presents special features or the order of the Government are required on any specific points.

An individual report of misappropriation of collections by a village officer or loss of money while in his custody which does not exceed Rs. 200/- need not also be sent by the Collector to the Board of Revenue and by the latter to the Accountant-General unless there are important features of defects of system which merit consideration. The Collector should, however, send to the Board of Revenue half-yearly a statement of cases of embezzlements or losses of money involving amounts not exceeding Rs. 400/- which occurred in the half-year showing the amount, place with district, name of official responsible, disciplinary action taken if any, in each case, the amount recovered or the amount written off. The half-years regarding which all the particulars required by the Accountant-General had not been shown previously. The Board of Revenue will review the half-yearly statements received from the Collectors and furnish to the Accountant-General a copy of the statements.

Note :—Any loss of departmental revenue due to whatever cause or any loss in respect of stores occurring otherwise than in the ordinary course or on account of fair wear and tear should

be treated as a loss to the Government within the meaning of this Article see also Articles 141 and 298.

Losses with which the Reserve Bank is concerned

ARTICLE 295. If the Accountant-General becomes aware in any manner of any loss to the Government which the Reserve Bank of India may possibly be held to be liable to make good to the Government, whether it relates to operations conducted by the Reserve bank or its agents on Government account or to any other matter, he will immediately call for such further information, as he may require regarding it. On receipt of this information, which must be obtained without delay, he will at once make a full report to the Government. If there is any doubt or dispute as to the facts of the liability, the Government will arrange authorities concerned for a Government servant and any officer of the Reserve bank (and an officer of the State Bank of India if the loss relates to an operation effected through its agency) to be appointed as soon as possible to carry out a joint investigation of the facts, while they are fresh and make a full report together with, if possible, a recommendation for an amicable settlement. If they are unable to make any such joint recommendation, their report should at last clear the ground as far as possible, so that stated case may be referred, if necessary, to an arbitrator or legal authority. This investigation will be undertaken at once and independently of any departmental or police enquiry.

Losses of cash due to the acceptance of counterfeit coins

ARTICLE 296. Losses of cash due to the acceptance of counterfeit coins in State treasuries should not be debited to the Government in any case without their specific approval.

Write-off losses

ARTICLE 297. When it proves to be impossible to recover the whole or a part of any public moneys that have been lost (including the value of any stamps found to be deficient or damaged), the irrecoverable amount should be written off in the regular Government account under the orders of the competent authority-see Article 81 and 82 of the Andhra Pradesh Account Code, Volume-I. The orders of the competent authority should also be obtained for writing off from any relevant value of commercial accounts that are maintained any irrecoverable amount relating to a loss connected with a building, land or equipment or to unprofitable outlay on a work. The Government have empowered the authorities shown in Appendix 23 to sanction such writes-off subject to the limits and conditions mentioned there (for writes-off of irrecoverable loans and advances, see Article 260 and Appendix-20).

Note :—In general, losses sustained by the Union Government through the negligence or culpability of the staff paid by the State Government vice-versa should be borne as they occur, i.e., by the Union Government if the loss occurs in connection with Union transactions and by the State Government, if it is on account of the State transactions.

In cases where recoveries are made in cash, e.g., by deductions from pay or otherwise, from the persons responsible for a loss, the entire amount recovered should be credited to the Government, which, under the above arrangement would bear the loss for this purpose. Recoveries made indirectly, e.g., by stoppage of increments or promotion as a measure of punishment, should not be treated as recoveries made in cash. Where the staff is paid for by one Government and the

loss is borne by another Government, a copy of the orders regarding the action taken against the persons responsible for the loss should be communicated by the former to the latter.

Losses of stores

ARTICLE 298. All losses in respect of stores should be duly recorded in the stock accounts and the formal sanction of the competent authority should be obtained for writing them off or dealing with them otherwise, even when no formal correction or adjustment in the accounts is necessary. Losses due to depreciation should be analysed and recorded under the following heads, according as they are due to —

- (1) normal fluctuation of market prices,
- (2) fair wear and tear,
- (3) lack of foresight in regulating purchases, or
- (4) neglect after purchase.

Losses not due to depreciation should be grouped and recorded under the following heads—

- (1) Losses due to theft,
- (2) Losses due to neglect, and
- (3) Losses due to calamities such as fire or flood.

The provisions of Article 249 apply to all the losses mentioned in this Article except items (1) and (2) under losses due to depreciation.

The rules regarding the disposal of obsolete, surplus and unserviceable stores are contained in Articles 139 to 142.

Note :—When a contractor or a departmental employee fails to return any Government tools, their value including the appropriate centage charges should be recovered from him.

Damages to immovable Government property

ARTICLE 299. When a loss occurs by way of damage to any immovable property belonging to the Government (including buildings, communications and irrigation works) due to any calamity such as fire or flood or to any cause other the fair wear and tear, the Government servant in immediate charge of the property should report the matter at once to his immediate superior and a preliminary report should be sent through the proper channel without delay to the head of the department, who will report the loss to the Government. When the cause of the loss has been fully investigated and it has been decided whether or not the property should be restored, the head of the office concerned should send a final detailed report to the head of the department and at the same time an abstract of it in form 20 to the Accountant-General. The head of the department should send a final detailed report to the Government when he proposes that the Government should write off the loss, recommends that the Government should take disciplinary action or applies for funds to be specially provided to meet the cost of restoration of the property.

When a petty loss not exceeding Rs. 400/- does not appear to involve any important feature requiring detailed investigation and consideration, the preliminary and final reports prescribed in this Article need only be sent to the authority competent to write off the loss or deal with it otherwise.

Losses involving embezzlement, serious irregularities, etc., should be reported by the Government servant concerned to higher authorities irrespective of amount involved.

The provisions of this Article do not apply to losses in the Electricity Department except when they exceed Rs. 10,000/- in each case.

All river conservancy works are treated as repair works/and consequently losses by way of damage to such works will not reduce the capital value of any Government property and so need not be formally written off the accounts. The preliminary and final reports prescribed in this Article should, however, be sent in respect of any such loss when it exceeds Rs. 10,000/-. Any such loss not exceeding Rs. 10,000/- need only be reported to the authority competent to sanction the restoration of the damaged work.

The Board of Revenue, the Commissioner of Labour, the Chief Engineer in the Public Works and Electricity Departments, the Inspector-General of Police, the Chief Conservator of Forests and the Director of Industries and Commerce are authorised to write off losses not exceeding Rs. 5 00/- in each case by way of damage to immovable property belonging to the Government.

Note :—In case of loss by way of damage to any immovable property belonging to the Government, the value of the damaged portion need not be written off the accounts, if the restoration of the damaged portion is commenced within a period of two years from the date of damage.

General principles and procedure for enforcing responsibility for losses

ARTICLE 300. The following general principles should be followed in enforcing the personal responsibility of the Government servant or servants concerned for a loss sustained by the Government of the kind mentioned in the first paragraph of Article 273, and of any person for a loss sustained by Government by on account of a criminal offence committed by him

(1) Whenever there is reason to suspect the Government have sustained a loss on account of fraud or any other criminal offence on the part of any person or negligence (which includes a financial irregularity) on the part of any Government servant, the head of the office or other appropriate authority should investigate the matter fully without avoidable delay. When necessary, the administrative authority may ask the Accountant-General to furnish all vouchers and other documents in his possession that may be relevant to the investigation. If the investigation is so complex as to require the assistance of an expert audit officer, the administrative authority should report the facts to the Government and request them to depute an audit officer for the purpose, the administrative authority and the audit officer will each be personally responsible within their respective spheres, for completing the investigation expeditiously.

(2) Whenever it appears likely that recourse may be had to judicial proceedings in connection with a loss sustained by the Government, the administrative authority concerned should take competent legal advice at once. If there is a reasonable suspicion that a loss sustained by the Government is due to the commission of a criminal offence, the procedure prescribed in Articles 301 and 302 should be followed.

(3) (a) Whenever an administrative authority holds that a Government servant is responsible for a loss sustained by the Government, it should always consider both whether the whole or any part of the loss should be recovered from him in money and

whether any other form of disciplinary action should be taken. In deciding the amount to be recovered, it should consider not only the circumstances of the loss but also the Government servant's financial position, since the penalty should not be such as to impair his future efficiency.

(b) Whenever a loss is held to be due to fraud on the part of a Government servant or servants, every endeavor should be made to recover the whole amount lost from the guilty persons. If the failure of a superior officer to exercise proper supervision and control has facilitated the fraud, he should be called strictly to account and suitably dealt with after carefully assessing his personal liability in the matter, e.g., by recovering from him in money a suitable proportion of the loss, or by stopping his increments or reducing the pay.

(c) Whenever any Government property or equipment is lost, damaged or destroyed on account of the carelessness of a Government servant to whom it is entrusted (e.g., a policeman's rifle, a touring officer's tents, a factory motor lorry or an engineer's instruments), the appropriate administrative Authority should always consider whether the amount of the loss sustained by the Government should not be recovered in full up to the limit of the Government servant's capacity to pay.

(4) (a) The pension of a retiring Government servant who is involved in any loss or irregularity which is under investigation should on no account be sanctioned until his responsibility in the matter has been finally determined. Whenever any authority investigates any loss or irregularity, it should take special care to ascertain at once whether prima facie the investigation may affect any pensionable Government servant who is likely to retire within the next two years or has retired but not yet been granted his pension, if so, it should immediately report the fact to the Accountant-General and the authority competent to sanction the Government servant's pension and they should see that the pension is not sanctioned until the Government servant's responsibility in the matter has been finally determined, unless the sanctioning authority decides that for special reason, which would be recorded, the result of the investigation need not be awaited.

(b) Whenever a competent authority orders that any amount should be recovered from the Government servant, otherwise than by forfeiture of his security deposit if any, on account of a loss sustained by the Government through fraud or negligence on his part and he is about to retire from service the amount should be recovered, as far as possible, by deduction from the last pay or leave salary due to him. If any amount still remains to be recovered, the Government servant should be asked to give his written consent to the recovery of the remaining amount from his pension. If he gives his written consent the authority which sanctions the pension should state the fact clearly in the order sanctioning his pension, and should also indicate in it the number of installments in which the amount is to be recovered. If the Government servant declines to give his written consent to the recovery of the remaining amount from his pension the recovery should be made directly from his pension under Article 351-A, Civil Service Regulations, when that is permissible. When that is not permissible, the desirability of making permanent reduction in the amount of his pension under Article 470(b), Civil Service Regulations, should be considered. The proof of a specific instance of fraud or negligence by the Government servant would justify a decision that the Government servant's service had not been thoroughly satisfactory. The pension papers in any such case should be submitted for the

orders of Government through the Accountant- General with the recommendation of the head of the department, (see also subsidiary Rule 34 under Treasury Rule 16).

(c) When a retired Government servant whose pension has already been sanctioned is held to have caused a loss to the Government by his fraud or negligence whilst in service and it appears likely that the amount could be recovered by bringing a suit against him, the matter should be reported to the Government for orders. If, in any particular case, it is not found feasible to take action against a retired Government servant in regard to a loss sustained by the Government on account of any fraud or negligence found to have been committed by him when in service, this should not be made an excuse for absolving any other Government servants who are also responsible for the loss and are still in service.

[(d) Recovery from the Govt. servant for the losses by misappropriation of Govt. money shall be, recovery of the misappropriated amount I loss caused at bank rate as fixed by RBI + 2% (This is actual cost of funds for State Government). The loss / misappropriation shall be determined by the disciplinary authority as per rules, and the recovery proposed is at the cost of funds for the Govt. and it may not be punishment.]

(Added by G.O.Ms. No. 33, Finance Dept. dated 9-2-2006)

Departmental enquiries regarding frauds, etc., in which Govt. servants are involved

ARTICLE 301. The general rule is that departmental proceedings should be instituted at the earliest possible against all the Government servants involved in any loss sustained by the Government on account of fraud, embezzlement or any similar offence, and conducted with strict adherence to the rules up to the point at which prosecution of any one of them begins. At that stage it should be specifically considered whether it is practicable to carry the departmental proceedings against any of the others any further without waiting for the result of the prosecution, if it is, they should be carried as far as possible but not, as a rule, to the stage of finding and sentence. If the accused is convicted, the departmental proceedings against him should be resumed and formally completed. If the accused is not convicted, the departmental proceedings against him should be dropped unless the authority competent to take disciplinary action is of opinion the facts of the case disclose adequate grounds for taking departmental action against him. In either case, the proceedings, against the remaining delinquents should be resumed and completed as soon as possible after the termination of the proceedings in Court.

The departmental proceedings contemplated in the preceding paragraph are those regulated by the Civil Services (Classification, Control and Appeal) Rules. When action is taken under the Public Servants (Inquiries) Act, 1850 (India Act XXXVI I of 1850), this ordinarily takes the place of a criminal prosecution as regards the person or persons accused, but the procedure as regards to other persons involved against whom the act is not employed should be in accordance with the instructions given in the preceding paragraph.

Prosecution for embezzlement of public moneys or property

ARTICLE 302.(a) Whenever the head of an office finds that there is a reasonable suspicion that a criminal offence has been committed in respect of an public moneys or property, he should as a general rule report the matter at once to the Police and simultaneously inform the District Magistrate (or, in Hyderabad city, the Commissioner of Police) and the head of his department that he has laid an information before the Police. The Police should then keep the Government servant who had the information and the

District Magistrate (or, in Hyderabad city, the Commissioner of Police) informed as to the action they take in the matter.

If, however, it is suspected that a village headman or office has failed to remit Government revenue collected by him, the Tahsildar or Deputy Tahsildar should make an immediate enquiry and endeavor to collect any amount found to be in deficit. He should then report the result of this action to the Revenue Divisional Officer who will decide whether a criminal prosecution should be launched or whether departmental action will be sufficient.

(b) When the case is heard by the Court, the head of the office concerned should see that all the witnesses serving in his department and all documentary evidence in the control of his department are punctually produced. He should also appoint a Government servant of the department to attend the proceedings in the Court and assist the prosecuting staff.

(c) If prosecution for an offence of this kind results in the discharge or acquittal of any person, or in the imposition of any sentence which appears to be inadequate, the head of the office concerned should at once send a full statement of the facts of the case to the District Magistrate or, in Hyderabad City, the Commissioner of Police; if the District Magistrate or the Commissioner of Police, as the case may be, considers that further proceeding should be taken in revision or appeal, he should proceed as he would in any other case and should keep the head of the office concerned informed regarding the further proceedings. A special order of the Government is necessary for filing an appeal against an acquittal.

(d) The head of the office concerned should submit, in addition to the reports prescribed in Article 294 and 300 prompt reports to the Government through the proper channel at each stage regarding—

- (i) the commencement of the Police investigation.
- (ii) the decision to prosecute in any particular case.
- (iii) the result of any prosecution.
- (iv) the decision to proceed further in revision or appeal in any case, and
- (v) the result of any proceedings in revision or appeal.

(e) Notwithstanding anything contained in the preceding portion of this Article, the head of the office concerned may, when he considers it to be desirable, refer any matter through the proper channel for the orders of the Government before taking action.

CHAPTER XIII

LOCAL FUNDS

Introductory

ARTICLE 303. The transactions of local funds (as defined in Article 6) are not included as such in the Government Account, except in so far as their cash balances are deposited with the Government under the rules and accounted for under the deposit head “Deposits of Local Funds” in the “Public Account”. The Government function in regard to such deposits is that of a banker (see Chapter XI of this Code and Chapter VII of Part III of the Andhra Pradesh Treasury Code).

ARTICLE 304. The main classes of local funds are

(See also Chapter IV and Part III of the Andhra Pradesh Treasury Code)

(i) (a) District Funds [i.e., the moneys of Zilla Parishad governed by the Andhra Pradesh Panchayat Raj Act, 1994.]

(b) Panchayat Funds [i.e., the moneys of Panchayats governed by the A.P. Panchayat Raj Act, 1994.]

(ii) Municipal Fund [i.e., the moneys of municipal councils governed by the A.P. District Municipalities Act, 1965.]

(iii) Education Funds [i.e., the Fee Funds of Universities and the Elementary Education Funds and Zilla Parishads and Municipal Councils governed by the A.P. Elementary Education Act, 1982.]

(iv) Port and Marine Funds that do not relate to major ports [including the Minor Ports Fund, the Minor Ports Pilotage Funds and the Tuticorin Port Fund governed by the Indian Ports Act, 1908 (India Act XV of 1908), as subsequently amended and the Landing and Shipping Dues Funds Governed by the Madras Out Post, Landing and Shipping Fees Act 1885 (Madras Act III of 1885 as subsequently amended).]

(v) Market Committee Funds [i.e., the moneys of Market Committees governed by the A.P. Agricultural Market Committees Act 1964.]

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

(vii) Library Fund (i.e., the moneys of the Local Library Authorities governed by the A.P. Public Libraries Act).

ARTICLE 305. Local bodies (as defined in Article 6) perform functions closely allied to those of the Government, and receive aid from the Government in the form of grants and loans for certain purposes. This chapter contains the rules relating to some of financial transactions between the Government and local bodies.

Grants to local and other bodies

ARTICLE 306. The payment of the various classes of grants to local bodies, e.g., grants for hospitals and dispensaries, grants for the maintenance of roads and educational grants, is governed by the general or special orders of the Government in regard to each class of grant.

A list of the grants paid to local and other bodies on account of certain fines realised by Courts and credited to the Government is contained in Appendix 24. The grants on account of these fines should be drawn, and paid in the manner indicated in the Andhra Pradesh Treasury Code. (See subsidiary rule 23 under Treasury Rule 16).

Loans to local bodies

ARTICLE 307. The detailed procedure to be followed in connection with borrowing by local bodies from the Government is laid down in the Andhra Pradesh Local Authorities Loans Rules, which are printed in Appendix 17. (See also Article 222)

Charges recoverable from local bodies

ARTICLE 308. When the Government agree to render a service to, or incur a charge on account of a local body the estimated amount of the charge or cost of the service should ordinarily be recovered in advance in accordance with the principle laid down in Article 12. In exceptional cases, however, the Government may authorize one of the following special arrangements—

(a) The expenditure may be charged against the local body's account with the treasury as and when it is incurred; or

(b) The expenditure may be met by advances from Government funds in the first instance and then recovered promptly from the local body either in cash or by adjustment against its account with the treasury.

ARTICLE 309. Any amount due to the Government by a local body and remaining unpaid, including any amount overdue for payment in respect of a loan, should be recovered at the earliest opportunity in the manner indicated in subsidiary Rule 25 under treasury Rule 16 by adjustment from any non-statutory grant which the Government have sanctioned for payment to it.

Land Cess including Education Cess payments to Zilla Parishads and Panchayats

ARTICLE 310. On behalf of Zilla Parishads, Mandal Parishads and Gram Panchayats the Revenue Department of the Government collects, along with the Government's land revenue, the land cess including education cess levied for the benefit of those bodies. The Village Officers while remitting the land revenue along with cess should show separately the Land Revenue, the Land cess and Education cess in separate columns in the Chitta as well as in the village remittance (Irsalnama or chalan) so that the Land Revenue clerk in the Tahsil Office may check the correctness of the cess amount at the rate fixed by the Government from time to time towards Education cess and land/local cess. The Land Revenue clerk after checking the correctness of the Irsalnama (chalan) may enter the cess amount separately in the Land Revenue chitta maintained in the Tahsil Office, and pass on the chalan to the Sub-Treasury or the Bank as the case may be for acceptance. At the end of month i.e., on the treasury closing day, he should post the cess amounts village-wise, make totals of the village-wise remittances and apportion the Local/Land cess and Education cess amounts among the several local bodies in the ratios ordered by the Government from time to time. The Tahsildar may then issue proceedings sanctioning the amount to the various local bodies at the Taluk level itself. The proceedings of the Tahsildar sanctioning the cesses should be communicated to the Revenue Divisional Officer, District Panchayat Officer, Extension Officer (Panchayats) and the District Treasury Officer. The Taluk Officer, Extension Officer (Panchayats) and the District Panchayat Officer should open monthly periodicals to watch the prompt adjustment of cesses. The Tahsildar after sanctioning the amount will also present an adjustment bill at the Sub-Treasury enclosing the copy of the proceedings for the adjustment of amount to the various local bodies as prescribed in Instruction 38 under T.R. 16 of Andhra Pradesh Treasury Code Volume I. Any excess or under payments made provisionally in the monthly payments are liable to be adjusted from the subsequent payments.

The Revenue Divisional Officer concerned will check the accounts maintained by the Tahsildars at least once in six months to ensure correct apportionment and to avoid any over payments. The accounts maintained by the Tahsildars who are empowered to authorise the refunds without sanction of the Collectors will also be subjected to periodical internal check by the Collectors concerned once a half year to ensure the correct apportionment and to avoid any possible over payment.

ARTICLE 310-A. The following are the Local bodies entitled to compensation from the process of entertainments tax under Section 13 of the A.P. Entertainments Tax Act, 1939 in respect of entertainments held within their respective jurisdiction :

- (1) In Municipal areas-The Municipal Council concerned.

(2) In the areas of Panchayat Boards - The Panchayat Board.

(3) In other areas-The Zilla Parishad concerned.

Commercial Tax Officers are the authorities empowered—

(i) to sanction payment of the proceeds of the entertainment tax to the Local bodies in their jurisdiction,

(ii) to revalidate the arrears due to the Local Bodies in their jurisdiction.

Procedure of assignment :—Assignment of the proceeds to Local Bodies should be made once a quarter. For this purpose, Entertainment Tax Officers should submit to Commercial Tax Officers, in the first week of April, July, October and January every year, a statement showing the amount of tax under Sections 4,5,14, and 15 of the A.P. Entertainment Tax Act, 1939 realised in the previous quarter with details as to the respective areas. The statements should contain a certificate of the Entertainment Tax Officer concerned that the departmental and treasury figures have been verified and found correct. The Commercial Tax Officer after satisfying himself of the verification, with the Treasury figures shall issue proceedings sanctioning the amounts to the local bodies to which the amounts are adjusted. The Commercial Tax Officers shall send the proceedings to the Treasury Officers for adjustment to the concerned local bodies. The Treasury Officer after verifying the amounts should append pay order on the proceedings itself which becomes a voucher and the Treasury Officer will issue a certificate of credit in respect of the amount adjusted to several local bodies for each individual local body such as Panchayat Samithi, Gram Panchayat, Municipality etc., as desired by the Commercial Tax Officer.

If after reconciliation any modification is found necessary, the Local Bodies concerned should be informed of the same and the necessary adjustments may be made while sanctioning payment for the next quarter either by short assignment in the case of excess payments and payment of the difference in the case of short payment.

ARTICLE 310-B. The following are the local bodies entitled to apportionment from the cinematography fees collected under sub- rule (6) of Rule 16 of the Andhra Pradesh Cinemas (Regulation) Rule, 1970 (as amended from time to time) in respect of the Cinematography shows held within their respective jurisdictions—

(1) In the Cities of Hyderabad and Secunderabad, the Municipal Corporation of Hyderabad and secunderabad.

(2) Municipal Council where an area falls within its jurisdiction.

(3) Gram Panchayat where an area falls within its jurisdiction.

(4) In an area in a Block not included within the jurisdiction of a Panchayat, the Block Development Office of the Panchayat Samithi, and if no Panchayat Samithi is constituted, the Zilla Parishad having jurisdiction over such block; and

(5) In other areas, the Zilla Parishad concerned.

The District Collectors being the licensing authorities (in relation to the cities of Hyderabad and Secunderabad, the Commissioner of Police) are the authorities empowered to—

(i) Sanction payments of the cinematography fees due to the local bodies in their jurisdiction.

(ii) Revalidate the error claims due to the local bodies in their jurisdiction.

Mode of Appointment

The cinematography licence fees collected under sub-rule (6) of Rule 16 of the Andhra Pradesh Cinemas (Regulation) Rules, 1970, shall be apportioned between the State Government and the local bodies concerned in the ratio of 1:1 in the case of permanent cinemas and of 1:3 in the case of temporary cinemas as prescribed in sub-rule (10).

The assignments under sub-rule (10) of rule 16 of the Andhra Pradesh Cinemas (Regulation) Rules, 1970, shall be debited to the following head—

“065 other Administrative Service

C Other Receipts

Assignment of licence fees to the local bodies”.

Procedure of Apportionment

Apportionment of the Cinematography licence fees to the local bodies should be made once in a year. For this purpose, the licensing authorities should inform the Local bodies in the first week of March of every year as regards the cinematography fees collected under Rule 16 of the Andhra Pradesh Cinemas (Regulation) Rules, 1970 (as amended from time to time) during the period of 12 months from 1st February of the previous year with details as to the nature of cinema houses. The local bodies should submit to the licensing authorities a statement showing the assignment of fees due to them the basis of information furnished by the licensing authority towards the collection of “fees” after ascertaining the correctness of the amount of “Fees” from the authorities of Bank and Treasuries. The statement should contain a certificate of the local body concerned that the departmental and treasury figures have been verified and found correct. The licensing authority after satisfying himself of the verification, sanction the payment of the apportionment due to the local body concerned before 16th May of every year. Copies of the sanction should also be sent to the Accountant- General (to the Pay and Accounts Officer, in the case of payments to the Municipal Corporation of Hyderabad, if the payments are to be made on bills to be presented to the Pay and Accounts Officer, Hyderabad, a copy of the sanction has to be sent to the Pay and Accounts Officer, Hyderabad), District Treasury Officer and the Sub-Treasury Officer, as the case may be. The local bodies should prefer their claims within six months from the date of sanction of apportionment by the licensing authority. If their claims are preferred after six months from the date of communication of such sanction but before a period of three years, the licensing authority can revalidate the claim. If the claim is preferred after the expiry of three years from the date of communication of the sanction, orders of the Government should be obtained. If for any reason, reconciliation between treasury and departmental figures could not be completed within the prescribed time, the local-bodies concerned should send their claims so that payment may be made on the basis of departmental figures. If after reconciliation any modification is found necessary, it may be made while sanctioning payments for the next year either by short assignment in the case of excess payments and payment of the difference in the case of short payments.

Time-limits for claims by local bodies

ARTICLE 311. A local body should prefer its claim for any amount which the Government have sanctioned for payment to it not later than the latest date specified by the Government for the payment, or, if the Government have not specified any such date in respect of a particular payment or class of payments within six months from the date on which the local body receives the orders of the Government authorizing the payment.

In the case of water-supply and drainage schemes or other works for which the Government have promised a grant on the post-payment system, the local body concerned should prefer its claim for the grant within six months of the execution of the work (or installments of the work, where the work is executed and paid for in separate installments) unless the local body has been definitely informed that the Government will consider the claim only after provision has been included for the purpose in the budget, in which case the claim for the grant should be preferred within six months of the execution of the work or within one month of the date of receipt of information that provision is available in the budget, whichever is later.

Any amount due by the Government to a local body and falling within an item in the following list should be claimed by that local body not later than the date shown against that item—

<i>Items</i> (1)	<i>Latest date for preferring claims</i> (2)
(a) Monthly grant for the maintenance of medical institutions.	Within six months from the 15 th of the month to which the claim relates e.g., the grant or subsidy due in respect of April should be claimed ordinarily the 15 th of that month and by the next 15 th October at the latest.
(b) Monthly subsidy towards the cost of an accountant in the office of the Agency area of Z.P. East Godavari.	
(c) Monthly grant for the maintenance of elementary schools.	
<i>Note:-</i> A sanction accorded in any year for a grant towards the cost or opening a new elementary school or employing additional teachers lapses on the 1 st October of the next year, unless by then school has been opened or the additional staff employed, as the case may be, and the grant claimed.	
(d) Advance monthly grant for the maintenance of trunk roads.	Within 6 months from the date on which the claim falls due or within three months from the end of the financial year in which it falls due, whichever is earlier. The claim for each month falls due on 20 th of the subsequent month until prescribed per centage (75 per cent for a grant for trunk roads and 80 per cent for a grant for important marketing road) the maximum grant admissible for a local body has been drawn.
(e) Advance monthly grant for the maintenance of important marketing roads.	
(f) [Deleted as per G.O.Ms.No.210, Fin & Plg. (Accts.II), Dt.20-8-81]	

Arrear claims of local bodies

ARTICLE 312. A claim preferred by a local body after the latest date prescribed for it in Article 311 should not be paid, unless the competent authority (as indicated below) has specially sanctioned the payment

<i>Items</i> (1)	<i>Authority competent to sanction payment</i> (2)	<i>Remarks</i> (3)
(i) Items of revenue collected by Revenue Department on behalf of local bodies :		

(a)	Land cess, including education cess.	The collector, if the amount claimed does not exceed Rs.100 and he is satisfied after verification that the claim is correct and otherwise vested in the Govt. Inam.	An arrear claim made after the expiry of three years subsequent to the year in which the claim fell due should not be paid without the special sanction of the Government. The Govt. will summarily reject every such claim, unless the amount claimed exceeds a rupee and was credited to the Government owing to a mistake on the part of a Government servant they are satisfied that the Local body had no direct means of ascertaining the mistake earlier.
(b)	Profession tax collected by village headman.		
(c)	Ferry rents		
(d)	Income from certain endowments in local bodies		
(e)	Dasabandham revenue.		
(f)	Excess of ground rent over agricultural assessment (on behalf of municipalities).		
(g)	Revenue or tax on trees & porambokes formerly vested in local bodies but relinquished to the Government, and	The collector	
(h)	Fishery rents.		
(ii)	Statutory grants from the Government, e.g., grant under Section 37 of the Madras Elementary Education Act 1920 (Madras Act VIII of 1920).	The Govt.	The Government will summarily reject every arrear claim which is made after the expiry of three years subsequently to the year in which the claim fell due.
(iii)	Non-statutory grants and other amounts due by the Government.	The Govt.	The Government will summarily reject all arrear claims.

Rounding of Financial transactions between Government and Local bodies.

ARTICLE 313. Financial transactions between the Government and local bodies should be rounded off in accordance with the rule in Article 320 and 321.

CHAPTER XIV

MISCELLANEOUS SUBJECTS

Introductory

ARTICLE 314. This chapter contains the Financial rules relating to certain miscellaneous subjects which do not fall within the scope of the other chapters of the Code.

Allocation of Expenditure between Capital and Revenue and Financing of Capital Expenditure

ARTICLE 315. Expenditure on the public service falls into two broad divisions of expenditure on revenue account and expenditure on capital account. The latter is called briefly capital expenditure or capital outlay. Appendix to the Andhra Pradesh Account

Code, Volume III, contains the detailed rules framed by the Government regarding the allocation of expenditure to capital and revenue and the financing of capital expenditure.

Interest on Capital

Except in special cases regulated by special orders of Government interest at such rates as may be specified from time to time shall be charged in the accounts of all Commercial Departments or undertakings for which separate capital and revenue accounts are maintained within the Government accounts.

(1) For Capital outlay met out of specific loans raised by Government the interest should be charged at such rate as may be prescribed by Government having regard to the rate of interest actually paid on such loans and the incidental charges incurred in raising and managing them.

Explanation:

(I) By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospectus and in regard to which definite information is given at the time of raising of the loans that for the purpose of the accounts they are to be regarded as specific loans.

(II) The interest should be calculated on the direct capital outlay to end of the previous year plus half the outlay of the year itself, irrespective of whether such outlay has been met from current revenue or from other sources.

(III) When under any special orders of Government charges for interest during the process of constructions of a project are temporarily met from Capital, the writing back of capitalised interest should from the first charge on any Capital receipts or surplus revenue derived from the project when open for working.

The interest on Capital should be calculated on the Direct Capital outlay to the end of the previous year, plus half the capital outlay of the year itself irrespective of whether such outlay has been met from current revenues or from other sources. The opening capital should be arrived at by taking the capital at charge in the previous year plus profit or loss of the last year. As regards the capital during the year, it should be calculated on the following basis :

(i) Government Capital as per last year	X
(ii) Add withdrawals (including adjustments made in Government Accounts) during the year	Y
(iii) Less remittance (including adjustments made in Government Accounts) during the year	Z
(iv) Add Loss net adjustments (made in the proforma accounts for which no financial adjustment is carried out in the Government Account) during the year	P
(v) For the purpose of calculation of interest the capital for that year	

$$Y-Z+\text{or}(-) P$$

would therefore be X ----- as the case may be.

Note : —(a) In cases where the audit of a Commercial or quasi-Commercial concern is the statutory responsibility of the Comptroller and Auditor-General Vice Para 12(i)(iii) of the Audit & Accounts Order, audit fee should not be recovered and adjusted in Government Accounts.

(b) In the case of Commercial or quasi-Commercial or quasi-commercial concerns of State Government also, there should be no adjustment on account of audit fee to the credit of either the Central Government or the State Government, as the audit of the concerns is a statutory responsibility of the Comptroller and Auditor-General. Audit charges need not also be debited to the Government accounts under the budgeted expenditure, for the concerns, as it is unnecessary to inflate the general accounts with such adjustment. when no audit fee is actually recovered. Recovery of audit fee cannot also be regarded as receipts of the State Governments.

(c) In cases covered by both (a) and (b) above, the cost of audit should be shown in the proforma accounts, in order to arrive at the correct financial position of the concern. This may be done by charging that audit fee in the P&L accounts and crediting the corresponding amount to the balance sheet as an “undischarged liability” rather than adding it to “Government. Capital”.

(d) Where, however, the audit of a body. Corporation, etc. has been specifically entrusted upon the Comptroller and Auditor-General by a particularly legislative enactment whether Central or State. which has provided for the recovery of the cost of audit, such recovery should be made and adjusted in the Government accounts also.

(e) For the purpose of clauses (c) and (d) above, the audit the should be charged for Central and or local audit whichever is applied. (Memo.No.66757/284/68-4, Dt.15-4-1969).

Work done for another Government

ARTICLE 316. The head of the department is responsible for seeing that no work (unless it is negligible in amount) is done by his department for another Government without obtaining a definite ruling from the Government as to whether a charge should be made for it or not.

Disposal of Government land and buildings

ARTICLE 317. In regard to the sale, transfer, etc., of Government land and building all Government servants should observe the rules contained in Chapter I of the Standing Orders of the Board of Revenue—see particularly Board’s Standing Orders 22 and 23, extracts from which are contained in Appendix-25.

Note : —Government property should as far as possible be sold by public auction, and if disposed of otherwise, the amount realised should not be less than the market value.

Note : —Adjustment of value of Government land transferred to project (Commercial) should be made in the accounts of the projects at the book value or the market value, whichever is less. where the land is valued in the books. In other cases, no amount will be charged.

Endowment for scholarships, prizes etc.

ARTICLE 318. If any person informs a Government servant that he proposes to place funds at the Government’s disposal for use as an endowment for the grant of a scholarship or prize, etc., the Government servant should report the matter to the Government through the proper channel for orders. The Government will take action, if necessary under the Charitable Endowments Act, 1890 (India Act VI of 1890).

Insurance of Government property

ARTICLE 319. Subject to exceptions shown in the list below, no Government property should be insured at the cost of the Government.

Exceptional Cases in which Insurance is permitted

<i>Property</i> <i>(1)</i>	<i>Authorities competent to insure</i> <i>(2)</i>
(i) Special Goods such as mathematical and scientific instruments, articles made of glass, stoneware pipes and other fragile articles, stores which the railways insist on insurance as a condition of transport, delicate machinery items including their components and all categories of stores which in their peculiar nature are required to be transported with special care to avoid Packages of Damages during Rail a' transit. In respect of the last mentioned category of stores, the authority competent to insure mentioned in column 2 may, in his discretion, and after recording his reason therefor authorise the incurring of an expenditure towards transit insurance at rates not exceeding those quoted by the Indian insurance pool.	<p>The General Superintendent, Public Works Workshops & Stores, Hyderabad. Junior Superintendents, Public Works Workshops, Vijayawada and Dowalaishwaram.</p> <p>The Director of Medical Services.</p> <p>The Director of Public Health.</p> <p>The Director of Public Instruction.</p> <p>The Chief Engineer (Electricity).</p> <p>The Superintending Engineers incharge of Power Systems.</p> <p>The Executive Engineer (Elect.) Vijayawada.</p> <p>The Chief Electrical Inspector to Government.</p> <p>The Superintending Engineers of Power Development Branch in Electricity Department.</p> <p>The Director of Industries & Commerce.</p> <p>The Joint Director of Industries & Commerce</p> <p>The Principals of Government Arts & Professional Colleges in the State.</p> <p>The State Port Officer; The Radio Engineer, Research Labs.</p> <p>The Director of Printing, Stationery & Stores Purchase.</p> <p>The Director of Technical Education.</p> <p>Director, Oil Technological Research Institute (G.O.Ms.No.151, Fin.&Plg.,Dt.26-4-83]</p>

	(1)	(2)
(ii)	Stores obtained from abroad during shipment to India.	See note 1 below.
(iii)	Other specially valuable property liable to special risks.	The Government or a Government servant specially authorized by the Govt.
(a)	Timber, Fuel and Bamboo felled under departmental extraction.	Divisional Forest Officer. [G.O.Ms.No.71, Fin. & Plg., Dt.5-3-1980]
(iv)	In all cases where special packing at extra cost is necessary to conform to railway standards for being transported at "Railway risk" the authority competent to insure shall order the consignment to be booked at "owner risk" rates duly insuring against transit risks, provided such a course involves less expenditure as compared to the "Railway risk rates" with special packing.	
(v)	In cases not covered by exception (iv) above the authority competent to insurance may authorise the incurring the expenditure not exceeding Rs. 250/- for a single consignment in respect of freight charges for booking goods at railway risk rates in cases where the booking of consignments at railway risk rate is only optional.	Do.
(vi)	All the stocks that are stored in godowns of Agricultural Department which are susceptible to fire accidents may be covered by adequate insurance.	"Director of Agriculture or such other officer-in-charge of godown specially authorised by the Director of Agriculture for this purpose". (G.O.Ms.No. 247. Fin. & Plg.. Dt. 1-8-1980.)

Note 1 : —The High Commissioner for India charges one fourth of one percent of the value of all stores shipped to India by the Indian Stores Department London. to cover the cost of insurance during shipment. The Government do not meet the costs of insurance during shipment of imported stores not shipped by the India Stores Department, London. except when they do so by paying a purchase price that covers the cost. Insurance and freight of the stores as delivered at the required port or station in the State—see Article 132.

Note 2 : —The Government do not insure Government motor cars. when they supply a government motor car for the use of the person holding an office, it is open to the latter to protect himself against the risks involved in the use of the car by insurance at his own cost. When a Government servant buys a motor vehicle with an advance granted by the Government they required him to insure it at his own cost, (See Articles 230 and 231).

Note 3 : —The Director, Central Stores Purchase Department, may in his discretion, stipulate in the purchase orders specified condition for the insurance of the stores ordered, therein payable by the indenting officer or the consignee, provided the said director is satisfied on the advice of the

supplying firm that the nature of the said store warrants such insurance or where the supplier insistence payable extra by Government as a condition of his offer which is otherwise acceptable in all other respects. (G.O.Ms.No. 417, Dt. 24-6-1963)

Rounding off of transactions in Government Accounts

ARTICLE 320. (a) All Government transactions whether involving receipts of payments or book adjustments should be brought to account in the nearest whole rupee. Fractions of fifty paise and above should be rounded off to next whole rupee and those below fifty paise being ignored.

(b) In the case of pay and allowances, the net amount of bill should be rounded off. In the case of deduction or recoveries from the pay bills, each deduction/recovery should be made in a whole rupee except in respect of insurance premia etc. in which the rates are fixed in rupee and paise.

(c) In the case of Travelling Allowance Bills, the rounding off shall be done only at the last stage in respect of the each individual claims and not in respect of each item, e.g. Railway fares, Mileage Daily Allowance etc., which comprises the claim of an individual.

(d) In respect of the payments for contingent and other claims, the rounding off shall be done for the net amount of the Bill and not for each item of expenditure.

(e) The amount of Land Revenue assessments, sales tax, excise and other revenues to be collected by the State Government shall be rounded off to the nearest rupee.

(f) Any sum due from Local body on a final adjustment in respect of Land Cess collections of each fasli should be rounded to the nearest rupee and recovered/paid accordingly.

(g) Reserve Bank remittance, other than those of sums representing dues fixed by or under any contractual obligation of the government involving fractions of rupee shall be brought to account in nearest rupee.

(h) Deposits and receipts other than those which are fixed by or under any law or are specially exempted by the Government from the operation of this rule, involving fractions of a rupee shall be brought to account in multiples of whole rupee as indicated above.

(G.O.Ms.No. 167, Fin. & Plg., Dept., Dt. 29-4-1989).

Art. 320 — Clarifications

- 1. Accounts - Transaction of Revenue and Expenditure of State Government — Round ing off of transaction — Transaction involving of a fraction of a rupee brought into account by rounding off to the nearest rupee — Certain Clarification — Issued.**

(Memo.No. 18877/231/TFR/89. Fin. & Plg.. Dt. 4-2-1990)

Ref. —1. G.O.Ms.No. 167. Fin. & Plg. (FW, TFR) Dept., Dt. 29-4-1989).

2. From the Director of Treasuries & Accounts, A.P, LNo.FI/25379/89,Dt.1-7-89.

In the GO. cited, orders were issued that all transactions in Government Account invoking fraction of a rupee shall be brought into account by rounding off to the nearest rupee, i.e., an amount of fifty paise and above but less than one rupee should be taken as one rupee while an amount less than fifty paise should be ignored and omitted from the accounts.

On the above orders, the Director of Treasuries and Accounts, A.P., the Pay and Accounts Officer, Hyderabad and certain other Heads of Offices has raised certain points for clarification. The matter has been examined in consultation with the Accountant-General, A.P., Hyderabad. The Government after careful consideration hereby issue the following clarification on the orders issued in the G.O. cited.

1. Pay Bills :—Pay and Allowances rounding off should be done for each item of earning. All entitlements due to an individual employee by way of Pay/H.R.A./D.A./T.A., and all inner column deductions from salary bills on account of licence fees, tax savings loan recoveries etc., including book transaction shall be rounded off to whole rupee by taking the fraction of a rupee paisa 50 and above to next rupee and ignoring below 50 paisa.

2. Challans :—Challans to be remitted by private parties, shall be accepted only in whole rupee. All Sub-treasury Offices/Banks transacting Government business should accept remittances only in whole rupee and not in fraction.

3. Pensions & Pension Relief :—In respect of payments on account of Pension! Relief on pension, D.C.R.G./C.O.P the amounts may be rounded off to the next rupee instead of rounding off to the nearest rupee.

4. Recovery of Interest :—Recovery of interest on Loans & Advances to an employee which is computed as percentage of base amount and effected in installments shall be made in whole rupee.

5. Transaction between Government and Departments :—Transactions between one Government and another or between two departments of the same Government shall be rounded to the nearest rupee.

6. Bills for recoupment of P.A. :—The bills for recoupment of permanent Advance should be rounded off to the whole rupee on each occasion to avoid fractions appearing in Government accounts.

7. P.L.I Deductions :—The issue relating to rounding off P.L.I deductions is under examination of Government of India and necessary clarification will be issued soon after a decision is taken in the matter.

2. Transaction of Revenue and Expenditure of State Government — Rounding off of transaction-Transactions involving of a fraction of a rupee brought into account by rounding off of to the nearest rupee — Rounding off of Postal Life Insurance Premia — Deductions to the nearest rupee — Clarification — Issued.

(Memo.No. 18877/231/TFR/89-2, Fin. & Plg., Dt. 8-10-1990)

Ref :— 1. G.O.Ms.No.167, Fin. & Plg.(FW,TFR) Dept., Dt.29-4-89 r/w Govt. Memo.No. 18877/231/TFR/89, Dt. 4-2-1990.

2. Lr.No. 23-3/87-LI, Dt. 15-1-1990 of the Govt of India, Ministry of Communications, Dept., of Posts communicated through the Lr.No. TM (A/cs)-I/II/105/90-91/3, Dt. 29-5-90 of the AG (A&E), A.P. Hyderabad.

In the G.O. first read above, orders were issued that all the transactions in the Government Accounts involving fraction of a rupee shall be brought into account by rounding off to the nearest rupee. It has been stated there in that the issue relating to roundings off of Postal Life

Insurance (PLI) premia deductions is under the examination of the Government of India and necessary clarification would be issued soon after a decision is taken in the matter.

A copy of the Government of India, Circular Letter No. 22-3/87/LI, Dt. 15-1-1990 of Ministry of Communications, Department of Posts, containing instructions in this behalf is enclosed for information and guidance to all the Government Departments as also the Drawing and Disbursing officers concerned for implementation of the instructions contained therein.

Copy of Lr.No. 23-3/87-LI, 15-1-1990 from the Government of India, Ministry of Communications, Department of Posts, Dak Bhawan, New Delhi-I.

Sub :- Rounding off of PLI transactions—Recommendations of the Geethakrishan Committee.

Sir,

The Government of India issued instructions vide its G.O.Ms.No. F-23(8) - E. II (S)/86, Dt. 26-6-1986 regarding rounding off of transactions in Government accounts w.e.f., 1-4-1989. Accordingly, all “inner column” deductions from salary bills on account of Postal Life Insurance were required to be rounded off in whole rupee. However, the above decision of the Government of India could not be implemented due to unavoidable measures.

(2) The whole issue has been examined in consultation with Ministry of Finance and after careful consideration the following decisions have been taken.

(i) PLI premium for pay recovery cases (deductions from salary) and cash deposits will be made in rounded figures. The fraction of less than fifty paise will be rounded off to lowest rupee, and fraction of fifty paise or more to higher rupee. A suitable correction in the amount of premia will be made on the 1st page of P.R. Book, under the signature of incharge Post Office (SPM or APM).

(ii) By rounding off premia as above, an insurant would be paying extra premia if at present his rate of premia is in the fraction of fifty paise or more. All such excess recovery either as deductions from salary or deposits by cash will be rounded to the time of settlement of claims of maturity.

(iii) The Heads of Circles will instruct all DDOs and Post Masters to round off premia paid by the insurants. If any insurant makes enquiries about change, he should be politely informed about the changes.

(iv) Rubber stamps should be supplied at the counter which should be affixed on the P.R. Book indicating the change in the premium.

(v) Detailed information/instructions should be got cyclostyled and displayed prominently and handed over to each insurant if desired, who comes for payment of premia in cash at the counter.

(vi) A suitable remark of excess recovery will be made on each KLC.

30. Director PLI, Calcutta will thereafter print advance schedule in rounded of figures only for all DDOs/PAOs.

ARTICLE 321. [Omitted by G.O.Ms. No. 917, Fin. & Plg, Dept., Dt. 29-4-1989]

ARTICLE 322. [Omitted by G.O.Ms. No. 167, Fin. & Plg, Dept., Dt. 29-4-1989]

Erasures

ARTICLE 323. A Government servant should be on no account erase or overwrite any entry in any cash book, account, register or schedule. If he finds it necessary to make a correction he should cancel the incorrect entry neatly in red ink and insert a correction entry. Whenever a Government servant makes any correction or interpolation in any such document, he should request the head of the office to authenticate it by writing his dated initials against it —See subsidiary Rule 32(c) under Treasury Rule 16.

Exception :—The authentication of any correction or interpolation in the accounts, registers, books, schedules, etc., relating to an operating system in the Electricity Department may be done by a responsible section head not lower than an Accountant.

Supply of Forms

ARTICLE 324. The Director, Government Press, maintains stocks of the standard forms prescribed for use by Government offices including the forms prescribed in this code, the Andhra Pradesh Treasury Code and the Andhra Pradesh Account Code. Heads of offices and other Government servants who are entitled to indent for these forms should send their indents to him in accordance with the rules contained in Part I of the Andhra Pradesh Printing Manual.

Service books

ARTICLE 325. A record should be maintained of the services of every Government servant in accordance with the rules framed by the Government under Fundamental Rule 74(a)(iv) see Part III of Annexure IL to the Fundamental Rules. The Accountant-General will maintain the record for gazetted Government servant in the "History of Services", which he compiles annually. The head of each office should maintain the record for each non-gazetted Government servant working under him in a service book (or service roll). Each district treasury keeps a stock of service books and service rolls and supplies those required of keeping in stock and sale at sub-treasuries on quarterly indents, which should not be excessive. Other offices should obtain from the sub-treasury only the number of service books (or rolls) actually required for use on each occasion and should not hold any stock to meet future requirements.

Service roll forms required by heads of Government offices for last grade Government servants, Police constables and head constables and leading firemen and other equivalent ranks in the Fire Services Department will be issued free of cost.

Note : —All heads of Departments and Offices should attach to the pay bills for the month of June every year a certificate to the effect that annual verification of service will local records in respect of all the incumbents (whose pay is drawn in the bill) has been completed. In the absence of this certificate, the bill is not to be passed by the Treasury Officer/Pay and Accounts Officer.

Memo.No. 74538-A/Accts./1 614/69, Dt. 25-5-19711

Destruction of official records connected with accounts

***ARTICLE 326.** A competent authority may destroy official records from time to time subject to the careful observance of the relevant rules contained in the department code or manual and of any other relevant orders of the Government. The following rules apply generally to the destruction of records (including correspondence) connected with accounts—

(a) The following should on no account be destroyed :—

(i) records connected with expenditure which is within the period of limitation fixed by law;

(ii) records connected with expenditure on projects, schemes or works which have not yet been completed, even though the expenditure is not within the period of limitation fixed by law.

(iii) records, connected with claims to service and personal matters affecting Government servants who are still in service, and

(iv) orders and sanction of a permanent character, until revised.

(b) The following records should be preserved for not less than the period specified against each item :

<i>Description of records</i> (1)	<i>Period of Preservation</i> (2)
Annual establishment return (Books of establishment)	— 35 years
Pay bills and, when maintained separately, acquittance rolls for pay and allowances (other than travelling allowance) of Government servants for whom no establishment returns are submitted or no service books or service rolls are maintained.	— 35 years
Note —Pay bills relating to head constables and constables of the Police Department. for whom long rolls are maintained in addition to service books and to copyists and examiners in the Revenue Department who are not in pensionable service, need not be preserved beyond six years.	
Pay bills and, when maintained separately, acquittance rolls for pay and allowances (other than travelling allowance) of Government servants for whom establishment returns are submitted and service books or rolls maintained -See the last sentence of clause (c) below.	*[3 years]
*(G.O. No. 260. Fin, & Plg., Dt. 25-7-1994	
Pay bills and, when maintained separately, acquittance rolls of Government servants in last grade service.	— 45 years
Registers of contingent expenditure	— 5 years
Sub-vouchers	— 3 years
Detailed budget estimates of an office	— 5 years
Travelling allowance bills and acquittance rolls relating to travelling allowance.	— 3 years
Pension cases (including the service books and leave accounts attached to them) in which invalid or compensating pensions have been sanctioned.	25 years
Other pension cases (including the service books and leave accounts attached to them) after the retirement of the Government servant concerned.	35 years
Note 1 —Service books and other papers relating to a claim for a gratuity should be retained until the claimant attains 55 years of age or dies, whichever is earlier and also until final orders have been passed on the claim.	
Note 2 :—In regard to service books of Government servants who have been dismissed or discharged or have resigned or died whilst in service see	

Rule 14 to 16 of the subsidiary rules under Fundamental Rule 74(a)(iv) contained in Part 111 of Annexure II of the Fundamental Rules.

Statements of monthly progressive expenditure and correspondence relating to any discrepancy in the figure — 2 years

Mortality returns of pensioners 5 years

(c) When the Government have prescribed a minimum period after which records of a particular kind may be destroyed, the head of a department or any other authority duly authorized to do so, may order in writing that such records in this own office and the offices subordinate to him shall be destroyed on the expiry of that period, counting from the last day of the latest financial year to which the record relates. Before the head of an office allows any pay bills or acquittance rolls to be destroyed, He should take care to satisfy himself that the procedure in regard to the maintenance and verification of service books prescribed in subsidiary Rules 6 and 12 under Fundamental Rule 7(a)(iv) (Part III of Annexure II of the Fundamental Rules) has been strictly followed in regard to those pay bill acquittance rolls.

(d) The head of a department is competent to sanction the destruction of such other records in his own office and the offices subordinate to him as he considers to be useless, but he should forward a list of such records as properly appertain to the accounts audited by the Indian Audit Department to the Accountant-General and await his concurrence in their destruction before ordering them to be destroyed.

(e) Every head of an office should see that lists showing full details of all records destroyed from time to time are properly prepared and retained permanently.

Amendment to Article 326 (b) of A.P.F.C. Volume-I

Preservation of Vouches — Reduction of time limit for preservation from 6 years to 3 years.

(GO. Ms. No. 185, Fin. & Plg. (TFR-I) Department, dated 26-07-2005)

- Ref. 1. G.O. Ms. No. 260, Fin. & Plg. (FW-TFR) Department, dated 25-07-1994.
 2. DO. Letter No. TM-I/III/14-1/2003-04/9, Dated: 07-07-2003 of Accountant General (A & E), A.P., Hyderabad.
 3. Lr. No. 601P.A.C./2005-1, Dated: 24-06-2005 of the Secretary to State Legislature. Andhra Pradesh, Hyderabad.

Order : —In the reference 1st read above, orders have been issued reducing the time limit for preservation of vouchers from 6 years to 3 years with the following exceptions:

(i) the records / vouchers relating to Court Cases pending before Public Accounts Committee embezzlement cases.

(ii) such other vouchers that may be required by the Departments for special reasons where specific requisition for retention of records sent to Accountant General's Office well in time before the destruction of records and;

(iii) all records / vouchers pertaining to the Land Acquisition.

In the reference 2nd read above, the Accountant General (A & E), A.P., Hyderabad has stated that their Office has been reaching 15 lakhs vouchers every month. Given the

constraints of space, it has become very difficult to store these records and retrieve records required for any purpose and has proposed that in respect of vouchers which have crossed the period of preservation, but have not been examined by Public Accounts Committee, if there are no Audit Paras pending relating to those vouchers and if no other irregularities have been noticed requiring reference to these vouchers, such vouchers can be destroyed even if the account for the year has not been examined by Public Accounts Committee.

In the reference 3rd read above, the Secretary to State Legislature has stated that the suggestions of the Accountant General, A.P., Hyderabad has been placed before the Committee on Public Accounts at its meeting held on 06-06-2005. After taking into consideration of the difficulties explained for preserving vouchers in Accountant General's Office and in order to overcome the present difficulties and after holding deliberations among members, the Committee has accepted the following proposals which were submitted by the Accountant General.

(i) The Vouchers may be retained in the normal course till the prescribed period of preservation before weeding out with the exceptions mentioned in item (ii) and (iii) below. The period of preservation of vouchers may be delinked from the examination of a given year's account by the Public Accounts Committee.

(ii) Vouches that may be required by the Departments for special reasons or in connection with cases of misappropriation / fraud / embezzlement or Court Cases may be preserved if the requisitions are sent to Accountant General by the Department Government within the prescribed period of preservation.

(iii) Vouchers pertaining to the Land Acquisition may be preserved permanently. After careful consideration, Government hereby order that

(i) The Vouchers may be retained in the normal course till the prescribed period of preservation before weeding out with the exceptions mentioned in item (ii) and (iii) below. The period of preservation of vouchers may be delinked from the examination of a given year's account by the Public Accounts Committee.

(ii) Vouches that may be required by the Departments for special reasons or in connection with cases of mis-appropriation / fraud I embezzlement or Court Cases may be preserved if the requisitions are sent to Accountant General by the Department / Government within the prescribed period of preservation.

(iii) Vouchers pertaining to the Land Acquisition may be preserved permanently. Necessary amendment shall be issued to Article 326 (b) of A.P.F.C. Volume-I separately,

Reports of deaths of European Government Servants

ARTICLE 327. When a European Government servant dies while on duty or on leave in India, the head of the office should submit a report immediately to the Government (in the GA. Department) in Form 21.

Reports of death of pensioners

ARTICLE 328. Every executive authority of a municipal council and village headman should report immediately to the disbursing officer concerned the death of any person who was residing within his jurisdiction and drawing a Government pension whether civil, military, political or of any other kind. Pension disbursing officers should supply these

authorities with lists of the pensioners residing within their respective jurisdictions. Whenever any pension remains undrawn for one year, the Disbursing officer should make enquiries through the District Police as to the cause of his non-appearance stating clearly where the pensioner was residing, and the pension should not be paid till the enquiry is complete and payment of pension shall be continued if no objection is found as a result of the enquiry. [Memo. No. 9073/3441/Accts./65-3, Dt. 28-10-1966]

In Hyderabad city, the above report will be made by the Commissioner of the Corporation of Hyderabad to the Accountant-General.

On receipt of intimation of the death of a civil pensioner, the disbursing officer should report the particulars immediately to the Accountant-General. When the Accountant-General receives intimation of the death of a European pensioner, he will submit a report immediately to the Government in Form 21.

CHAPTER XV

DELEGATION OF UNION FUNCTIONS BY CONSENT OF STATE

ARTICLE 329. The Government are primarily concerned with State transactions to which the rules in the foregoing chapters apply. The Government are also exercising certain functions in relation to Union subjects under powers delegated to them, These functions fall under the following categories

(i) Statutory and other executive functions entrusted by the Central Government to the Government and their officers with the Government's consent (Article 258(2) of the Constitution of India).

(ii) Functions imposed by Acts of the Indian Legislature upon the Government and their officers (Article 258(2) of the Constitution of India).

The transactions relating to these functions are regulated by the rules and orders issued from time to time by the Central Government and embodied in the "Financial Rules of the Central Government" or other Central Government codes and manual.

Chapter X of the Andhra Pradesh Budget Manual contains a summary of the general instructions issued for the guidance of estimating officer and others in regard to the estimate of revenue and expenditure relating to the Union subjects and the control of such expenditure.

CHAPTER XVI

RELAXATION OF RULES

ARTICLE 330. The Government may relax the provisions contained in any of these rules in favour of any Government servant or class of Government servants. A department or departments. [G.O.Ms.No. 317/Fin. (Accts.), Dt. 26-4-1963]

CONTENTS**List of A.P.F.C. Forms****Form Number**

1. Demanded statement of rents recoverable from pay bills of the Government Servants, occupying Government residential buildings in the charge of the Public Works Department,
- 2&3. Statement of proposition for revision of establishment,
- 4&4-A. Detailed statement of the permanent establishment (Annual establishment return),
5. Statement of new name, leave etc.,
6. Form of bond of indemnity for thawing the pay and allowances due to deceased Government Servant or the amount due as pension to a deceased pensioner,
7. Register of contingent charges,
8. Detailed countersigned contingent bill,
9. Form of tender and contract,
10. Stock account of furniture and other office stores,
11. Form of personal security bond to be executed by an officiating or temporary Govt. servant thawing an advance along with a permanent Government servant as surety,
12. Form of application by a Government servant for an advance for the purchase of a motor car/cycle,
- 12-A. Form of application by a Govt. servant for the purchase of a horse and saddlery,
13. Form of agreement to be executed at the time of thawing an advance for the purchase of a motor car/cycle,
- 13-A. Form of agreement to be executed by a Rural Medical Practitioner at the time of thawing an advance for the purchase of a bicycle,
- 13-B. Form of agreement to be executed by an Indian Administrative Service Officer at the time of thawing an advance for the purchase of a horse and saddlery,
- 13-C. Form of Agreement to be executed at the time of thawing an advance for the purchase of a motor car/cycle.
14. Form of mortgage bond for a motor car/cycle on account of which a Govt. servant has drawn an advance,
- 14-A. Form of mortgage bond for a bicycle on account of which a Rural Medical Practitioner has drawn an advance,

-
- 14-B. Form of mortgage bond for a horse and saddlery on account of which an Indian Administrative Service has drawn an advance,
 15. Form of letter intimating to an Insurance Company the A.P. Government's interest in a motor car/cycle insurance policy,
 16. Form of agreement to be signed by a Govt. servant who draws a passage advance,
 - 16-A. Form of agreement to be executed by a Govt. servant who draws an advance for purchasing a house through a Co-op., House Construction Society or for constructing a house through a Co-operative House Building Society,
 - 16-B. Application form prescribed under the rules regulating the grant of loans to the State Govt. Servants for house building purposes,
 17. Register of security bonds to be furnished by Govt. servants,
 18. Form of fidelity bond,
 - 18-A. Fidelity guarantee bond issued by the Indian Insurance Companies Association Pool,
 19. Model forms of security bonds to be furnished by Govt. servants,
 20. Report of damage to immovable Govt. property to be sent to the Accountant-General,
 21. Report of deaths of European Govt. servants and pensioners,
 22. Form of bill for drawing advances of travelling allowance on tour to Govt. servants,
 23. Register showing the details of advances of travelling allowance on tour paid to Govt. servants and the recoveries made in respect of the same,
 24. Form of Security bond to be furnished by the Drivers of Cars, Lorries, Buses, vans and Jeeps,
 25. Form of monthly returns to be forwarded by drawing officer (who draws A.C. Bills) to the controlling officers in case the bills required countersign nature or to next superior authority in case drawing officer is empowered to forward D.C. Bills direct to Accountant-General,
 26. Form of monthly return to be forwarded by the Controlling Officers to the next superior Authority,
 27. Form of the register of Permanent Advance,
-

FORM 1*(See Chapter III, Articles 14, 15 and 18)***DEMAND STATEMENT OF RENTS RECOVERABLE FROM PAY BILLS OF GOVERNMENT SERVANTS OCCUPYING GOVT. RESIDENTIAL BUILDINGS IN THE CHARGE OF THE PUBLIC WORKS DEPARTMENT**

Name of Division Register number of building	Name of building	Major head to be credited Name, rank and office of occupant, with rates of his pay and allowances, as known to the executive Engineer	Amount due to end of 19...
(1)	(2)	(3)	(4)

Name of Canal, etc.

To be filled in by the Treasury Officer or other disbursing officer.

Amount recovered during	Remarks with date other particulars of changes in the rates of emoluments shown in column (3)
(5)	(6)
Rs.P.	

Forward to the

(Treasury Officer or other

Dated19....

disbursing Officer).

Executive Engineer.

Completed and returned to the Executive Engineer..... Division. Certified that the emoluments of the tenants named in the statement remained unchanged during the month and that no arrears of emoluments were paid to them during the previous month except as indicated in column (6) of this statement.

Date..... 19.....

Treasury officer or other disbursing officer.

FORM 2*(See Chapter V, Article 67)***STATEMENT OF PROPOSITION FOR REVISION OF ESTABLISHMENT**

Nature of Charge																		
Present scale						Proposal scale												
Pay						Pay												
No.	Designation	Min.	Increment	Max.	Average cost	No.	Designation	Min.	Increment	Max.	Average cost							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)							
		Rs.P.	Rs.P.	Rs.P.	Rs.P.			Rs.P.	Rs.P.	Rs.P.	Rs.P.							
Proposition																		
Permanent			Temporary															
Decrease per month		Increase per month		Increase per month			Decrease per month			Orders of the sanctioning authority								
Amount		Amount		Period			Amount											
(13)		(14)		(15)			(16)					(17)			(18)			(19)
Rs.P.		Rs.P.		Rs.P.			Rs.P.			Rs.P.			Rs.P.			Rs.P.		

If the Government are competent to sanction the proposal, their order will be written across this column.

Note :—(1) If the proposal is for a reorganization of establishment, the head of the department should certify that claims to pension that may arise in consequence have been considered with reference to the provisions of Article 429, C.S.R., and should specify any case in which the maximum pension ordinarily admissible will be subject to reduction under that article. See Article 64 of the Andhra Pradesh Financial Code.

(2) In preparing this statement, particular attention should be paid to the instruction in Article 68 of the Andhra Pradesh Financial Code.

Date..... 19....

Signature

Designation.

To

The Secretary to Government Department,
through the Accountant-General.

FORM 3*(See Chapter V, Article 67)***STATEMENT OF PROPOSITION FOR REVISION OF ESTABLISHMENT**

Class or grade and designation of Govt. servant effected.	Number in each class		Rates of pay	Actual present cost of establishments affected	Approximate extra cost involved by these proposals
	Present	Proposed	Present Proposed		
(1)	(2)	(3)	(4)	(5)	(5)

In the case of district or divisional establishments, the cost of the whole establishment or establishments affected should be given in lump without details, and in the case of establishments, the scale of which is fixed for the State as a whole, the cost of the whole State scale should be entered. When it is proposed to add a new class to an existing establishment, the whole of the existing cost of that establishment should be given.

Note (1) :—If the proposal is for a reorganization of establishment, the head of the department should certify that claims to person that may arise in consequence have been considered with reference to the provision of Article 429, C.S.R., and should specify any case in which the maximum pension ordinarily admissible will be subject to reduction under the Article. See Article 64 of the Andhra Pradesh Financial Code.

Note (2) —In preparing the statement, particular attention should be paid to the instruction in Article 68 of the Andhra Pradesh Financial Code.

Date..... 19....

Signature.

Designation.

To

The Secretary to Government Department,
Through the Accountant-General.

FORM 4*(See Chapter V, Article 71 and Appendix 6, Direction 1]***DETAILED STATEMENT OF THE PERMANENT/TEMPORARY NON-GAZETTED ESTABLISHMENT OF THE**

As it stood on 1st March,.....

Orders of competent authority creating the post	Name of the post.	Serial Number of posts in each Class.	Scale of pay of the post	Name of the incumbent
(1)	(2)	(3)	(4)	(5)

Date of incumbent's birth by Christian Era (as near as possible.)	Date of appointment of present incumbent to post with indication of nature of appointment (e.g.,) Officiating Quasi-permanent provisional permanent or permanent.	Pay of present incumbent	Date of last increment.	Remarks including note of efficiency bar where applicable and date from which the Govt.servant has been declared quasi-permanent.
(6)	(7)	(8)	(9)	(10)

Compared with service books and found correct.

Signature of the Head of Office.

FORM 4-A

(See Chapter V, Article 71 and the Local Ruling Direction 13 in Appendix 6)

STATEMENT OF THE ESTABLISHMENT OF THE..... DUPLICATE RETURN

As it stood on 1st March 19.....

Name of section & post	Serial Number of appointments in each class	Name of incumbents	Pay of post		Maximum	Pay of present incumbent	Date of last increment	Remarks
			Minimum	Rate of periodical increment whether annual etc.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

FORM 5

(See Chapter V, Article 71 and Appendix 6, Direction 10)

STATEMENT OF NEW NAMES, LEAVE, ETC.

New names.	From what office and on what date transferred or (in the case of new entrants), with what bill the health & age certificates were furnished	Name which were in Form 4 of the previous year but are now omitted.	From what date ceased to be borne on the establishment and why.	Name of Govt.servants who were on leave or under suspension during the previous year.	Description and period of leave or suspension (from and to what date), and whether it has been expressly declared that the suspension period will count towards pension.
(1)	(2)	(3)	(4)	(5)	(6)

Compared with service books and found correct.

Signature of the Head of the Office.

FORM 6

(See Chapter V, Article 80)

**FORM OF BOND OF INDEMNITY FOR DRAWING THE PAY AND ALLOWANCES
DUE TO A DECEASED GOVERNMENT SERVANT OR THE AMOUNT DUE AS
PENSION TO A DECEASED PENSIONER**

KNOWN ALL MEN by these present that 1(a) resident of..... and (b) the..... of (d)..... are held and firmly bound to the Governor of Andhra Pradesh in the sum of Rupees..... (Rs.....) to be paid to the Government of Andhra Pradesh (hereinafter called the Government), or their successors or assigns for which payment to be well and truly made, each of us severally binds himself and his heirs, executors, administrators and assigns and every two and all of us jointly bind ourselves and our heirs, executors, administrators and assigns firmly by these presents.

As witnesses our hand this..... day of..... 19..... Whereas (d)..... was at the time of his death in the service of the Government..... receiving a pension of Rupees (Rs.....) from the Government and whereas the said..... paid on the..... day of 19..... and there was then due to him the sum of Rupees..... pay and allowances on account of his aid office..... (Rs..... for..... on account of his said pension..... and whereas the above bounden (a)..... (hereinafter called 'the claimant') claims to be entitled to the said sum as heir of the said (a)..... but has not obtained letters of administration or a succession certificate in respect of the property and effects of the said (d)..... and whereas the claimant has satisfied the (e)..... (officer concerned) that she/he is entitled to the aforesaid sum and that it would cause undue delay and hardship if the claimant were required to produce letters of administration or a succession certificate in respect of the property and efforts of the said (d) and whereas the Government desire to pay the sum to the claimant but under the Government rules and orders it is necessary that the claimants should first execute a bond with one surety/two sureties to indemnify the Government against all claims to the amount so due as aforesaid to the said (d)..... before the said sum can be paid to the claimant now the condition of this bond is such that if after payment has been made to the claimant the surety/sureties shall in the event of a claim being made by any other person against the Government with respect to the aforesaid sum of Rs..... refund to the Government the sum of Rupees..... and shall otherwise indemnify and save the Government harmless from all liability in respect of the aforesaid sum and all cost incurred in consequence of any claim thereto. Then the above written bond or obligation shall be void but otherwise the same shall remain in full force and virtue.

In witness to the above written bond and the condition thereof we..... and..... and..... have hereunto set our hands this day of..... 19.....

-
- (a) Full name of claimant with place of residence.
 - (b) State relationship to the deceased.
 - (c) Full name of sureties.
 - (d) Name of the deceased.
 - (e) Title of the officer responsible for the payment.

FORM 7

[See Chapter VI, Articles 103 and 110]

REGISTER OF CONTINGENT CHARGES OF THE DEPARTMENT OF THE DISTRICT, 19.... (COMMON FORMS OF CONTINGENT REGISTER TO BE USED IN ALL DEPARTMENTS EXCEPT IN THE GOVT. PRESS AND THE JAIL DEPARTMENT)Sub-head, detailed account heads and sub-divisions..... thereof.....
Unusual charges

Date	To whom paid	Number of (Sub-vouchers contingent abstract	Sub-Head, detailed account heads and Sub-divisions thereof					
	Appropriation for each head		(4)	(5)	(6)	(7)	(8)	(9)
(1)	(2)	(3)	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.	Rs.P.

Unusual Charges	Account	Total of each contingent abstract	Total of each month's bill.	Date of detailed bill.	Date of admission with initials.	Advances	Remarks
Description	(11)	(12)	(13)	(14)	(15)	(16)	(17)
(10)	Rs.P.	Rs.P.	Rs.P.		Rs.P.		

FORM 8

(See Chapter VI, Article 108]

DETAILED COUNTERSIGNED CONTINGENT BILL No.....**Note** :—Government servants whose bills are countersigned before payment by the control- hug office should use A.P.T.C. Form 56.

(NOT PAYABLE AT THE TREASURY)

Sent to the controlling authority..... 19..... Countersigned and sent on to the Accountant-General on..... 19.....

District—
Monthly detailed bill of contingent charges of
for the month of..... 19.....
Head of Service—

Number of sub-voucher	Description of charges and number and date of authority for any charges requiring special sanction.	Amount	
		Rs.P.	Rs.P.
		Carried Over.....	
Number of sub-voucher	Description of charges and number and date of authority for any charges requiring special sanction.	Amount	
		Rs.P.	Rs.P.
		Brought forward.....	
		Total _____	

(1)	I certify that the expenditure charged in this bill could not, with due regard to the interest of the public service, be avoided. I certify that to the best of my knowledge and belief, the payments entered in this bill have been duly made to the parties entitled to receive them. Vouchers for all items of expenditure above. Rs. 25 in amount, and all bills to be paid by book transfer are attached to the bill. I have as far as possible, obtained vouchers for other sums, and I am responsible that they have been so cancelled that they cannot be used again.	Drawn on abstract Bill No..... dated.....	
(2)	I certify that the materials and stores billed for above have been brought on the respective inventories and that all materials and stores are being duly accounted for and verified in the manner laid down in Articles 133-144 of the Andhra Pradesh Financial Code.	Add-Amount disallowed from Contingent Bill No. dated and refunded by deduction from Contingent Bill No..... dated.....	
(3)	I certify that the article or materials billed for have been purchased on the tender system prescribed in Article 125 of the Andhra Pradesh Financial Code and have been received in good order, that their quantities are correct and their quality good, that the rates paid are not in excess of the accepted and the market rates, and that suitable notes of payment have been recorded against the original indents and invoices concerned to prevent double payments.	Add – Amount disallowed from Contingent Bill No..... dated..... and re-allowed in letter dated.....	
		Total of this bill.	
(4)	I certify that—		
	(a) the expenditure on conveyance hire charged in this bill in terms of item 11(A) of Appendix 7 in the Andhra Pradesh Financial Code was actually incurred, was unavoidable and is within the schedule scale of charges for the conveyance used and	Appropriation for 19-19 Expenditure including this bill.	
	(b) the Government servant concerned is not entitled to draw travelling allowance under the	Amount of bills to be paid by book transfer annexed.	

ordinary rules for the journey, and he is not granted any compensatory leave and does not and will not otherwise receive any special remuneration for the performance of the duty which necessitated the journey.

Balance available.

Dated..... 19....

Signature of the disburser.

Note :—The progress of expenditure should be recorded under each sub-head of appropriation and if so directed by the controlling authority, each detailed account head.

For the use of the controlling authority

Disallowed from Sub-voucher No.....

Ditto

Ditto

Passed for Rupees

Total of this Bill

I certify that in support of every charge or more than Rs. 25/- made in this bill, a receipt or other voucher has been given to me and is now in my possession. The receipts and vouchers for items in excess of Rs. 1,000/- attached to the bill, and I am responsible that the receipts and vouchers for all other items of more than Rs. 25/- are in proper form and order, and that they have been so cancelled that they cannot be again used to support claims against the Government. All bills to be paid by book transfer are also appended.

(G.O.Ms.No. 341, Fin. Dt. 23-12-1983)

Dated :19....

Signature of the controlling authority.

FORM 9

(See Chapter VII, Article 131)

FORM OF TENDER AND CONTRACT

Tender for the Supply of Goods

To the Governor of Andhra Pradesh..... I..... of..... hereby contract and agree on the acceptance of this tender by on behalf of the Governor of Andhra Pradesh to supply the Government of Andhra Pradesh (hereinafter referred to as “the Government”) in accordance with the conditions of contract noted below the goods or materials hereunder named of the quality or sort and after the rate of price hereunder specified and I hereby forward the sum of Rs. as earnest money to be returned to me by the Government if this tender is not accepted—

Description of goods or materials	Quality of sort	Rate of Price (in figures and words)	Total Quantity or number to be supplied (if limited)
-----------------------------------	-----------------	--------------------------------------	--

Conditions of contract

This contract is to last for (—) months certain from its date. But in the event of any breach of agreement at any time on the part of the contractor the contract shall be determinable

by..... for and on behalf of the Government without compensation to the contractor. The contract may also be put an end to at any time by the Government upon giving..... day's notice to the contractor.

2. The goods or materials to be supplied under this contract are to be of the quality or sort above mentioned and in every respect equal and answerable to the patterns or samples sent with the tender and such as the Government or any Officers duly authorised by them shall approve.

3. The goods or materials are to be delivered at..... free of charge to the Government and at the contractor's risk in such quantities or numbers at such times and in such manner as..... or any one duly authorised by him shall from time to time order.

3-A. In the case of failure to supply goods at the place of delivery, the consequent extra expenditure shall be borne by the suppliers.

3-B. The contracting officer shall have the option to instruct the suppliers to send the goods by a longer route or to take delivery at a different place if he is satisfied that failure on the part of the supplier to comply with the original terms of the agreement is due to causes beyond his control. [Memo.No. 76127/1467/Accts./70-1, Dt. 7-9-1971]

4. Rejected goods or materials shall be removed by and at the expense of the contractor within seven days after notice shall have been given him of the rejection. If not so taken away the may cause the goods or materials to be removed and charge the contractor with all expenses incurred in such removal.

5. In case of a failure by the contractor to deliver goods or materials demanded from him within the period limited for delivery or in case of goods or materials delivered by him not being of the stipulated quality, weight, or measure or in case of goods or materials being delivered without a correct invoice in duplicate the or any one duly authorised by him shall have power to reject any such goods or materials and to purchase others instead of any goods or materials so rejected or not delivered unless the contractor shall himself forthwith supply others that shall be sufficient and satisfactory and any excess of cost so incurred by the Government over the contract price together with all charges and expenses attending the purchase shall be recoverable by the Government from the contractor.

5-A. The time for and the dates of delivery of the materials mentioned in the tender shall be deemed to be of the essence of the contract and the contractor shall deliver the materials on or before the dates mentioned in the tender. Should the contractor fail to deliver the material on or before the stipulated dates, he shall pay as agreed liquidated damages and not by way of penalty, an amount equal to one percent or such smaller amount as the competent authority (whose decision in writing shall be final) may decide on the total amount of the contract for every day that the contractor shall exceed the time of the delivery and the delivery of the materials may be in arrears, provided always that the entire amount of liquidated damages shall not exceed ten percent on the total amount of the contract as shown in the tender. [G.O.Ms.No. 58, Fin., Dt. 27-3-1967]

6. The contract or any part of share of interest in it is not to be transferred or assigned by the contractor directly or indirectly to any person or persons whomsoever without the written consent of the Government.

7. With every delivery of goods or materials under the contract invoices in duplicate are to be sent by the contractor. The duplicate will be returned by the with the quantities or numbers received duly noted thereon. The contractor is to send his account monthly to the Government within seven days from the termination of the month with the amount due correctly calculated according to the prices agreed upon, whereupon after examination of the claim, notice shall be given to him of the day of which he or his authorized agent may attend for payment. Fractions of a rupee i.e., less than 50 P. shall be disregarded and 50 P. and over shall be taken

as a rupee in the case of bills amounting to Rs. 25/- and upwards. The total of bills for less than Rs. 25/- shall be rounded to the nearest multiple of 5 P.

7-A. The Government hereby agrees that during the term fixed by this contract and except as herein provided, Government shall not purchase from any person or persons other than the contractor or from any company or corporation all or any quantities of the goods or materials agreed to be supplied by the contractor.

7-B. The final payment of goods or materials under this contract shall be made on only production by the contractor a certificate from the Income-Tax authorities that all income-tax payable by him up to the end of the accounts year been duly paid.

8. Any notice to the contractor shall be deemed to be sufficiently served if given or left in writing at his usual or last known place of abode or business.

8-A. The contractor shall be deemed to be sufficiently served if given or left in writing at his usual or last known place of abode of business.

9. The contractor shall furnish security for the due fulfilment of the contract equivalent to 10 per cent of the total value of contract. This security may be in the form of cash, promissory notes of the Government of Andhra Pradesh, the Central Government or any other State Government, Municipal Debentures, Port Trust Bonds, Post Office Savings, Bank Deposits, Post Office Cash Certificates and Savings Certificates issued by the Government or Deposit Receipts of the State Bank of India. The contractor concerned may make, either by a suitable deposit or a guarantee, arrangements with any bank which should deposit Government securities to cover the amount of security demanded, with margin of 5 percent below market value. Where cash is furnished as security, the amount of the earnest money shall be taken into account in fixing the amount of security. The May at his discretion accept in lieu of such securities bond from two sureties to be approved by him.

10. Upon the complete fulfillment of this contract by the contractor to the satisfaction of the Government or any officer duly authorized by them the said sum of Rs. so deposited as security by the contractor shall be returned to him less the amount, if any due by the contractor to the above officer.

*Contractor 's Signature
Address by post.*

Witness to the above signature.

Acceptance

The Governor of Andhra Pradesh hereby accepts the foregoing tender in accordance with the conditions of contract thereunto annexed.

Dated :

(For and on behalf of the
Governor of Andhra Pradesh)

FORM 10*[See Chapter VII, Article 135]***STOCK ACCOUNT OF FURNITURE AND OTHER OFFICE STORES**

<i>Date</i>	<i>Number and date of contingent voucher, invoice, etc.,</i>	<i>Nature of Transaction</i>	<i>Receipts</i>	<i>Issues</i>	<i>Balance</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Sample Entries)						
1 st April 19....	-	Opening balance	-	-	46	-
15 June 19.....	Voucher No.10, dated 15 th June 19.....	Purchased	4	-	50	-
25 th August 19.....	Indent No.27, dated 15 th August 19....	Transferred to the office of.....	-	6	44	-
1 st October 19.....	Office Order 36, dated 1 st October 19.....	Broken chairs condemned as unserviceable		3	41	-

Destroyed as they were not worth repairing.

FORM 11*(See Chapter X, Article 227)*

FORM OF PERSONAL SECURITY BOND TO BE EXECUTED BY AN OFFICIATING OR TEMPORARY GOVERNMENT SERVANT DRAWING AN ADVANCE ALONG WITH A PERMANENT GOVERNMENT SERVANT AS SURETY

KNOW ALL MEN BY THESE PRESENTS that I..... son of..... a resident of..... in the District of..... at present employed as a permanent..... in the..... (hereinafter called "the Surety") am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called "the Government" which expression shall include their successors or assigns or their certain attorney or attorneys) in the sum Rs..... (Rupees..... only) to be paid to the Government FOR WHICH PAYMENT to be well and truly made I hereby bind myself, my heirs, executors, administrators and legal representative firmly by these presents. As witness, my hand this..... day of..... one thousand nine hundred and.....

WHEREAS son of..... a resident of..... in the District of at present employed as a temporary..... in the..... (hereinafter called "the Borrower") at his own request, been granted by the Government advance of Rs.....

(Rupees..... only) for..... AND WHEREAS the Borrower has undertaken to repay the said amount in equal monthly installments AND WHEREAS in consideration of the Government having agreed to grant the aforesaid advance to the Borrower, the Surety his agreed to execute the above bond with such condition as hereunder is written.

NOW THE CONDITION OF THIS OBLIGATION is such that if the said Borrower, shall, while employed in the said..... duly and regularly pay or cause to be paid to the Government the amount of the aforesaid advance owing to the Government by installments until the said sum of Rs..... (Rupees..... only) shall be duly paid, then this bond shall be void, otherwise the same shall be and remain in full force and virtue. BUT SO NEVERTHELESS that if the Borrower shall die or become insolvent or at any time cease to be in the service of the Government, the whole or so much of the said principal sum of Rs..... (Rupees..... only) and interest thereon as shall then remain unpaid shall immediately become due and be recoverable from the Surety in one instalment by virtue of this bond.

The obligation undertaken by the Surety shall not be discharged or in any way affect by an extension of time or any other indulgence granted by the Government to the said Borrower.

The Government have agreed to bear the stamp duty, if any, for this document.

Signed, sealed and delivered by the

Said..... (Signature of Surety).....
 at..... this day of (Designation).....
19 (Office to which attached).....

Signed, sealed and delivered by the

Said..... (Signature of Borrower).....
 at..... this day of (Designation).....
19 (Office to which attached).....

Signature,

In the presence of

Address

and occupation of the (1)

witnesses (2)

FORM 12

(See Chapter X, Article 230(c)(1))

FORM OF APPLICATION BY A GOVERNMENT SERVANT FOR AN ADVANCE FOR THE PURCHASE OF A MOTOR CAR/CYCLE

1. Name of applicant (in Block letters) :
2. Designation of applicant and office in which employed :
3. (a) Whether permanent and if so the particulars of the permanent post :
 (b) If not permanent whether he is an approved probationer and if so the name of the post and date from which he has been declared as an approved probationer :
4. Date of Birth :
5. Date of Superannuation or retirement :

6. Scale of pay of the present post :
7. Basic pay in the present post as defined under Fundamental Rule 9(21) (excluding special pay) :
8. (a) Amount of previous advance :
- (b) Total amount of deductions from the pay bill:
9. (a) Whether the advance applied for is the first one :
- (b) If not :
 - (i) Amount of gross pay :
 - (ii) Number and date of order in which such advance was sanctioned:
 - (iii) Date of drawal of such advance :
 - (iv) Whether any amount of such advance is outstanding repayment (principal and interest to be shown separately) :
 - (v) In case it is fully repaid whether the Clearance Certificate has been obtained from the Accountant-General:
10. (a) Whether the Motor Car/Cycle to be purchased has been allotted by the Government from the Government priority quota:
- (b) If so whether the letter of intimation of availability of vehicle from the company Dealer has been received :
11. (a) If the Motor Car/Cycle is to be purchased in the open market, name of the agency and the place of delivery (if possible)
- (b) Are any negotiations or preliminary enquiries being made to facilitate delivery of Car/Cycle within one month from the date of drawal of the advance?
- (c) Anticipated price of the Motor Car/Cycle.
12. (i) Whether the officer is/or was in possession of Motor Car/Cycle; and
- (ii) If so the amount or the anticipated amount of the sale-proceeds of the Motor Car/Cycle :
13. Amount of Advance applied for :
14. Number of monthly installments in which the advance may be recovered (not more than 60) :

I hereby declared that the particulars furnished above are true to the best of my knowledge and belief.

I have not taken delivery of the Motor Car/Cycle on account of which I apply for the advance, that I shall complete the payment for and the taking possession of the Motor Car/Cycle before the expiry of one month from the date of drawal of the advance, and that I shall insure it immediately.

Station :

Signature of Applicant.

Date :

To be filled up by the Head of the Office

1. Whether the applicant is eligible for the advance applied for (Persons under suspension are not eligible) :

2. If so, the maximum amount of advance to which the applicant is eligible :
3. Amount of advance recommended :
4. Number of installments in which the advance should be recovered :
5. Whether any charges are pending against applicant or surety :

Certified that the particulars regarding the applicant's service, pay, recoveries from pay, previous advance have been checked up with his Service Register, Pay bills, etc., and found to be correct.

Station :
Date :

*Signature and Designation
of the Head of Office.*

(G.O.Ms.No.270, Finance, dated 6-8-1971)

FORM 12-A

[See Chapter X, Article 233-B]

**FORM OF APPLICATION BY A GOVERNMENT SERVANT FOR THE PURCHASE
OF A HORSE AND SADDLERY**

1. Name :
2. Designation :
3. District and Station:
4. Pay:
 - (i) Substantive pay:
 - (ii) Officiating pay or pay drawn in a temporary post, if the Government servant holds no substantive post :
5. Date of superannuation or retirement :
6. Amount of advance applied for
7.
 - (a) If the Government servant is on leave in India, Ceylon, Nepal, Burma or Aden.
Date of expiry of leave
 - (b) If the Government servant is about to proceed on leave in India, Ceylon, Nepal, Burma or Aden.:
 - (i) Date of commencement of leave
 - (ii) Date of expiry of leave
8. Whether the officer is or was in possession of a horse and if the answer is in the affirmative, the amount or the anticipated amount of the sale proceeds of the horse
9. If the old horse was traded in when the Government servant went on leave and a new horse has been delivered to him on return from leave :—
 - (a) Price of the new horse :
 - (b) Amount deducted in respect of the old horse :

10. Are any negotiations or preliminary enquiries being made so that delivery may be taken of the horse within one month from the date of drawal of the advance ?

(a) Certified that the information given above is complete and true :

(b) Certified that I have not taken delivery of the horse on account of which I apply for the advance, that I shall complete the payment and take possession of the horse before the expiry of one month from the date of drawal of the advance and that I shall insure it within one month from the date of taking delivery of it

Or

Certified that I have not taken delivery of the horse on account of which I apply for the advance and that I shall not take delivery of it until I receive the advance a week before the expiry of my leave and pay for it :

[**N.B :** —One of the two forms of certificate in (b) should be scored out leaving the one appropriate to the applicant's case].

Dated..... 19...

Signature
Designation.

FORM 13

(See Chapter X, Article 230(c) (2))

FORM OF AGREEMENT TO BE EXECUTED AT THE TIME OF DRAWING AN ADVANCE FOR THE PURCHASE OF A CAR/CYCLE

An Agreement made this day of... one thousand nine hundred and... between.... of (hereinafter called the Borrower, which expression shall include his heirs, administrators, executors and legal representatives) of the one part and the Government of Andhra Pradesh of the other part.

Whereas the Borrower has under the provisions of the Andhra Pradesh Financial Code (hereinafter referred to as the said Code, which expression shall include any amendments thereof or additions thereto for the time being in force) applied to the Government of Andhra Pradesh (hereinafter called the Government) for a loan of Rs for the purchase of a motor car/cycle on the terms and conditions hereinafter contained and whereas the application of the borrower for the said loan is being considered by the Government. Now it is hereby agreed between the parties hereto that in consideration of the sum of Rs to be paid by the Government to the Borrower if and when the Government sanction the said loan the Borrower hereby agrees (1) to pay the Government the said amount with interest calculated according to the said Code by monthly deduction from his salary as provided for by the said Code and hereby authorizes the Government to make such deductions, (2) within one month from the date of drawal of the advance to expend the full amount of the said loan in the purchase of a motor car/cycle or if the actual price paid is less than the loan, to repay the difference to the Government forthwith and (3) to execute a document hypothecating the said motor car/cycle to the Government as security for the amount lent to the Borrower as aforesaid and interest in the form provided by the said Code and it is hereby lastly agreed and declared that if the motor car/cycle has not been purchased and hypothecated as aforesaid within one month from the date of drawal of the advance or if the Borrower within that period becomes insolvent or quits the service of the Government or dies the whole amount of the loan and interest accrued thereon shall immediately becomes due and payable.

In witness whereof the Borrower and for and on behalf of the Governor of Andhra Pradesh have hereunto set their hands.

*Signed by the said.....
in the presence of.....*

(Signature of witnesses)

(Signature and designation of the Borrower)

Signed by (name and designation)

For and on behalf of the Governor of Andhra Pradesh in the presence of.....

(Signature of witnesses)

(Signature and designation of officer)

Name and designation of the borrower.

FORM 13-A

[See Chapter X, Article 232-A]

FORM OF AGREEMENT TO BE EXECUTED BY A RURAL MEDICAL PRACTITIONER, AT THE TIME OF DRAWING AN ADVANCE FOR THE PURCHASE OF A BICYCLE

AN AGREEMENT made this day of one thousand nine hundred and BETWEEN of...(hereinafter called the Borrower, which expression shall include his legal representatives and assignees) of the one part.

WFIEREAS the Borrower has under the provisions of the Andhra Pradesh Financial Code (hereinafter referred to as the said Code, which expression shall include any amendments thereof or additions thereto for the time being in force) applied to the Government of Andhra Pradesh (hereinafter called the Government) for a loan of Rs..... for the purchase of a bicycle and the Government have agreed to lend the said amount to the Borrower on the terms and conditions hereinafter contained, now IT IS HEREBY AGREED between the parties hereto that in consideration of the sum of Rs..., paid by the Government to the Borrower (the receipt of which the Borrower hereby acknowledges) the Borrower hereby agrees (1) to pay the Government the said amount with interest calculated according to the said Code by monthly deductions from the subsidy payable to him as provided for by the said Code and hereby authorizes the Government to make such deductions, (2) within one month from the date of drawal of the advance to expend the full amount of the said loan in the purchase of a bicycle or if the actual price paid is less than the loan to repay the difference to the Government forthwith and (3) to execute a document hypothecating the said bicycle to the Government as security for the amount lent to the Borrower as aforesaid and interest in the form provided by the said Code AND IT IS HEREBY LASTLY AGREED AND DECLARED that if the bicycle has not been purchased and hypothecated as aforesaid within one month from the date of drawal of the advance or if the Borrower within that period becomes insolvent or quits the service of the local board or dies, the whole amount of the loan and interest accrued shall immediately become due and payable.

IN WITNESSES WHEREOF the said (the Borrower) has hereunto set his hand the day and year first above written.

*Signed by the said.....
in the presence of.....*

FORM 13-B*[See Chapter X, Article 233-R]***FORM OF AGREEMENT TO BE EXECUTED BY AN INDIAN ADMINISTRATIVE SERVICE OFFICER AT THE TIME OF DRAWING AN ADVANCE FOR THE PURCHASE OF HORSE AND SADDLERY**

AN AGREEMENT made this day.... Of..... one thousand nine hundred and Between of . (hereinafter called the Borrower, which expression shall include his heirs, executors, administrators, legal representatives and assignees) of the one part and the Governor of Andhra Pradesh (hereinafter called the Lender which expression shall include his successors in office and assigns) of the other part.

Whereas the Borrower has applied to the Lender for and the Lender has given to the Borrower a loan of Rupees.. (in words) for the purchase of a horse and saddlery on the terms and conditions hereinafter contained; Now it is hereby agreed between the parties hereto that in consideration of the sum of Rupees....(in words) paid by the Lender to the Borrower (the receipt of which the Borrower hereby acknowledges) the Borrower hereby agrees with Lender (1) to expend within one month from the date of these presents the full amount of the said loan in the purchase of a horse and saddlery or if the actual price paid is less than the loan taken to repay the difference to the Lender forthwith, (2) to repay the Lender said amount with interest on calculated at the rate as prescribed by the Lender this behalf by such monthly deductions from his salary as may be prescribed by the Lender and hereby authorizes the Lender to make such deductions and (3) to execute a document hypothecating the said horse and saddlery to the Lender as security for the amount lent to the Borrower as aforesaid and interest in the form provided for the same.

And it is hereby lastly agreed and declared that if the horse and saddlery have not been purchased and hypothecated as aforesaid within one month from the date of the advance or if the Borrower within that becomes insolvent or quits the service of the Government of Andhra Pradesh or dies or retires or is discharged or dismissed from the Government service, the whole amount of the loan and interest accrued thereon shall immediately become due and payable.

In Witness whereof the Borrowers has hereunto set his hand the day and swear first before written.

*Signed by the said.....
in the presence.....*

Witnesses—

- 1.
- 2.

FORM 13-C (Revised)*[See Chapter X, Article 230(c) (2)]***FORM OF AGREEMENT TO BE EXECUTED AT THE TIME OF DRAWING AN ADVANCE FOR THE PURCHASE OF MOTOR CAR/CYCLE**

An Agreement made on..... day of..... one thousand nine hundred and..... between....(hereinafter called the Borrower which expression shall include his heirs, executors, administrators, legal representatives and assignees) of the one part and the Governor of Andhra Pradesh (which

term shall include his successors in Office and assignees and hereinafter referred as the Government) of the other part.

Whereas the Borrower has purchased/agreed to purchase the motor car/cycle described in the Scheduled hereunder written.

And whereas the Borrower has under the provisions of the Andhra Pradesh Financial Rules (hereinafter referred to as the said rules) applied to the Government for a loan of Rs..... for the purchase of motor car/cycle.

And whereas the Government has agreed to lend the said amount to the Borrower on the terms and conditions hereinafter contained.

NOW IT IS HEREBY AGREED between the parties hereto that in consideration of the sum of Rs..... paid by the Government the Borrower (the receipt of which the Borrower hereby acknowledges) to the Borrower hereby agrees.....

(1) to repay to the Government the said amount with interest calculated according to the said rules by monthly deductions from his salary provided in the said rules and hereby authorises the Government to make such deductions, and

(2) within one month from the date of these presents to expend the full amount of the said loan in the repayment of any loan obtained by him from a private party/the... (bank) for the purchase of the said motor car/cycle or if the actual price paid is less than the loan to repay the difference to the Government forthwith, and

(3) to execute a document hypothecating the said motor car/cycle to the Government as security for the amount lent to the Borrower as aforesaid and interest in the form provided by the said rules.

And it is hereby lastly agreed and declared that if the motor car/cycle is not purchased and hypothecated as aforesaid within one month from the date of these presents or if the Borrower fails to repay the amount of the loan obtained by him from a private/..... (bank) for the express purchase of purchasing the said motor car/cycle within one month from the date of these presents or if the Borrower within that period becomes insolvent or quits the service of the Government or dies, the whole amount of the loan and interest accrued thereon shall immediately become due and payable.

THE SCHEDULE

Description of Motor car/cycle

Maker's Name

Description

No. of Cylinders

Engine Number

Chassis No.

Cost Price

In Witness whereof the borrower and for and on behalf of and by the order and direction of the Governor of Andhra Pradesh have hereunto set their hands the day and year first above written.

Signed by the said.....

in the presence of.....

(Name and designation of the Borrower)

1.
2.

(Signature of Witnesses) *(Signature & Designation of the Borrower)*

Signed by (Name and designation).

For and on behalf of the Governor of Andhra Pradesh in the presence of

1.
2. *(Signature and Designation of the Officer)*

(Signature of Witnesses).

FORM 14

[See Chapter X, Article 230(c) (3)]

FORM OF MORTGAGE BOND FOR A MOTOR CAR/CYCLE ON ACCOUNT OF WHICH A GOVERNMENT SERVANT HAS DRAWN AN ADVANCE

THIS INDENTURE made this..... day of..... One thousand and nine hundred and..... BETWEEN..... (hereinafter called the Borrower, which expression shall include his heirs, administrators, executors and legal representatives) of the one part and the Governor of Andhra Pradesh of the other part.

Whereas the Borrower has applied for and has been granted an advance of Rupees..... to purchase a motor car/cycle on the terms of Articles 230/231 of the Andhra Pradesh Financial Code (hereinafter referred to as the said Code which expression shall include any amendments thereto or additions thereto for the time being in force). AND WHEREAS one of the conditions upon which the said advance has been granted to the Borrower is that the Borrower AND WHEREAS the Borrower has purchased with or partly with the amount so advanced as aforesaid the motor car/ cycle particulars whereof are set out in the Schedule hereunder written.

Now This Indenture Witnesseth that in pursuance of the sale agreement and for the consideration aforesaid the Borrower doth hereby covenant to pay to the Government the sum of Rs..... aforesaid or the balance thereof remaining unpaid at the date of these presents by equal installments of Rs... each on the first day of every month and will pay interest on the sum for the time being remaining due and owing calculated according to the said Code the Borrower doth agree that such payments may be recovered by monthly deductions from his salary in the manner provided by the Code, and in further pursuance of the said agreement the Borrower doth, hereby assign and transfer unto the Government the motor car/cycle the particulars whereof are set out in the Schedule hereunto written by way of security for the said advance and the interest thereon as required by the said Code.

And the Borrower both hereby agree and declare that he has paid in full the purchase price of the said motor car/cycle and that the same is his absolute property and that he has not pledged and so long as any moneys remain payable to the Government in respect of the said advance will not sell, pledge or part with the property in or possession of the said motor car/cycle. Provided always and it is hereby agreed and declared that if any of the said installments of principal or interest shall not be paid or recovered manner aforesaid within ten days after the same are due of if the Borrower shall die or at any time

cease to be in the service of the Government or if the Borrower shall sell or pledge or part with the property in or possession of the said motor car/cycle.

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or become insolvent or make any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgement against the Borrower the whole of the said principal sum which shall then be remaining due and unpaid together with interest thereon calculated as aforesaid shall forthwith become payable, and it is hereby agreed and declared that the Government may on the happening of any of the events herein before mentioned seize and take possession of the said motor car/cycle and either remain in possession thereof without removing the same or else may remove and sell the said motor car/cycle either by public auction or private contract and may out of the sale moneys retain the balance of the said advance then remaining unpaid and any interest due thereon calculated as aforesaid, and all costs, charges, expenses and payments properly incurred or made in maintaining, defending or realizing their rights hereunder and shall pay over the surplus, if any, to the borrower, his executor, administrators or personal representatives. Provided further that the aforesaid power to taking possession or selling of the said motor car/cycle shall not prejudice the right of the Government to sue the borrower or the personal representatives for the said balance remaining due and interest or in the case of the motor car/cycle being sold the amount by which the net sale proceeds fall short of the amount owing and the borrower hereby further agrees that so long as any moneys are remaining due and owing to the Government, he the borrower, will insure and keep insured the said motor car/cycle against loss or damage by fire, theft or accident with an insurance company to be approved by the Accountant General, Andhra Pradesh and will produce evidence to the satisfaction of the Accountant-General, Andhra Pradesh that the motor car/cycle is insured have received notice that the Government are interested in the Policy and the borrower hereby further agrees that he will not permit or suffer the said motor car/cycle to be destroyed or injured or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear thereof and further that in the event of any damage or accident happening to the said motor car/cycle the Borrower will forthwith have the same repaired and made good.

THE SCHEDULE

Description of Motor car/cycle

Maker's name

Description :

Number of Cylinders

Engine number

Chassis number

Cost price

In Witness whereof the said..... (Borrower's name) and..... for and on behalf the Governor of Andhra Pradesh have hereunto set their respective hands.

Signed by the said.....

in the presence of..... *(Name and designation of the Borrower)*

1.

2.

(Signature and designation of the Borrower)

Signed by *(name and designation)*

for and on behalf of the Governor of Andhra Pradesh in the presence of.....

1.
2.

(Signature of Witnesses)

(Signature and designation of the officer)

FORM 14-A

[See Chapter X, Article 232-A]

**FORM OF MORTGAGE BOND FOR A BICYCLE ON ACCOUNT OF WHICH A
RURAL MEDICAL PRACTITIONER HAS DRAWN AN ADVANCE**

This Indenture made this..... day of one thousand nine hundred and..... between..... (hereinafter called the Borrower, which expression shall include his legal representatives and assignees) of the one part and the Governor of Andhra Pradesh of the other part.

WHEREAS the Borrower has applied for and has been granted an advance of Rupees..... to purchase a bicycle on the terms of Article 232-A of the Andhra Pradesh Financial Code (hereinafter referred to as the said Code which expression shall include any amendments thereof or additions thereto for the time being in force). AND WHEREAS one of the conditions upon which the said advance has been granted to the Borrower is that the Borrower will hypothecate the said bicycle to the Government of Andhra Pradesh (hereinafter called the Government) as security for the amount lent to the Borrower. And Whereas the Borrower has purchased with or partly with the amount so advanced as aforesaid the bicycle particulars whereof are set out in the Schedule hereunder written.

Now This Indenture Witnesseth that in pursuance of the said agreement and for the consideration aforesaid the Borrower doth hereby covenant to pay to the Government the sum of Rs..... aforesaid or the balance there remaining unpaid at the date of these presents by equal payments of Rs..... each on the first day of every month and well pay interest on the sum for the time being remaining due and owing calculated according to the said Code and the Borrower doth agree that such payments may be recovered by monthly deductions from the subsidy payable to him in the manner provided by the said Code, and in further pursuance of the said agreement the Borrower doth hereby assign and transfer unto the Government the bicycle the particulars whereof are set out in the Schedule hereunto written by way of security for the said advance and the interest thereon as required by the said Code.

And the Borrower doth hereby agree and declare that he has paid in full the purchase price of the said bicycle and that the same is his absolute property and that he has not pledged and so long as any moneys remain payable to the Government in respect of the said advance will not sell, pledge or part with the property in or possession of the said bicycle provided always and it is hereby agreed and declared that if any of the said installments of principal or interest shall not be paid or recovered in manner aforesaid within ten days after the same are due, or if the Borrower shall die or at any time cease to be in the service of the local hoard, or if the Borrower shall sell or pledge or part with the property in or possession of the said bicycle or become insolvent or make any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgment against the Borrower the whole of the said principal sum which shall then be remaining due and unpaid together with interest thereon calculated as aforesaid shall forthwith become payable and it is hereby agreed and declared that the Government may on the happening of any of the events hereinbefore mentioned seize and take possession of the said bicycle and either remain in possession thereof without removing the same or else may remove and sell the said bicycle either by public auction or private contract and may out of the sale money retain the balance of the said advance then remaining unpaid and any interest due thereon calcu

lated as aforesaid, and all costs, charges, expenses and payments properly incurred or in maintaining, defending or realizing their rights hereunder and shall pay over the surplus, if any, to the Borrower, his executors, administrators or personal representatives provided further that the aforesaid power of taking possession or selling of the said bicycle shall not prejudice the right of the Government to sue the Borrower or his personal representatives for the said balance remaining due and interest or in the case of the bicycle being sold the amount by which the net proceeds fall short of the amount owing and the Borrower hereby further agrees that so long as any moneys are remaining due and owing to the Government he, the Borrower will not permit or suffer the said bicycle to be destroyed or injured or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear thereof and further that in the event of any damage or accident happening to the said bicycle, the Borrower will forthwith have the same repaired and made good.

In witness whereof the said..... (the Borrower) has hereunto set his hand the day and year first above written.

THE SCHEDULE

Description of bicycle

Maker's name

Description

Cycle number

Cost price

Signed by the Borrower

in the presence of

FORM 14-B

(See Chapter X, Article 233-B)

FORM OF MORTGAGE BOND FOR A HORSE AND SADDLERY ON ACCOUNT OF WHICH AN INDIAN ADMINISTRATIVE SERVICE OFFICER HAS DRAWN AN ADVANCE

This Indenture made this..... day of..... one thousand nine hundred between..... (hereinafter called the Borrower, which expression shall include his heirs, executors, administrators, assigns and legal representatives) of the one part and the Governor of Andhra Pradesh (hereinafter called the Lender which expression shall include his successors-in-office and assigns) of the other part.

Whereas the Borrower applied for an advance of Rs..... (in words) to purchase a horse and saddlery, on the terms and conditions hereinafter contained :

Now this Indenture Witnesseth that in consideration of the sum of Rupees.... paid on or before the execution of these presents by the Lender to the Borrower (the receipt whereof the Borrower hereby acknowledges) he, the Borrower, doth hereby pledge unto the Lender all that horse and saddlery more particularly described in the Schedule below by way of security for the said sum of Rupees... (in words) and interest thereon calculated at the rate and in the manner prescribed by the Lender; And the Borrower doth further agree and declare that he will duly repay to the Lender the sum of Rupees.... (in words) aforesaid or the balance thereof as shall not have been repaid at the date of these presents by equal payments of Rs (in words) each on the first day of every month after the date of these presents and will pay interest on the sum owing

calculated as aforesaid and the Borrower doth further agree and declare that he has not pledged the said horse and saddlery and will not, so long as any moneys remain payable to the Lender in respect of the said horse and saddlery, sell, pledge or part with the property in or possession of the said horse and saddlery :

Provided always and it is hereby agreed and declared that if the Borrower shall at any make default in payment of any of the said installments for the period of ten days after the time hereinbefore provided for payment thereof or if the Borrower shall sell or pledge or part with the property in or possession of the said horse and saddlery, or become insolvent or make any composition or arrangement with his creditors, or if any one shall take proceedings in execution of any decree or judgment against the Borrower or quits the service of the Government of Andhra Pradesh or dies or retires or discharged or dismissed from the Government service the whole of the said principal sum which shall for the time being remain unpaid together with interest thereon calculated as aforesaid shall forthwith become payable and it is hereby agreed and declared that the Lender may on the happening of any of the events hereinbefore mentioned seize and take possession of the said horse and saddlery and either remain in possession thereof without removing the same or else may remove and sell the said horse and saddlery either by public auction or private contract and may out of the sale moneys retain the principal sum aforesaid or so much thereof as may for the time being remain unpaid and interest thereon calculated as aforesaid and all costs, charges, expenses and payments properly incurred or made in maintaining, defending or realising his rights hereunder and all costs, charges and expenses properly incurred or made in maintaining the horse and saddlery and shall pay over the surplus, if any, to the Borrower, provided further that the aforesaid power of taking possession or selling of the said horse and saddlery shall not prejudice the right of the Lender to sue the borrower or his personal representative for the amount of the Bond or in case the horse and saddlery being sold, the amount by which the net sate proceeds fall short of the amount owing, and the Borrower hereby further agrees with the Lender that he will not permit or suffer the said horse and saddlery to be destroyed or injured or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear thereof.

In witness whereof the said..... (Borrower)..... hath hereunto set his hand.

Schedule above referred to

Signed by the said (borrower)

(Signature of Borrower)

In the presence of—

Witnesses : (1)
(2)

FORM 15

[See Chapter X, Article 230(c) (4)]

**FORM OF LETTER INTIMATING TO THE INSURANCE COMPANY, THE
ANDHRA PRADESH GOVERNMENT'S INTEREST IN MOTOR
CAR/CYCLE INSURANCE POLICY**

From

To

Through the Accountant-General, Andhra Pradesh,

Dear Sir,

I am to inform you that the Government of Andhra Pradesh are interested in the motor car/cycle insurance policy No secured in your company and to request that you will kindly insert a clause to the following effect in the policy.

Form of clause to be inserted in the insurance policy

1. It is hereby declared and agreed that Mr..... (the owner of the motor car/cycle, hereinafter referred to as the insured in the schedule to this policy) has hypothecated the motor car/cycle to Government of Andhra Pradesh (hereinafter called the Government) as security for an advance for the purchase of the motor car/cycle and it is further declared and agreed that the Government are interested in any moneys which but for his endorsement be payable to the said Mr..... (the insured under this policy) in respect of the loss or damage to the said motor car/cycle (which loss or damage is not made good by repair, reinstatement or replacement) and such moneys shall be paid to the Government as long as he is the mortgagee of the motor car/cycle and his receipt shall be full and final discharge to the Company in respect of such loss or damage.

2. Save as by this endorsement expressly agreed, nothing herein shall modify' or affect the rights or liabilities of the insured or the company, respectively, under or in connection with this policy or any term, provision or condition thereof..

Yours faithfully,

Place :.....

Dated :.....

FORM 16

[See Chapter X, Article 233(c) (iii)]

FORM OF AGREEMENT TO BE SIGNED BY A GOVERNMENT SERVANT WHO DRAWS A PASSAGE ADVANCE

Memorandum of Agreement made this..... day of..... One thousand nine hundred andbetween .. .(hereinafter called the Borrower) of the one part and the Governor of Andhra Pradesh (hereinafter called the Governor) of the other part.

Whereas the (Borrower's family) is proceeding to on leave/returning from on expiry of leave (with his family) and has, in accordance with Article 233 of the Andhra Pradesh Financial Code (hereinafter referred to as the said Code which expression shall, where the context so admits include any amendments thereof or additions thereto for the time being in force), requested the Government of Andhra Pradesh (hereinafter called the Government) to his lend him Rs..... towards defraying the cost of his/their passage(s) to (and back to India which the Government have consented to do on the Borrower executing and agreement on the terms and conditions hereinafter mentioned.

Witnesseth that in consideration the said loan (receipt of which the borrower hereby acknowledges) the borrower for himself, his heirs, executors and administrators, covenants with the Governor to repay the said loan with interest calculated according to the said Code by monthly installments as specified in the said Code and hereby authorizes the Government to deduct the amount of such monthly installments from the pay of the borrower provided always and it is hereby further agreed and declared that in the event of the borrower dying or retiring or receiving permission to retire from the service of the Government before the whole amount of the said loan and interest is repaid or if he does not produce receipts for the said passage(s) or does not comply

with any of the conditions on which the loan is made, as specified in the said Code, within three weeks from the date thereof the loan and interest calculated in accordance with the said Code is to become immediately due and payable.

In witness whereof the borrower has hereunto set his hand the day and the year first above written.

Signed by the said (Borrower)

in the presence of.....

Witness

Address

Occupation

(N.B :—If no interest is chargeable on the advance, the clauses of this agreement relating to interest should be scored through).

FORM 16-A

[See Chapter X, Article 233-A (5) (a)]

FORM OF AGREEMENT TO BE EXECUTED BY A GOVERNMENT SERVANT WHO DRAWS AN ADVANCE FOR PURCHASING A HOUSE THROUGH A CO-OPERATIVE HOUSE CONSTRUCTION SOCIETY OR FOR CONSTRUCTING A HOUSE THROUGH A CO-OPERATIVE HOUSE BUILDING SOCIETY

Memorandum of agreement made the ... day of... one thousand nine hundred and..... BETWEEN.... (hereinafter called the borrower) of the one part and the Governor of Andhra Pradesh (hereinafter called the Governor) of the other part.

Whereas the borrower has in accordance with Article 233-A or the Andhra Pradesh Financial Code (hereinafter referred to as the 'said Code' which expression shall, where the context so admits, include any amendments thereof or additions thereto for the time being in force), requested the Government of Andhra Pradesh (hereinafter called "Government") to lend him Rs..... towards paying the site value and initial deposit required for acquiring house through a Co-operative House Construction Society, the share capital and site value required or constructing a house through a Co-operative House Building Society which the Government have consented to do on the borrower executing an agreement on the terms and conditions hereinafter mentioned.

Witnesseth that in consideration of the said loan (receipt of which the Borrower hereby acknowledges) the Borrower for himself, his heirs, executors and administrators, covenants with the Governor to repay the said loan with interest calculated according to the said Code by monthly installments as specified in the said Code and hereby authorizes the Government to deduct the amount of such monthly installments from the pay of the Borrower. And by way of security for the payment of all sums which under Article 233-A(8) of the Andhra Pradesh Financial Code, Volume I, the borrower may hereafter become liable to pay to the Government, the borrower hereby assigns his life insurance policy particulars whereof are set out in the schedule hereunder written, taken with Life Insurance Company to the Government as security for the said loan and declares that he will not alter the terms of the policy, or exchange it for another policy or draw any bonus without consent of the Government. And it is hereby further agreed and declared that in the event of the Borrower dying or retiring, or receiving permission to retire from the service of the Government or being dismissed from service before the whole amount of the said loan and interest is repaid, or if he does not comply with any of the conditions on which the loan is made,

as specified in the said Code, the loan and interest calculated in accordance with the said Code is to become immediately due any payable.

In witness whereof the Borrower has hereunto set his hand the day and the year first above written.

The schedule above referred to—

1. Name of the Insurance Company
2. Policy number and name of the policy holder
3. Amount for which policy is taken
4. Surrender value of the policy on the date of the execution of this agreement.
5. Certificate of the Insurance Company regarding surrender value

*Signed by the said (borrower)
in the presence of.....*

Witness :

Address :

Occupation :

FORM 16-B

[See Chapter X, Article 233-A (9) (a)]

**APPLICATION FORM PRESCRIBED UNDER THE REGULATING THE GRANT OF
LOANS TO THE STATE GOVERNMENT SERVANTS FOR HOUSE BUILDING
PURPOSES**

1. (a) Name in (block letters)
(b) Designation
(c) Scale of pay
(d) Present pay (including allowance countable for pension)
2. (a) Department and office which employed:
(b) Administrative Department of Secretariat
(c) Station where posted
3. Please state :

Whether you are a permanent or non-permanent Govt.servant, and the length of service, rendered under the Government.	Your permanent post, if any, and the name of office and Department concerned.	Date of birth and age next birth day.	Date on which you will attain the age of 55 years.	Is your wife/husband a State Govt.servant? If so give her/his name, designation, etc.,
(1)	(2)	(3)	(4)	(5)

4. Do you or does your wife/husband/minor child already own a house ?
[See Rule 3(b)] if so please state :—

Station where it is situated with exact address.	Floor are (in Sq.ft.)	Its approximate valuation.	Reasons for desiring to own another house.
(1)	(2)	(3)	(4)
		Rs.	

5. (a) Do you require the advance for building a new house ? If so, please indicate :—

Approximate floor area of the house proposed to be constructed (in Sq.ft.)	Estimate Cost			Amount of advance required	No.of years in which the advance with interest is proposed to be repaid.
	Cost of land	Cost of building	Total		
(1)	(2)	(3)	(4)	(5)	(6)
	Rs.	Rs.	Rs.	Rs.	

A plan of the house should accompany the application.

Note :—Entries in Columns 2 to 4 will have to be supported by specifications, estimates (in enclosed form) and plan at the appropriate stage.

- (b) Whether you are already in possession of land? If so, please state

Name of the city or town where it is located.	Whether you wish to settle thereafter retirement	Area of plot in (sq.yds.)	Name of the Municipal or other local authority (if any) in whose jurisdiction it is located.
(1)	(2)	(3)	(4)

6. If no plot of land is already in your possession how and when do you propose to acquire one? State the approximate plot area (in sq. yds.) proposed to be acquired.

7. Do you require the advance for purchasing a ready-made house ?

- (a) (i) If so, and in case you already have a house in view, please state :

Exact location of the house.	Floor area of the house (in sq.ft.)	Plinth area of the house. (in sq.ft.)	Age of the house	Municipal valuation of the house.	Name and address of agency offering for sale.	Approximate price expected to be paid.	Amount of advance required.	No. of years in which the advance with interest is proposed to be paid.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				Rs.		Rs.	Rs.	

(ii) Have you satisfied yourself that the transaction would result in your acquiring undisputable title to the house

Note :—A pain of the house should accompany the application.

(b) If you do not already have a house in view, how, when and where do you propose to acquire one ? Indicate

The approximate amount upto which you will be prepared to buy a house.	The approximate amount of advance required.	No. of years in which the advance with interest is proposed to be repaid.
(1)	(2)	(3)
Rs.	Rs.	Rs.

Note :—Details specified against item 7(a) above should be furnished in this case also as soon as possible and in any case before the full amount of the advance can be drawn.

8. Is the land on which the house stands, or is proposed to be constructed, freehold or lease-hold ? If lease-hold, state :-

The terms of the lease.	How much of the term already expired.	Whether conditions of that lease permit the land being mortgaged to Government.	Premium paid for the plot.	Annual rental of the plot.
(1)	(2)	(3)	(4)	(5)
			Rs.	Rs.

Note :—A copy of the lease/sale deed should accompany the application.

9. (a) Is your title to land/house undisputed and free from encumbrances ?

(b) Can you produce, if required, original documents (sale or lease deed) in support of your title? If not, state reasons therefor indicating what

other documentary proof, if any, can you furnish in support of your claim?
(See items 5(b) and 6 above)

(c) Does the locality in which the plot of land/house is situated possess essential services like roads, water supply, drainage, sewage, street lighting etc. ?
(Please furnish a site plan with complete address).

10. In case you are due to retire from service within 10 years of the date of this application, do you undertake to repay the outstanding balance of the advance by making a final (House Building) withdrawal from your Provident Fund and/or authorise the Government to adjust the remaining balance against any gratuity that may be admissible to you?

11. Is Rule 5(B) applicable to your case? If so, state :

(i) the name, designation, scale of pay, office/department etc., of the permanent Government servant who is willing to stand surety for you

(ii) the date on which the proposed surety is due to attain the age 55 yrs.

DECLARATIONS

1. I solemnly declare that the information furnished by me in reply to the various items indicated above is true to the best of my knowledge and belief.

2. I have read the rules regulating the grant of loans to State Government servants for house building purpose and agree to abide by the terms and conditions stipulated therein.

3. I certify that —
(Strike out the alternative(s) not applicable)

(i) my wife/husband is not a Government servant, my wife/husband is a Government servant, has not applied for and/or obtained as advance under the rules.

(ii) neither I nor my wife/husband has applied for and/or obtained an advance of loan from any other Government source for the acquisition of a house.

Signature of the Applicant.

Station :

Designation :

Date :

Department/Office in which employee

(To be completed by the applicant's Head of Department)

No.....

Station.....

Date.....

Forwarded to the Administrative Department of the Secretariat. The facts stated in the application have been verified and found correct.

It is recommended that an advance of Rs may be granted to the applicant. I have satisfied myself on the basis of monthly deductions etc., made from the applicant's salary that this amount is well within his repaying capacity.

Signature :

Designation :

Name of the Department :

Name of the signing officer should also be indicated in block letters below his signature.

FORM No. 1*Abstract*

Cost of Original Estimates and Detailed Specification (Based on Details in Form No. 2). For Grant of Loan to Government Servants for the Building Houses.

Amount Rs. :

Name :

Designation :

Locality and address in which the house is proposed to be constructed.

Item No.	Sub heads and item of work	Quantity or No.	Rate	Per	Amount	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Rs.		Rs.	Rs.
I.	Earth work. (Earth work excavation for foundation and disposing of the surplus earth etc.)					
II.	Concrete Works (Foundation concrete with cement or lime using stone or brick ballast either below floors or for footings)					
III.	Damp Proof Course. (Concrete on rich cement mortar or bitumenastic compound)					
IV.	Roofing Work. (R.C.C., Asbestos or any other type of suitable roof)					
V.	Reinforced Cement Concrete.					
VI.	Masonry. (Brick, Stone, Concrete, Blocks walls etc.,)					
VII.	Wood Work. (For Door and Windows, Wooden scantlings for roofs etc.)					
VIII.	Steel Work. (For reinforcements, hold-fast, window, bars, etc.)					

IX. Flooring.

(Concrete Stone or Marble Chip,
etc.)

X. Finishing.

(Plastering, pointing, colour or
white washing paintings, etc.)

XI. Miscellaneous.

(Like Rain water pipes, shelves,
Jais, Chuillas, Pegs, Hooks for
Fans etc.)

XII. Sanitary Installations.

(Closets, connections, pipes,
Man holes drains, etc.)

XIII. Water Supply.

(Taps, water meters, water
tanks, G.I. Pipes, etc.)

XIV. Electricity.

(Electric Points, meters
connections, lines, etc.)

Total
Cost

Signature of the applicant.

Date..... 19.....

Note : —The abstract is to be typed on a separate sheet (indicating the actual detailed items of work, rates, etc., proposed to be adopted) and attached to the application at the appropriate stage.

FORM No. 2

**Detailed Estimates for Loan to Government Servants for the
Building of a House**

[Detailed Estimate Sheet to Support the Quantities Given in Form I]

Name :

Designation :

Office to which attached :

Locality and address in which the house is proposed to be built.

Sl. No.	Detailed of work	Measurement			Quantity	
		No.	Length	Breadth		Height
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Rs.		Rs.	Rs.
I.	Earth Work.					
1.	Earthwork in excavation in all soils for foundation and other trenches & depositing the same with in one chain bed and upto Front wall.	1	19 ½	1 ½	2	59
	Rear Verandah retaining wall	1	19 ½	1 ½	1 ½	44
	Outside wall	1	20 ½	1 ½	2	62
	Common walls between rooms	1	12 ½	1 ½	2	56
	W.C. front and rear	2	3 ¾	1	1 ½	11
	W.C. front side	1 ½	4 ½	1	1 ½	11
	Steps in front and rear	2	4 ½	1 ½	½	7
	Total Earth Work :					250

Refilling the excavated earth etc., Continue details for all items as given in sample Form

No. I.

Signature of applicant.

Date..... 19....

Note :—The entries in column 3-7 against item 1 above are just to explain how the entire form is to be prepared, it should be typed on a separate sheet and attached to the application at the appropriate stage.

FORM 17

(See Chapter XII, Article 276)

REGISTER OF SECURITY DEPOSITS

Note :—This is a model form which may be adopted to suit the requirements of any particular department in consultation with the Accountant-General.

Item number	Date of receipt of the deposit	Depositor's name.	Depositor's designation	For what purpose or work (quoting reference to agreement or bond)	Particulars of the deposit	Amount	Initials of the departmental authority	Date when refunded or adjusted	Amount refunded or adjusted	Under what head of service adjusted	Number and date of depositor's receipt or acknowledgement	Initials of the departmental authority	Balance, if any, carried over as a separate entry.	Remarks (reference to annual verification, etc.,)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

FORM 18*(See Chapter XII, Article 2 79(7))***FORM OF FIDELITY BOND**

Whereas hereinafter called the “Employed”, is in, or is about to be taken into the employment of the Government of Andhra Pradesh as hereinafter called the “Employer”, in the capacity setforth setting the Proposal after mentioned, and application has been made to The Association /Company/Corporation, Limited, hereinafter called the “Association”, to give such guarantee as hereinafter contained, which application has been entertained by the Association/Company/Corporation.

And whereas a Proposal for such Guarantee and relative Statement or Statements signed on behalf of the Employers have thereupon been delivered to the Association/Company/Corporation on behalf of the Employer setting forth the circumstances and conditions of the said employment and precautions and checks to be used on behalf of the Employer for securing accuracy of accounts and limiting the amount of moneys entrusted to or left in the hands of the Employer at any one time, which Proposal and relative Statement or statements are hereby declared to be the basis of the Contract of Guarantee hereinafter setforth.

And Whereas the First Premium above mentioned has been paid to the Association/Company/Corporation as the Premium or consideration for such guarantee for the period commencing the..... day of..... Nineteen hundred and and terminating on theday of Nineteen hundred and.....

Now Therefore this Agreement witnesseth that, in consideration of the premium, and during the period commencing and terminating as aforesaid and afterwards during every succeeding year in respect of which the Employed or the Employer shall, before or upto the day of.... in each such year, or within ten days thereafter, pay or cause to be paid to the Association! Company/Corporation, and the Association/Company/Corporation shall consent to received the annual premium above mentioned the Association/ Company/Corporation will, and they do hereby, as surety for the Employed, agree to guarantee to the Employer, that, so long as the Employed shall, after the date of this agreement continue in the uninterrupted employment of the Employer in the capacity setforth in the said Proposal, the Employed shall and will during the subsistence of this agreement, honestly and faithfully account to the Employer for all moneys which the Employee in the course of said employment shall receive or be entrusted with on account of the Employer, and generally that the Association/Company/Corporation will to the extent hereinafter mentioned, indemnify the Employer against all loss in such moneys which the Employer may sustain by any fraud or dishonest of the Employed in the capacity and employment aforesaid to an amount not exceeding the sum of:

Provided always that this Agreement is issued subject to the following conditions, which shall be conditions precedent to the liability of the Association/ Company/Corporation to pay any claim hereunder -

1. That the aforesaid guarantee and indemnity shall continue to be operative and inforce only so long as the circumstances and conditions of the said employment shall remain in every particular as setforth in the said Proposal and relative Statement or Statements, and the precautions and checks for securing accuracy of accounts and limiting the amount of moneys entrusted to or left in the hands of the Employed at any one time shall be duly observed and put in practice on the Part of the Employer in accordance with the said proposal and relative Statement or Statements: And that the Association/Company/Corporation shall only be liable to contribute pro rata along with other security held by the Employer.

2. That in the event of any such loss as aforesaid not exceeding the sum insured by this policy and securities held or recoveries made on behalf of the Employer shall be appropriated and exhausted before any claim is preferred under this policy.

3. It is hereby understood and agreed that the within policy extended to guarantee to the Government that the Employed shall and will during the subsistence of this Policy honestly and faithfully account to the Government for all moneys and properties which, he, while in the exercise of the shall receive or be entrusted with or which any person acting for him in the said office shall receive or be entrusted with on account of Government. Further the Association/Company/ Corporation shall indemnify the Government against all loss in such moneys and properties which the Government may sustain by any act or acts of default or dishonesty, negligence or disregard of rules of the Employed in his said office as aforesaid or other persons nominated, accepted by or serving under him in his said office in the capacity and employment described in the policy.

4. That the Association/Company/Corporation shall be liable for any such loss as aforesaid only in the event of the Employee giving notice in writing to the Association/Company/ Corporation in of any act of fraud or dishonesty committed by the Employed within one month after the same shall have come to the knowledge of the Employer, and within twelve months either after the Employed shall have left the service of the Employer, or after the death of the Employed, or of the lapsing of this Agreement, whichever of these events shall first happen; and such notice shall state the Number of the Agreement, the cause, nature and extent of the loss, so far as then ascertained, and the address, if known, of the Employed; and that no claim shall be made under this Agreement except in respect of any act or acts of fraud or dishonesty which shall have occurred during the subsistency of this Agreement, and from and after the date upon which such fraud or dishonesty shall come to the knowledge of the Association/Company/Corporation shall coipso, and without any intimation whatever, be relieved from their obligations hereby undertaken so far as regards the subsequent acts of the Employed; And that every claim under this Agreement shall be lodged with Association/Company/Corporation without undue delay after notice as aforesaid shall have been given to the Association/Company/Corporation; And that full particulars with any satisfactory proofs of the loss (verified, if the Association/Company/Corporation shall so require by Statutory Declaration) shall be given to the Association/Company/Corporation. And that when any such loss has been made good and satisfied by the Association/Company/Corporation, discharge thereof shall be made thereon by the Employer, and thereupon this Agreement shall be delivered upto the Association/Company/Corporation; And that the Employer shall, when required by and at the expense of the Association/Company/Corporation, all claims and rights of action competent to the Employers against the Employed in respect of the loss so sustained.

5. That the Employer shall, if required by the Association/Company/Corporation, forthwith prosecute the Employed for any act or acts of fraud or dishonesty committed, or supposed to have been committed, by the Employed in consequence of which a claim may be made under this Agreement, the Association/Company/Corporation paying all expenses, cost and damages necessarily incurred by the Employer in such prosecution and that the Employer shall also give to the Association/Company/Corporation all such information and assistance as may be reasonably required for maintaining any action against the Employed for reimbursing to the Association! Company/Corporation any moneys which they may pay, or become liable to pay, under this agreement.

Signed for and on behalf of the Association/Company/Corporation at.... the..... day of..... Nineteen hundred and.....

Note :—This form should be adopted in all cases, with suitable modification where necessary.

FORM 18-A*(See Chapter XII, Article 279(7))***FIDELITY GUARANTEE BOND ISSUED BY THE INDIAN INSURANCE COMPANIES' ASSOCIATION POOL**

Bond No....date of expiry....19.... Sum guaranteed Rs....Annual Premium Rs...

Whereas . . (hereinafter called the "Servant") is in or about to be taken into the employment of (hereinafter called the "insured" in the capacity of and has applied to the undermentioned companies (hereinafter called "Companies"), to guarantee his honest and faithful accounting for all moneys, stores, stamps, or any other property received by or entrusted to him in such capacity.

And whereas the sum of Rupees.... has been paid to the companies as the premium in consideration for such guarantee commencing from the day of . . .1 9....

Now, therefore this agreement witnesseth that in consideration of the premium, and during the period commencing and terminating as aforesaid and afterwards during each succeeding year from the day of ... of each year, in respect of which the Annual Premium as above stated shall before, or on the.... day of ... be paid to the Companies and the Companies shall consent to receive the same, the undermentioned companies bind ourselves to guarantee to the insured that the servant shall during the subsistence of this agreement, honestly and faithfully account to the Insured for all moneys, stores, stamps or any other property which he shall receive or be entrusted with on account of the insured and the companies guarantee, to the extent hereinafter mentioned to indemnify the insured against all loss, injury, or damage in such moneys stores, stamps or other property which the insured may in any way suffer or sustain by any act or acts of default, negligence, oversight, fraud, misconduct, or dishonesty of the servant committed during the period for which the aforesaid premium has been paid by the servant

Provided that the sum recoverable under this agreement shall in no case exceed Rs....

Provided also that the Companies reserve the right to insist upon prosecution of the servant in the event of his dishonesty.

In witness whereof, we the undermentioned Companies by our duly constituted Attorneys as mentioned below have subscribed our names.

Dated in Bombay the

19..... day

Examined

Entered

Name of Company

Bharath Fire & General Insurance Company, Limited, New Delhi

British Indian General Insurance Co., Ltd., Bombay

Concord of India Insurance Co., Ltd., Calcutta

Hindustan General Insurance Society Ltd., Calcutta

India Globe Insurance Co., Ltd., Bombay

Indian Mercantile Insurance Co., Ltd., Bombay

Jayabharath Insurance Co., Ltd., Bombay
 Jupiter Insurance Co., Ltd., Bombay
 National Insurance Co., Ltd., Calcutta
 New Asiatic Insurance Co., Ltd., New Delhi
 New Great Insurance Co., Ltd., Bombay
 New India Assurance Co., Ltd., Bombay
 Oriental Fire & General Insurance Co., Ltd., Bombay
 Prithvi Insurance Co., Ltd., Madras
 Ruby General Insurance Co., Ltd., New Delhi
 Standard General Assurance Co., Ltd., Calcutta
 United India Fire & General Insurance Co., Ltd., Madras
 Universal Fire & General Insurance Co., Ltd., Bombay
 Vishwabharat Insurance Co., Ltd., Bombay
 Vulcan Insurance Co., Ltd., Bombay

Fidelity Guarantee Bond

Serial No. :

Name :

Sum insured :

Date of expiry :

N.B. —For your own protection it is incumbent upon you to read your Bond and its conditions to ascertain that it is made out in accordance with your instructions.

The Indian Insurance Companies Association Pool, Jamshedji Tata Road, Church Gate, Reclamation, Bombay - 1.

—
FORM 19

[See Chapter XII, Article 283]

MODEL FORMS OF SECURITY BONDS TO BE FURNISHED BY GOVERNMENT SERVANTS

(1)

Security bond by a when cash is deposited as security

Known All Men by these Presents that I..... of....am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called the Governor) in the sum of Rs..... to be paid to Government of Andhra Pradesh (hereinafter called the Government) their successors or assigns or their certain attorney or attorneys for which payment well and truly to be made I bind myself, my heirs, executors, administrators and legal representatives, jointly and severally, firmly by these presents.

Sealed with my seal dated this..... day of 19.... and I the said do hereby for myself, my heirs, executors, administrators, and legal representatives, covenant with the Governor, his successors in office and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written in any Court subject to the High Court of Judicature at Hyderabad the same shall and may at the instance of the Government be remove into tried and determined by the said High Court in its Extraordinary Original Jurisdiction.

Whereas the above bounden..... was on the day of.....19.... appointed and no holds and exercises the office of..... at..... And whereas by virtue of such office the said..... has amongst other duties the care charge and oversight of and responsibility for the safe and proper storing and keeping in the place appointed for the custody thereof respectively of all money, specie, bullion, coin, jewels, currency or Bank note, stamps and securities of whatever description gold, silver, copper, nickel, bronze, lead goods stores chattels or effects (hereinafter together only called the said property) stored and used at received into or despatched from the..... of..... or paid deposited or brought into the said by any person or persons whomsoever and for any purpose or purposes whatsoever.

And whereas the said.... as such..... as aforesaid is also responsible that the said property and every part thereof are and is of full measures and good quality when received into the said and until he has duly accounted therefor in manner hereinafter referred to. And whereas the said is bound from time to time whenever called upon so to do, show to his superior officers that the said property and every part thereof save so much thereof as he has duly accounted for is at all times intact in the places aforesaid and is also bound to attend for the purpose of discharging his duties aforesaid at such times and places as his superior officer may appoint. And whereas the said is further bound to keep true and faithful accounts of the said property and of his dealings under written order of his superior officers therewith respectively in the form and manner that may from time to time be prescribed under the authority of the Government and also to prepare and submit such returns and such accounts as he may from time to time be called upon to prepare and submit. And whereas the bulk of the said property remains as well in the care charge and custody of the..... for the time being at..... as of the said.... but as between himself and the Government, he the said..... is alone responsible and answerable..... therefor and for every part thereof. And Whereas the responsibility of..... the said..... for and said property and every part thereof does not .ease until the same has been duly used under the written orders aforesaid and accounted for of been duly despatched from the said..... and delivered over to and a full and complete discharge therefor obtain from such persons and at such places as the..... (officer) or other person exercising his functions for the for the time being under the sanction of the Government may direct. And whereas the said..... in consideration of his said appointment has delivered to and deposited with..... as such..... (officer) as aforesaid cash to the extent of Rs..... for the purpose of in part securing and indemnifying the Government their successors and assigns against all loss and damage which they might or may in any way suffer by reason of the said property or an part or parts thereof being in any way consumed, wasted, embezzled, stolen, misspent, lost, misapplied or otherwise dishonestly, negligently, or by or through oversight or violence made away or parted with by himself the said..... of by any of the..... sub-treasurers,..... sub-store keeper, servants, clerks, cash-keepers, shroffs, coolies or other persons serving under him the said.....

And Whereas the said..... hereby acknowledges that he is bound by all the conditions, rules and regulations of the Andhra Pradesh Financial Code and such departmental rules and orders as may from time to time be issued by authority and may be in force and especially with reference to his relations and dealings with and the rights of his subordinates and his own subordination to his superior officers and that it is his duty to keep himself acquainted at all times with the contents of such Code and such departmental rules and orders as aforesaid

and all or any alterations made from time to time therein. And Whereas the said..... has entered into the above bond in the penal sum of Rs..... conditioned for the due performance by him the said of the duties of the said..... office aforesaid and of other duties appertaining thereto or which may lawfully be required of him and the indemnity of the Government their successors and assigns and servants of the Government against loss from or by reason of the act or defaults of the said..... and of all and every the persons and person aforesaid.

Now the condition of the above written bond is such that if the said..... has whilst he has held or exercised the duties of the said office of..... as aforesaid always duly performed and fulfilled the said duties of the said office and other duties aforesaid and if he the said..... shall whilst he shall hold or exercise the duties of the said office always duly perform and fulfil all and every the conditions, rules and regulations of the said Code and the said departmental rules and orders and further if the said..... do and shall indemnify and save harmless the Government their successors and assigns and all and every person or persons who from time to time has or have held or shall hold or exercise the said office of (officer) and all other servants of the Government from and against all and every loss and damage which during the time the said..... has held executed and enjoyed the said office has happened or been sustained or shall or may at any time or times hereafter happen to be sustained by the Government their successors or assigns or the said..... (officer) for the time being or any such servant as aforesaid by from or through the means of the neglect, failure, misconduct, disobedience, omission or insolvency of the said..... or of any of the..... Sub-treasurer..... Sub-stores-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons nominated accepted by or serving under him the said..... or by..... from or through the consuming, wasting, embezzling, stealing misspending, losing, misapplying or otherwise dishonestly or negligently or through oversight or violence making away or parting with the said property or any part or parts thereof by any person or persons whomsoever whilst he the said office or shall..... has held or executed the duties of the said office or shall hold or execute the duties of the said office.

Then this obligation shall be void and of no effect. Otherwise the same shall be and remain in full force and virtue.

Provided always and it is hereby declared and agreed by and between the parties hereto that the cash for Rs..... shall be and remain at the disposal of the said..... (officer) for that time being or the Government as and for part and additional security (over and above the above-written bond) to the Government their successors and assigns for the indemnity and other purposes aforesaid with full power to the Government their successors or assigns or the servants of the Government duly authorized in that behalf from time to time on occasion shall require to apply the same together with any interest receivable or received in respect thereof in and towards the indemnity as aforesaid of the Government their successors and assigns and the servants of the Government as the case may require.

And it is hereby lastly agreed and declared by and between the parties hereto that in the event of the death of the said..... or the vacation by him of his said office of..... the above mentioned cash for Rs..... shall be retained and remain with the said..... (officer) for the time being for the term of six months after the date of such death or such vacation as the case may be as security against any loss or damage that may have been or may thereafter be incurred by the Government their successors and assigns and the servants of the Government and in respect of which the said..... and his heirs, executors, administrators and legal representatives after his death is and are or shall or may be liable to indemnify the Government their successors and assigns and all such persons as aforesaid :

Provided always that the return at any time of the said cash for Rs shall not be deemed to affect the right of the Government to take proceedings upon or under the said bond against the said in case any breach of the condition of the said bond shall be discovered after the return of the said cash but the responsibility of the said shall at all times continue and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

Signed, Sealed and delivered
by the above named in the
presence of.....

(2)

**Security bond by a..... when promissory notes of the Union
or any State Government are deposited as security**

Note :—This Form may be adopted mutatis mutandis when stock certificates of the Union or State Government, Municipal Debentures or Port Trust Bonds are deposited as security of.....

Know all men by these presents that I..... of..... am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called the Governor) in the sum of Rs..... to be paid to the Government of Andhra Pradesh (hereinafter called the Government) their successors or assigns or their certain attorney or attorneys for which payment well and truly to be made I bind myself, my heirs, executors, administrators and legal representatives jointly and severally firmly by these presents.

Sealed with my seal dated this..... day of..... 19..... and I the said..... do hereby for myself, my heirs, executors, administrators and legal representatives covenant with the Governor, his successors in office and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written in any Court subject to the High Court of Judicature at Hyderabad the same shall and may at the instance of the Government be removed into tried and determined by the said High Court in its Extraordinary Original Jurisdiction.

Whereas the above bounden..... was on the..... day of..... 19..... appointed to and now holds and exercises the office of..... at..... and whereas by virtue of such office the said has amongst other duties the care, charge and oversight of and responsibility for the safe and proper storing and keeping in the place appointed for the custody thereof respectively of all money special, bullion, coin, jewels, currency or Bank notes, stamps and securities of whether description gold, silver, copper, nickel, bronze, lead, goods, stores, chattels or effects (hereinafter together only called the said property) stored and used at received into or despatched from the..... of..... or paid deposited or brought into the said by any person or persons whomsoever and for any purpose or purposes whatsoever and whereas the said as such..... as aforesaid is also responsible that the said..... property and every part thereof are and is of full measure and good quality when received into the said..... and until he has duly accounted therefor in manner hereinafter referred to and whereas the said..... is bound from time to time whenever called upon so to do show to his superior officers that the said property and every part thereof save so much thereof as he has duly accounted for is at all times intact in the places aforesaid and is also bound to attend for the purpose of discharging his duties aforesaid at such times and places as his superior officer may appoint and whereas the said..... is further bound to keep true and faithful accounts of the said property and of his dealings under written orders of his superior officers therewith respectively in the form and manner that may from time to time be prescribed under the authority of the Government and also to prepare and submit such returns and such accounts as he may

from time to time be called upon to prepare and submit and whereas the taluk of the said property remains as well in the care, charge and custody of the..... for the time being at..... as of the said..... but as between himself and the Government he the said alone is responsible and answerable therefor and for every part thereof and whereas the responsibility of the said..... for the said property and every part thereof does not cease until the same has been duly used under the written orders aforesaid and accounted for or been duly despatched from the said..... and delivered over to and a full and complete discharge therefor obtained from such persons and at such places as the..... (officer) or other person exercising his functions for the time being under the sanction of the Government may direct and whereas the said..... bearing even date with these presents and has also delivered to and deposited..... with and endorsed over to..... as such..... (officer) as aforesaid promissory note of the Union or any State Government to the extent of Rs..... of which the number of amounts and other particulars are set forth and specified in the schedule hereunder written for the purpose of in part securing and indemnifying the Government their successors and assigns against all loss and damage which they might or may in any way suffer by reasons of the said property or any part or parts thereof being in any way consumed, wasted, embezzled, stolen, misspent, lost, misapplied or otherwise dishonestly, negligently or by or through oversight or violence made away or parted with by himself the said..... or by any of the sub-treasurers/sub-store-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons serving under him the said..... And whereas the said hereby acknowledges that he is bound by all the conditions, rules and regulations of the Andhra Pradesh Financial Code and such departmental rules and orders as may from time to time be issued by authority and may be in force and especially with reference to his relations and dealings with and the rights of his subordinates and his own subordination to his superior officers and that it is his duty to keep himself acquainted at all times with the contents of such Code and such departmental rules and orders as aforesaid and all of any alterations and from time to time therein. And whereas the said..... has entered into the above bond in the penal sum of Rs..... conditioned for the due performance by him the said..... of the duties of the said office aforesaid and of other appurtenant thereto or which may lawfully be required of him and the indemnity of the Government their successors and assigns and the servants of the Government against loss from or by reason of the acts or defaults of the said..... and of all and every the persons aforesaid.

Now the condition of the above written bond is such that if the said..... has whilst he has held or exercised the duties of the said office of..... as aforesaid always duly performed and fulfilled the said duties of the said office and other duties aforesaid and if he the said..... shall whilst he shall hold or exercise the duties of the said office always duly perform and fulfil all and every the duties thereof aforesaid and perform and observe all and every the conditions, rules and regulations of the said Code and the said departmental rules and orders and further if the said..... do and shall indemnify and save harmless the Government their successors and assigns and all and every person or persons who from time to time has or have held or shall hold or exercised the office of..... (office) and all other servants of the Government from and against all and every loss and damage which during the time the said..... has held executed and enjoyed the said office has happened or been sustained or shall or may at any time or times hereafter happen to the sustained by the Government their successors or assigns or the said..... (officer) for the time being or any such servant as aforesaid by from or through the means the neglect, failure, misconduct, disobedience, omission or insolvency of the said move or of the sub-treasurers, servants,..... clerks, cash-keepers, sub-store-keepers, shroffs, coolies or other persons nominated, accepted by or serving under him the said..... or by from or through the consuming, wasting, embezzling, stealing, misspending, losing, misapplying or otherwise

dishonestly or negligently or by or through oversight or violence making away or parting with the said property or any Part or parts thereof by any has held or executed the duties of the said officer or shall hold or execute the duties of the said office.

Then this obligation shall be void and of no effect. Otherwise the same shall be and remain in full force and virtue..... Provided always and it is hereby declared and agreed by and between the parties hereto that the said promissory notes for Rs..... deposited as aforesaid or such other security or securities of the Union or any State Government to the same amount as the..... (officer) for the time being may consent from time to time to accept and receive and shall accordingly receive in lieu of or in exchange for the same and the interest thereon respectively shall be and remain at the disposal of the said..... (officer) for the time being or the Government as and for part and additional security (over and above the above written bond) to the Government their successors and assigns for the indemnity and other purposes aforesaid with full power to the Government their successors or assigns or the servants of the Government duly authorized in that behalf from time to time as occasion shall require to sell and dispose of the said securities or any part thereof and to apply the proceeds thereof together with any interest receivable or received in respect of such securities in and towards the indemnity as aforesaid of the Government their successors and assigns and the servants of the Government as the case may be require but nevertheless the interest on the said securities may in the meantime be paid over as the same shall be realized by the said..... (Officer) for the time being or the Government if he or they shall think fit to the said Provided always and it is hereby, expressly agreed and declared by and between the parties that it shall be lawful for the said..... with the consent of the said..... (officer) or of other person exercising his functions for the time being under the sanction of the Government first head and obtained to change and substitute for the said promissory notes for Rs..... so deposited as aforesaid or any part thereof or for any notes substituted therefor under the present provision from time to time other notes of the same or other loans of the same or greater value without in any way affecting the obligations of the said bond provided further and it is hereby agreed and declared by and between the parties hereto that if the market value of the said promissory notes for Rs..... so deposited as aforesaid or such other security or securities of the Union or any State Government to the same amount as the..... (office) for the time being may consent from time to accept and receive in lieu of or in exchange for the same respectively shall fall below their value at the time when they were deposited as aforesaid as to which the decision of the..... (officer) is to be final and binding..... upon the said..... the..... (officer) may call upon the said..... to furnish additional security to his satisfaction to make up for such depreciation in the market value and the said..... shall immediately comply with such request.

And it is hereby lastly agreed and declared by and between the parties hereto that in the event of the death of the said..... or the vacation by him of his said office of..... the above mentioned promissory notes for Rs..... or any notes that may be substituted therefor as aforesaid shall be retained and remain with the said (officer) for the time being for the term of six months after the date of such death or such vacation as the case may be as security may against loss or damage that may have been or may thereafter be incurred by the Government their successors and assigns and the servants of the Government and in respect of which the said..... and his heirs, executors, administrators and legal representatives after his death is and are or shall or may be liable to indemnify the Government their successors and assigns and all such persons as aforesaid provided always that the return at any time of the said promissory notes shall not be deemed to affect the right of the Government to take proceedings upon or under the said bond against the said..... in case any breach of the condition of the said bond shall be discovered after the return of the said promissory notes but the responsibility of the said..... shall at all times continue and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

Signed, Sealed and delivered
by the above named in the
presence of.....

(3)

**Security bond by a..... when Post Office Cash
Certificates are furnished as security**

Note :—This Form should be adopted mutatis mutandis when Savings Certificates issued by the Government are furnished as security.

Know All Men by these presents that I..... of am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called the Governor) in the sum of Rs..... to be paid to the Government of Andhra Pradesh (hereinafter called the Government) their successors or assigns or their certain attorney or attorneys for which payment well and truly to be made I bind myself, my heirs, executors administrators and legal representatives jointly and severally, firmly by these presents.

Sealed with my seat dated this..... day of19..... and I the saiddo hereby for myself, my heirs, executors, administrators and legal representatives covenant with the Governor, his successors in office and assigns that if any suit shall be brought touching the subject-matter of this obligation or the condition hereunder written in any Court subject to the High Court of Judicature at Hyderabad the same shall and may at the instance of the Government be removed into tried and determined by the said High Court in its Extraordinary Original Jurisdiction.

Whereas the above bounden..... was on the..... day of..... 19..... appointed to and now holds and exercised the office of at And Whereas by virtue of such office the said..... has amongst other duties the care, charge and oversight of and responsibility for the safe and proper storing and keeping in the place appointed for the custody thereof respectively of all money, specie bullion, coin, jewels, currency or Bank notes, stamps and securities of whatever description gold, silver, copper, nickel, bronze, lead, goods, stores, chattels or effects (hereinafter together only called the said property) stores and used at received into or despatched from the..... of..... or paid deposited or brought into the said..... by any person or persons whomsoever and for any purpose or purposes whatsoever. And Whereas the said as such as aforesaid is also responsible that the said property and every part thereof are and is of full measure and good quality when received into the said..... and until he has duly accounted therefor in manner hereinafter referred to. And Whereas the said..... is bound from time to time whenever called upon so to do to show to his superior officers that the said property and every part thereof save so much thereof as he has duly accounted for, is at all times in tact in the places aforesaid and is also bound to attend for the purpose of discharging his duties aforesaid at such times and places as his superior Officer may appoint. And Whereas the said..... is further bound to keep true and faithful accounts of the said property and of his dealings under written orders of his superior officers therewith respectively in the form and manner that may from time to time be prescribed under the authority of the Government and also prepare and submit such returns and such accounts as he may from time to time called upon to prepare and submit. And Whereas the bulk of the said remains as well in the care, charge and custody of the..... for the time being at..... as of the said..... but as between himself and the Government he the said..... is alone responsible and answerable therefor and for every part thereof. And Whereas the responsibility of the said..... for the said property and every part thereof does not cease until the same has been duly used under the written orders aforesaid and accounted for or been duly despatched from the said..... and delivered

over to and a full and complete discharge therefor obtained from such persons and at such places as the..... (officer) or other person exercising his functions for the time being under the sanction of the Government may direct. And Whereas the said..... is the holder of post office cash certificates of the value of Rs..... which have been registered in the post office at..... particulars of which are set forth and specified in the schedule hereunder written..... And Whereas the said..... in consideration of his said appointment has deposited with and transferred to..... as such..... (officer) as aforesaid the certificates the previous sanction of the Head Postmaster of..... Post office in which the certificates have been registered having been obtained for the purpose of in part securing and in indemnifying the Government their successors and assigns against all loss and damage which they might or may in any way suffer by reason of the said property or any part or parts thereof being in any way consumed, wasted, embezzled, stolen, misspent, lost, misapplied or otherwise dishonestly or negligently or by or through oversight or violence made away or parted with by himself the said..... or by any of the sub-treasurers/ sub-store-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons serving under him the said..... And Whereas the said..... hereby acknowledges that he is bound by all the conditions, rules and regulations of the Andhra Pradesh Financial Code and such departmental rules and orders as may from time to time be issued by authority and may be forced to add especially with reference to his relations and dealings with and the rights of his subordinates and his own subordinates to his superior officers and that it is his duty to keep himself acquainted at all times with the contents of such Code and departmental rules and orders as aforesaid and all or any alterations made from time to time therein. And Whereas the said..... has entered into the above bond in the penal sum of Rs..... conditioned for the due performance by him the said of the duties of the said..... office aforesaid and of other duties appertaining thereto or which may lawfully be required of him and the indemnity of the Government their successors and assigns and the servants of the Government against loss from or by reason of the acts or defaults of the said..... and of all and every the persons and person aforesaid.

Now the condition of the above written bond is such that if the said..... has whilst he has held or exercised the duties of the said office of..... as aforesaid always duly performed and fulfilled the said duties of the said office and other duties aforesaid and if he the said..... shall whilst he shall hold or exercise the duties of the said office always duly perform and fulfil all and every the duties thereof aforesaid and perform and observe all and every the conditions rules and regulations of the said Code and the said departmental rules and orders and further if the said..... do and shall indemnify and save harmless the Government their successors and assigns and all and every person or persons who from time to time has or have held or shall hold or exercise the said office of..... (officer) and all other servants of the Government from and against all and every loss and damage which during the time the said..... has held executed and enjoyed the said office has happened or been sustained or shall or may at any time or times hereafter happen to be sustained by the Government their successor or assigns or the said..... (officer) for the time being or any such servant as aforesaid by from or through the means of the neglect, failure, misconduct, disobedience, omission or insolvency of the said..... or of any..... of the sub-storekeepers/sub-treasurers, servants, clerks, cash-keepers, shroffs, coolies or other persons nominated, accepted by or serving under him the said..... or by or through the consuming, from wasting, embezzling, stealing, misapplying or otherwise dishonestly or by or through oversight or violence making away or parting with the said property or any part or parts thereof by any person or persons whomsoever whilst he the said..... has held or executed the duties of the said office or shall hold or execute the duties of the said office.

Then the obligation shall be void and of no effect. Otherwise the same shall be and remain in full force and virtue :

Provided always and it is hereby declared and agreed by and between the parties hereto that the said post office cash certificates to be deposited and transferred as aforesaid shall be and remain at the disposal of the..... (officer) for the time being or the Government as and for part and additional security (over and above the written bond) to the Government their successors and assigns for the indemnity and other purposes aforesaid with full power to the Government their successors or assigns or the servants of the Government duly authorized in that behalf to obtain and receive payment of the amount payable on the said post office cash certificates or a sufficient portion thereof and to apply the same in and towards the indemnity as aforesaid of the Government as the case may require.

And it is hereby lastly agreed and declared by and between the parties hereto that in the event of the death of the said..... or the vacation by him of his said office of the..... above mentioned cash certificates of Rs..... shall not at once be returned or transferred but shall be retained and remain with said..... (officer) for the time being for the term of six months after the date of such death or such vacation as the case may be as security against any loss or damage that may have been or may thereafter be incurred by the Government their successors and assigns and the servants of the Government and in respect of which the said..... and his heirs, executors administrators and legal representatives after his death is and are shall or may be liable to indemnify the Government their successors and assigns and all such persons as aforesaid provided always that the return and transfer at any time of the said post office cash certificates shall not be deemed to affect the right of the Government to take proceedings upon or under the said bond against the said..... in cash any breach of the condition of the said bond shall be discovered after the return of the said cash certificate but the responsibility of the said..... shall at all times continue and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

Signed, sealed and delivered
by the above named in the
presence of.....

(4)

**Security bond by a..... when deposit receipt of banks
are deposited as security**

Know All Men by these presents that I..... of..... am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called the Governor) in the sum of Rs..... to be paid to the Government of Andhra Pradesh (hereinafter called the Government) their successors or assigns or their certain attorney or attorneys for which payment well and truly to be made bind myself, my heirs, executors, administrators and legal representatives jointly and severally firmly by these presents. Sealed with my seal this..... day of..... 19..... and I the said..... do hereby for myself, my heirs, executors, administrators and legal representatives covenant with the Governor his successors in office and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written in any Court subject to the High Court of Judicature at Hyderabad the same shall and may at the instance of the Government be removed into tried and determined by the said High Court in its Extraordinary Original Jurisdiction

Whereas the above bounden..... was on the day of19..... appointed to and now holds and exercises the office of..... at..... And Whereas by virtue of such office the said..... has amongst other duties the care charge and oversight of and responsibility for the safe and proper storing and keeping in the place appointed for the custody thereof respectively of all money special, bullion, coin, jewels currency or Bank notes,

stamps and securities of whether description gold, silver, copper, nickel, bronze, lead, goods, stores, chattels or effects (hereinafter together only called the said property) stored and used at received into or despatched from the..... of..... or paid deposited or brought into the said..... by any person or persons whomsoever and for any purpose or purposes whatsoever and whereas the said..... as such..... as aforesaid is also responsible that the said property and every part thereof are and is of full measure and good quality when received into the said..... and until he has duly accounted therefor in manner hereinafter referred to and whereas the said is bound from time to time whenever called upon so to do show to his superior officers that the said property and every part thereof save so much thereof as he has duly accounted for is at all times intact in the places aforesaid and is also bound to attend for the purpose of discharging his duties aforesaid at such times and places as his superior officer may appoint and whereas the said..... is further bound to keep true and faithful accounts of the said property and of his dealings under written orders of his superior officers therewith respectively in the form and manner that may from time to time be prescribed under the authority of the Government and also to prepare and submit such returns and such accounts as he may from time to time be called upon to prepare and submit and whereas the taluk of the said property remains as well in the care, charge and custody of the..... for the time being at..... as of the said..... but as between himself and the Government he the said alone is responsible and answerable therefor and for every part thereof and whereas the responsibility of the said..... for the said property and every part thereof does not cease until the same has been duly used under the written orders aforesaid and accounted for or been duly despatched from the said..... and delivered over to and a full and complete discharge therefor obtained from such persons and at such places as the..... (officer) or other person exercising his functions for the time being under the sanction of the Government may direct and whereas the said..... in consideration of his said appointment has deposited the bank at..... the sum of Rs..... in the name of and has obtained a receipt bearing No..... dated..... in his name and delivered it to him and the same is now standing to the credit of the said..... and is..... withdrawal by him on demand for the purpose of in part securing and indemnifying the Government their successors and assigns against all loss and damage which they might or may in any way suffer by reason of the said property or any part or parts thereof being in any way consumed, wasted, embezzled, stolen, mis-spent, loss, misapplied or otherwise dishonestly negligently or by or through oversight or violence made away or parted with by himself the said..... or by any..... of the sub-treasurers, servants, clerks, cash-keepers, shroffs, coolies or other..... persons serving under him the said..... and whereas the said..... hereby acknowledges that he is bound by all the conditions, rules and regulations of the Andhra Pradesh Financial Code and such departmental rules and orders as may from time to time be issued by authority and may be in force especially with reference to his relations and dealings with and the rights of his subordinates and his own subordination to his superior officers and that it is his duty to keep himself acquainted at all times with the contents of such Code and such departmental rules and orders as aforesaid and all or any alterations made from time to time therein and whereas the said..... has entered into the above bond in the penal sum of Rs..... conditioned for the due performance by him the said..... of the duties of the said office aforesaid and of other duties appertaining thereto or which may lawfully be required of him and the indemnity of the Government their successors and assigns and the servants of the Government against loss from or by reason of the acts or defaults of the said..... and of all the every the persons and person aforesaid.

Now the condition of the above written bond is such that if the said..... has whilst he has held or exercised the duties of the said office of..... as aforesaid always duly performed and fulfilled the said duties of the said office and other duties aforesaid and if he the said..... shall whilst he shall hold or exercise the duties of the said office

always duly perform and fulfil all and every the duties thereof aforesaid and perform and observe all and every the conditions rules and regulations of the said Code and the said departmental rules and orders and further if the said..... do and shall indemnify and save harmless the Government their successors and assigns and all and every person or persons who from time to time has or have held or shall hold or exercise the said office of..... (officer) and all other servants of the Government from and against all and every loss and damage which during the time the said..... has held executed and enjoyed the said office has happened or been sustained or shall or may at any time or times hereafter happen to be sustained by the Government their successor or assigns or the said..... (officer) for the time being or any such servant as aforesaid by from or through the means of the neglect, failure, misconduct, dis-obedience, omission or insolvency of the said..... or of any of the sub-store-keepers/ sub-treasurers, servants, clerks, cash-keepers, shroffs, coolies or other persons nominated, accepted by or serving under him the said..... or by from or through the consuming from wasting, embezzling, stealing, misapplying or otherwise dishonestly or by or through oversight or violence making away or parting with the said property or any part or parts thereof by any person or persons whomsoever whilst he the said..... has held or executed the duties of the said office or shall hold or execute the duties of the said office.

Then this obligation shall be void and of no effect. Otherwise the same shall be and remain in full force and virtue :

Provided always and it is hereby declared and agreed by and between the parties hereto that the sum of Rs..... so deposited as aforesaid and interest hereon respectively shall be and remain at the disposal of the said..... (officer) for the time being or the Government as and for part and additional security (over and above the written bond) to the Government their successors and assigns for the indemnity and other purposes aforesaid with full power to the Government their successors or assigns or the servants of the Government duly authorized in that behalf from time to time as occasion shall require to obtain and receive payment of the said sum of Rs..... or a sufficient portion thereof with interest thereon and to apply the same in and towards the indemnity as aforesaid of the Government their successors and assigns and the servants of the Government as the case may require but nevertheless the interest on the said sum of Rs..... may in the meantime be paid over as the same shall be realized by the said..... from the time being or for the Government if he or they shall think fit to the said And it is hereby lastly agreed and declared by and between the parties hereto that in the event of the death of the said..... or the vacation by him of his said office of the above mentioned cash certificates of Rs..... shall not at once be returned or transferred but..... (officer) for the time being for the term of six months after the date of such death or such vacation as the case may be as security against any loss or damage that may have been or may thereafter be incurred by the Government their successors and assigns and the servants of the Government and in respect of which the said..... and his heirs, executors, administrators and legal representatives after his death is and are shall or may be liable to indemnify the Government their successors and assigns and all such persons as aforesaid provided always that the return at any time of the said sum of Rs..... or of the deposit receipt shall not be deemed to affect the right of the Government to take proceedings upon or under the said bond against the said..... in case any breach of the condition of the said shall be discovered after the return of the said sum of Rs..... or the deposit receipt but the responsibility of the said..... shall at all times continue and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

Signed, sealed and delivered
by the above named in the
presence of.....

(5-A)

Security bond by a..... when Post Office Savings Bank Deposits (under Rule 45(b) of the Post Office Savings Bank Rules) are deposited as security

Know all men by these presents that I..... of..... am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called the Governor) in the sum of Rs..... to be paid to the Government of Andhra Pradesh (hereinafter called the Government) their successors or assigns or their certain attorney or attorneys for which payment well and truly to be made I bind myself my heirs executors administrators and legal representatives jointly and severally firmly by these presents Sealed with my seal dated this..... day of..... 19..... and I the said..... do hereby for myself, my heirs, executors, administrators and legal representatives covenant with Governor his successors in office and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written hi any Court subject to the High Court of Judicature at Hyderabad the same shall and may at the instance of the Government be removed into tried and determined by the said High Court in its Extraordinary Original Jurisdiction. Whereas the above bounden..... was on the..... day of..... appointed to and now holds and exercises the office of..... at..... And whereas by virtue of such office the said has amongst other duties the care charge and oversight of and responsibility for the safe and proper storing and keeping in the place appointed for the custody thereof respectively of all money, special bullion, coin, jewels, currency or bank notes, stamps and securities of whatever description gold, silver, copper, nickel, bronze, lead, goods, stores, chattels or effects (hereinafter together only called the said property) stores and used at received into or despatched from the..... of..... or paid deposited or brought into the said..... by any person or persons whomsoever and for any purpose or purposes whatsoever. And Whereas the said as such as aforesaid is also responsible that the said property and every part thereof are and is of full measure and good quality when received into the said and until he has duly accounted therefor in manner hereinafter referred to. And Whereas the said is bound from time to time whenever called upon so to do to show to his superior officers that the said property and every part thereof save so much thereof as he has duly accounted for is at all times intact in the places aforesaid and is also bound to attend for the purpose of discharging his duties aforesaid at such times and places as his superior Officer may appoint. And Whereas the said..... is further bound to keep true and faithful accounts of the said property and of his dealings under written orders of his superior officers therewith respectively in the form and manner that may from time to time be prescribed under the authority of the Government and also prepare and submit such returns and such accounts as he may from time to time called upon to prepare and submit. And Whereas the bulk of the said remains as well in the care, charge and custody of the..... for the time being at..... as of the said..... but as between himself and the Government he the said..... is alone responsible and answerable therefor and for every part thereof. And Whereas the responsibility of the said for the said property and every part thereof does not cease until the same has been duly used under the written orders aforesaid and accounted for or been duly despatched from the said..... and delivered over to and a full and complete discharge therefor obtained from such persons and at such places as the (officer) or other person exercising his functions for the time being under the sanction of the Government may direct. And Whereas the said has deposited in the Postal Savings Bank at..... the sum of Rs..... and the same is now standing to his credit in the said Postal Savings Bank. And Whereas the said..... in consideration of his said appointment has written to the Post master at..... the letter prescribed by Rule 45(1) of the Post Office Savings Rules has delivered and deposited with..... as such..... (officer) as..... aforesaid the pass book of

him the said..... with the Postal Savings Bank at..... and all other vouchers and documents of him the said evidencing his title to the said sum of Rs..... the particulars of which vouchers and documents are set forth and specified in the schedule hereunder written for the purpose of in part securing and indemnifying the Government their successors and assigns against all loss and damage which they might or may in any way suffer by reason of the said property or any part or parts thereof being in any way consumed, wasted, embezzled, stolen, misspent, lost, misapplied or otherwise dishonestly or negligently or by or through oversight or violence made away or parted with by himself the said..... or by any of the sub-treasurers/sub-store-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons serving under him the said..... And Whereas the said hereby acknowledges that he is bound by all the conditions, rules and regulations of the Andhra Pradesh Financial Code and such departmental rules and orders as may from time to time be issued by authority and may be forced to add especially with reference to his relations and dealings with and the rights of his subordinates and his own subordinates to his superior officers and that it is his duty to keep himself acquainted at all times with the contents of such Code and departmental rules and orders as aforesaid and all or any alterations made from time to time therein. And Whereas the said..... has entered into the above bond in the penal sum of Rs..... conditioned for the due performance by him the said..... of the duties of the said office aforesaid and of other duties appertaining thereto or which may lawfully be required of him and the indemnity of the Government their successors and assigns and the servants of the Government against loss from or by reason of the acts or defaults of the said..... and of all and every the persons and person aforesaid.

Now the condition of the above written bond is such that if the said..... has whilst he has held or exercised the duties of the said office of..... as aforesaid always duly performed and fulfilled the said duties of the said office and other duties aforesaid and if he the said..... shall whilst he shall hold or exercise the duties of the said office always duly perform and fulfil all and every the duties thereof aforesaid and perform and observe all and every the conditions rules and regulations of the said Code and the said departmental rules and orders and further if the said..... do and shall indemnify and save harmless the Government their successors and assigns and all and every person or persons who from time to time has or have held or shall hold or exercise the said office of..... (officer) and all other servants of the Government from and against all and every loss and damage which during the time the said..... has held executed and enjoyed the said office has happened or been sustained or shall or may at any time or times hereafter happen to be sustained by the Government their successors or assigns or the said..... (officer) for the time being or any such servant as aforesaid by from or through the means of the neglect, failure, misconduct, disobedience, omission or insolvency of the said of any sub-store-keepers/sub-treasurers of the servants, clerks, cash-keepers, shroffs, coolies or other persons nominated, accepted by or serving under him the said..... or by from or through the consuming from wasting, embezzling, stealing, misapplying or otherwise dishonestly or by or through oversight or violence making away or parting with the said property or any part or parts thereof by any person or persons whomsoever whilst he the said has held or executed the duties of the said office or shall hold or execute the duties of the said office.

Then the obligation shall be void and of no effect. Otherwise the same shall be and remain in full force and virtue :

Provided always and it is hereby declared and agreed by and between the parties hereto that the sum of Rs..... so deposited as aforesaid and interest hereon respectively shall be and remain at the disposal of the said..... (Officer) for the time being or the Government as and for part and additional security (over and above the written bond) to the Government their successors and assigns for the indemnity and other purposes aforesaid with full power

to the Government their successors or assigns or the servants of the Government duly authorized in that behalf from time to time as occasion shall require to apply the same together with any interest receivable or received in respect thereof in and towards indemnity as aforesaid of the Government their successors and assigns and the servants of the Government as the case may require.

And it is hereby lastly agreed and declared by and between the parties hereto that in the event of the death of the said..... or the vacation by him of his said office of the above mentioned cash certificates of Rs..... and the pass book vouchers and other documents relating thereto shall be retained and remain with the said..... (officer) for the time being for the term of six months after the date of such death or such vacation as the case may be as security against any loss or damage that may have been or may thereafter be incurred by the Government their successors and assigns and the servants of the Government and in respect of which the said..... and his heirs, executors administrators and legal representatives after his death is and are shall or may be liable to indemnify the Government their successors and assigns and all such persons as aforesaid provided always that the return and transfer at any time of the said..... post office cash certificates shall not be deemed to affect the right of the Government to take proceedings upon or under the said bond against the said..... in cash any breach of the condition of the said bond shall be discovered after the return of the said sum or pass book vouchers or other documents but the responsibility of the said..... shall at all times continue and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

Signed, Sealed and delivered
by the above named in the
presence of.....

(5-B)

Security bond by a..... when Post Office Savings Bank Deposits (under Rule 45(g) of the Post Office Savings Bank Rules) are deposited as security

Know all men by these presents that I..... of..... am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called the Governor) in the sum of Rs..... to be paid to the Government of Andhra Pradesh (hereinafter called the Government) their successors or assigns or their certain attorney or attorneys for which payment well and truly to be made I bind myself my heirs, executors, administrators and legal representatives jointly and severally firmly by these presents.

Sealed with my seal dated this..... day of..... 19..... and I the said..... do hereby for myself my heirs, executors, administrators and legal representatives covenant with Governor his successors in office and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written in any Court subject to the High Court of Judicature at Hyderabad the same shall and may at the instance of the Government be removed into tried and determined by the said High Court in its Extraordinary Original Jurisdiction.

Whereas the above bounden..... was on the day of..... 19..... appointed to and now holds and exercises the office of..... at..... And whereas by virtue of such office the said..... has amongst other duties the care charge and oversight of and responsibility for the safe and proper storing and keeping in the place appointed for the custody thereof respectively of all money special, bullion, coin, jewels, currency or bank notes, stamps and securities of whatever description gold, silver, copper, nickel, bronze, lead, goods stores chattels or effects (hereinafter together only called the said property) stores and used at received into or despatched from the..... of..... or paid deposited or brought

into the said..... by any person or persons whomsoever and for any purpose or purposes whatsoever. And Whereas the said..... as such as aforesaid is also responsible that the said property and every part thereof are and is of full measure and good quality when received into the said..... and until he has duly accounted therefor in manner hereinafter referred to. And Whereas the said..... is bound from time to time whenever called upon so to do to show to his superior officers that the said property and every part thereof save so much thereof as he has duly accounted for is at all times intact in the places aforesaid and is also bound to attend for the purpose of discharging his duties aforesaid at such times and places as his superior Officer may appoint. And Whereas the said..... is further bound to keep true and faithful accounts of the said property and of his dealings under written orders of his superior officers therewith respectively in the form and manner that may from time to time be prescribed under the authority of the Government and also prepare and submit such returns and such accounts as he may from time to time called upon to prepare and submit. And Whereas the bulk of the said remains as well in the care, charge and custody of the for the time being at as of the said but as between himself and the Government he the said is alone responsible and answerable therefor and for every part thereof. And Whereas the responsibility of the said for the said property and every part thereof does not cease until the same has been duly used under the written orders aforesaid and accounted for or been duly despatched from the said and delivered over to and a full and complete discharge therefor obtained from such persons and at such places as the..... (officer) or other person exercising his functions for the time being under the sanction of the Government may direct. And Whereas the said in consideration of his said appointment has delivered to as such..... (officer) as aforesaid a sum of Rs..... which has been deposited by the said..... (officer) in his own name in the Post Office Savings Bank at..... as security deposit under Rule 45(f) of the Post Office Savings Bank Rules for the purpose of in part securing and indemnifying the Government their successors and assigns against all loss and damage which they might or may in way suffer by reason of the said property or any part or parts thereof being in any way consumed, wasted, embezzled, stolen, misspent, lost, misapplied or otherwise dishonestly, negligently or by or through oversight or violence made away or parted with by himself the said..... or by any of the Sub-treasurers, sub-store-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons serving under him the said..... And Whereas the said hereby acknowledges that he is bound by all the conditions rules and regulations of the Andhra Pradesh Financial Code and such departmental rules and orders as may from time to time be issued by authority and may be forced to add especially with reference to his relations and dealings with and the rights of his subordinates and his own subordinates to his superior officers and that it is his duty to keep himself acquainted at all times with the contents of such Code and departmental rules and orders as aforesaid and all or any alterations made from time to time therein. And Whereas the said..... has entered into the above bond in the penal sum of Rs..... conditioned for the due performance by him the said..... of the duties of the said office aforesaid and of other duties appertaining thereto or which may lawfully be required of him and the indemnity of the Government their successors and assigns and the servants of the Government against loss from or by reason of the acts or defaults of the said..... and of all and every the persons and person aforesaid.

Now the condition of the above written bond is such that if the said..... has whilst he has held or exercised the duties of the said office of as aforesaid always duly performed and fulfilled the said duties of the said office and other duties aforesaid and if he the said..... shall whilst he shall hold or exercise the duties of the said office always duly perform and fulfil all and every the duties thereof aforesaid and perform and observe all and every the conditions, rules and regulations of the said Code and the said departmental rules and orders and further if the said..... do and shall indemnify and save harmless

the Government their successors and assigns and all and every person or persons who from time to time has or have held or shall hold or exercise the said office of..... (officer) and all other servants of the Government from and against all and every loss and damage which during the time the said..... has held, executed and enjoyed the said office has happened or been sustained or shall or may at any time or times hereafter happen to be sustained by the Government their successors or assigns or the said..... (officer) for the time being or any such servant as aforesaid by from or through the means of the neglect, failure, misconduct, disobedience, omission or insolvency of the said or of any of the sub-treasuries/sub- store-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons nominated accepted by or serving under him the said..... or by from or through the consuming from wasting, embezzling, stealing, misapplying or otherwise dishonestly or by or through oversight or violence making away or parting with the said property or any part or parts thereof by any person or persons whomsoever whilst he the said..... has held or executed the duties of the said office or shall hold or execute the duties of the said office.

Then the obligation shall be void and of no effect. Otherwise the same shall be and remain in full force and virtue :

Provided always and it is hereby declared and agreed by and between the parties hereto that the sum of Rs..... so deposited as aforesaid and interest hereon respectively shall be and remain at the disposal of the said..... (Officer) for the time being or the Government as and for part and additional security (over and above the written bond) to the Government their successors and assigns for the indemnity and other purposes aforesaid with full power to the Government their successors or assigns or the servants of the Government duly authorized in that behalf from time to time as occasion shall require to apply the same together with any interest receivable or received in respect thereof in and towards indemnity as aforesaid of the Government their successors and assigns and the servants of the Government as the case may require And it is hereby lastly agreed and declared by and between the parties hereto that in the event of the death of the said..... or the vacation by him of the above mentioned sum of Rs shall be retained and remain with the said..... (officer) for the time being for the term of six months after the date of such death or such vacation as the case may be as security against any loss or damage that may have been or may thereafter be incurred by the Government, their successors and assigns and the servants of the Government and in respect of which the said and his heirs, executors administrators and legal representatives after his death is and are shall or may be liable to indemnify the Government their successors and assigns and all such persons as aforesaid provided always that the return at any Time of the Said Sum of Rs..... shall not be deemed to affect the right of the Government to take proceedings upon or under the said..... bond against the said..... breach of the condition of the said bond shall be discovered after the return of the said sum but the responsibility of the said..... shall at all times continue and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

Signed, Sealed and delivered
by the above named in the
presence of.....

(6)

**Security bend by a..... when a fidelity bond
is deposited as security**

Know all men by these presents that I..... son of..... am held and firmly bound unto the Governor of Andhra Pradesh (hereinafter called the Governor) in the sum of Rs..... to be paid to the Government of Andhra Pradesh (hereinafter called the

Government) their successors or assigns or their certain attorney or attorneys for which payment well and truly to be made I bind myself my heirs executors administrators and legal representatives jointly and severally firmly by these presents.

Sealed with my seal dated this..... day of..... 19..... and I the said..... do hereby for myself, my heirs, executors, administrators and legal representatives covenant with Governor his successors in office and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written in any Court subject to the High Court of Judicature at Hyderabad the same shall and may at the instance of the Government be removed into tried and determined by the said High Court in its Extraordinary Original Jurisdiction.

Whereas the above bounden..... was on the day of19..... appointed to and now holds and exercises the office of..... at..... And whereas by virtue of such office the said has amongst other duties the care charge and oversight of and responsibility for the safe and proper storing and keeping in the place appointed for the custody thereof respectively of all money special, bullion, coin, jewels, currency or bank notes, stamps and securities of whatever description gold, silver, copper, nickel, bronze, lead, goods stores chattels or effects (hereinafter together only called the said property) stores and used at received into or despatched from the of or paid deposited or brought into the said be any person or persons whomsoever and for any purpose or purposes whatsoever. And Whereas the said as such..... as aforesaid is also responsible that the said property and every part thereof are and is of full measure and good quality when received into the said and until he has duly accounted therefor in manner hereinafter referred to. And Whereas the said is bound from time to time whenever called upon so to do to show to his superior officers that the said property and every part thereof save so much thereof as he has duly accounted for is at all times intact in the places aforesaid and is also bound to attend for the purpose of discharging his duties aforesaid at such times and places as his superior Officer may appoint. And Whereas the said is further bound to keep true and faithful accounts of the said property and of his dealings under written orders of his superior officers therewith respectively in the form and manner that may from time to time be prescribed under the authority of the Government and also prepare and submit such returns and such accounts as he may from time to time called upon to prepare and submit. And Whereas the bulk of the said remains as well in the care, charge and custody of the for the time being at as of the said but as between himself and the Government he the said is alone responsible and answerable therefor and for every part thereof. And Whereas the responsibility of the said for the said property and every part thereof does not cease until the same has been duly used under the written orders aforesaid and accounted for or been duly despatched from the said and delivered over to and a full and complete discharge therefor obtained from such persons and at such places as the (officer) or other person exercising his functions for the time being under the sanction of the Government may direct. And Whereas the said in consideration of his said appointment has delivered to as such (officer) as aforesaid a fidelity bond issued by Company for Rs for the purpose of in part securing and indemnifying the Government their successors and assigns against all loss and damage which they might or may in way suffer by reason of the said property or any part or parts thereof being in any way consumed wasted embezzled, stolen, misspent, lost, misapplied or otherwise dishonestly, negligently or by or through oversight or violence made away or parted with by himself the said or by any of the Sub-treasurers, sub-store-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons serving under him the said And Whereas the said hereby acknowledges that he is bound by all the conditions rules and regulations of the Andhra Pradesh Financial Code and such departmental rules and orders as may from time to time be issued by authority and may be forced to add especially with reference to his relations and dealings

with and the rights of his subordinates and his own subordinates to his superior officers and that it is his duty to keep himself acquainted at all times with the contents of such Code and departmental rules and orders as aforesaid and all or any alterations made from time to time therein. And Whereas the said has entered into the above bond in the penal sum of Rs conditioned for the due performance by him the said of the duties of the said office aforesaid and of other duties appertaining thereto or which may lawfully be required of him and the indemnity of the Government their successors and assigns and the servants of the Government against loss from or by reason of the acts or defaults of the said and of all and every the persons and person aforesaid.

Now the condition of the above written bond is such that if the said has whilst he has held or exercised the duties of the said office of as aforesaid always duly performed and fulfilled the said duties of the said office and other duties aforesaid and if he the said shall whilst he shall hold or exercise the duties of the said office always duly perform and fulfil all and every the duties thereof aforesaid and perform and observe all and every the conditions, rules and regulations of the said Code and the said departmental rules and orders and further if the said..... dp and shall indemnify and save harmless the Government their successors and assigns and all and every person or persons who from time to time has or have held or shall hold or exercised the said office of (officer) and all other servants of the Government from and against all and every loss and damage which during the time the said has held executed and enjoyed the said office has happened or been sustained or shall or may at any time or times hereafter happen to be sustained by the Government their successor or assigns or the said (officer) for the time being or any such servant as aforesaid by from or through the means of the neglect, failure, misconduct, dis-obedience, omission or insolvency of the said or of any of the sub-treasuries/sub-store-keepers, servants, clerks, cash-keepers, shroffs, coolies or other persons nominated accepted by or serving under him the said or by from or through the consuming from wasting, embezzling, stealing, misapplying or otherwise dishonestly or by or through oversight or violence making away or parting with the said property or any part or parts thereof by any person or persons whomsoever whilst he the said has held or executed the duties of the said office or shall hold or execute the duties of the said office Then the obligation shall be void and of no effect. Otherwise the same shall be and remain in full force and virtue Provided always and it is hereby declared and agreed by and between the parties hereto the said fidelity bond No delivered so and deposited as aforesaid and interest hereon respectively shall be and remain at the disposal of the said (Officer) for the time being or the Government as and for part and additional security (over and above the written bond) to the Government their successors and assigns for the indemnity and other purposes aforesaid with full power to the Government their successors or assigns or the servants of the Government duly authorized in that behalf from time to time as occasion shall require to apply the same together with any interest receivable or received in respect thereof in and towards indemnity as aforesaid of the Government their successors and assigns and the servants of the Government as the case may require.

And it is hereby lastly agreed and declared by and between the parties hereto that the said shall keep the fidelity bond issued by the said company in full force by payment of the premia as and when they fall due and by otherwise conforming to the rules of the said company relating thereto :

Provided always that the cancellation or lapse at any time of the said fidelity bond shall not be deemed to affect the right of the Government to take proceedings upon or under the said bond against the said in case any breach of the condition of the said bond shall be discovered after the return of the said sum but the responsibility of the said shall at all times continue

and the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

Signed, Sealed and delivered
by the above named in the
presence of.....

FORM 20

(See Chapter XII, Article 299)

**Report of damage to immovable Government property to be sent to the
Accountant-General**

1. Department.
2. Locality.
3. Description of the property damaged.
4. Cause of the damage.
5. Book value of the damaged portion of the property.
6. (a) Is it proposed to replace or reconstruct the damaged portion.
(b) If so, what is the estimated cost of the replacement or reconstruction ?
7. If it is not proposed to replace or reconstruct the damaged portion of the property, what is the amount to be written off the capital value of property in the accounts? (This amount should be estimated in the absence of the record book value.)
8. What action is being taken to affect the write-off, if any, mentioned as being necessary in item 7 above ?

Note :—For purpose of write-off of the value of temporary structures damaged or destroyed which have served the period intended, and which are therefore not proposed to be reconstructed, the value of the structures should be assessed as at the time damaged or destruction of.

FORM 21

(See Chapter XIV, Articles 327 and 328)

Report of deaths of European Government Servants and Pensioners

Name	Date of Death	Place of Death	Occupation at time of death	Age at time of death	Place of birth
(1)	(2)	(3)	(4)	(5)	(6)

Particulars as to family connection	Address in England of relatives (if known)	Particulars as to property (if any)	Length of service	Cause of death	Remarks
(7)	(8)	(9)	(10)	(11)	(12)

The information is not required in the case of a pensioner.

FORM 22

(See Chapter V, Article 84)

Form of bill for drawing advances of Travelling Allowance on tour to Government Servants

No..... of..... 19.....

Bill for advance of travelling allowance on tour for.....

Sir

The establishment of the office of..... for..... 19.....

Head of account chargeable.....

Serial No.	Name and designation of Government servants for whom advance is drawn.	Amount of advance Rs.	Remarks.
------------	--	-----------------------	----------

(1) Certified that no previous advance is outstanding in respect of the individuals for whom tour advance is now drawn.

(2) Certified also that the previous advance (s) of Rs..... drawn on..... at was/were adjusted by deduction in the bill for Rs..... cashed on..... Total of bill Rs..... (in words)..... Rupees.

Contents received

Please pay to

Station :

(Signature)

Dated :

(Designation)

(For use in the Treasury)
Pay Rupees (in words)

Examined and entered.
Treasury Accountant.

Treasury Officer.

(For use in Audit office)

Amount held under objection	Rs.	Admitted Rs.
Auditor.	Superintendent.	Auditor. Superintendent.

FORM 23*(See Chapter V, Article 84)*

**Register showing the details of advances of Travelling Allowance
on tour paid to Government Servant and the Recoveries made
in respect of the same**

Sl.No.	Name or designation of Govt.servants.	Details of advance paid		Details of recoveries made.		Remarks
		Date and place of payment.	Amount	By adjustment	In cash	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Rs.	Rs.	Rs.	

Note :—(1) Columns (3) and (4) should be filled in at the time that the bill on account of the advance is submitted for signature of the head of the office. An entry “Entered in the Tour Advance Register” should simultaneously be made in the office copy of the bill and attested by the head of office.

In respect of gazetted officers, the treasury Officers concerned will make the necessary entries in columns (3) and (4) and record on the bill passed for payment that it has been entered in the tour Advance Register.

(2) In column (5) full particulars regarding the amount, date and place of payment of the bill in which the advance was recovered by adjustment should be given.

(3) The register should be reviewed by the head of the office or the Treasury Officer concerned at least once a month and suitable action taken in cases of long delays in adjustment. The head of the office or the Treasury Officer concerned will also set this initials on column (7) “Remarks” in token of such review against the latest entry.

FORM 24*(See Chapter XII, Article 279, (8))*

**Form of Security bond to be furnished by the drivers of cars,
lorries, buses, vans and jeeps**

Known all men by these presents that I..... son of..... residing at..... (hereafter called the above bounden). I am bound unto the Governor of Andhra Pradesh in the sum of Rs. 200/- (Rupees two hundred only) to be paid to the Government of Andhra Pradesh (hereafter called the Government) their successor or assigns or their certain attorney or attorneys which payment to be well and truly made, I hereby bind myself, my heirs, executors, administrators, legal representatives and assigns firmly by these presents.

Whereas the above bounden signed by me this day of one thousand nine hundred and in the year of Republic of India has been appointed by the as driver in the and where it has been agreed that the above bounden shall execute a bond in the above mentioned sum of Rs. 200/- with such conditions are hereunder written.

[Memo.No. 7267/Accts./62-2, Dt. 27-6-19621

“Now the condition of the bond is such that the above bounden shall not whilst in the service of said cause any loss to the Car/Lorry/Jeep/Van/Bus(A.P) or such other Government vehicle as may be allotted to from time to time of the by his negligence or by disobedience of the orders of the and of any authorised officer of the or otherwise; in the event of the said falling to observe and perform all or any one or more of the covenants or conditions herein before contained pay to the Government the said sum of Rs. 200/- (Rupees two hundred only)”.

[Memo.No. 93388-B/Accts./62-3, Dt. 20-2-1963]

If the above conditions are carried out by them this bond or obligation shall be void and of no effect. Otherwise it shall remain in full force and virtue and the sum of Rs. 200/ - (Rupees two hundred only) due under the bond shall be recoverable under the Andhra Pradesh Revenue Recovery Act, 1864 as if it were an arrear of land revenue without prejudice to any other modes or recovery.

Signed by the above named Sri
in the presence of.....

Witnesses :

- 1.
- 2.

Signed before me.

Designation of the Officer.

Note :—Every person already appointed and to be appointed in future as Car, Lorry, Jeep, Van or Bus Driver in all the Departments of the Secretariat and under the Heads of Departments or their subordinate offices shall deposit Rs. 50/- (Rupees fifty only) in cash in one lumpsum or in five monthly installments of Rs. 10/- each and execute a personal bond for Rs. 200/- (Rupees two hundred only) as security against losses caused to the Govt. on account of negligence or disobedience of orders”.

[Memo.No. 93388-B/Accts./62-3, Dt. 20-2-63]

FORM 25

Monthly return to be forwarded by drawing officer who draws A.C. Bill to the Controlling officer in case the Bills require countersignature to next superior authority in case Drawing Officer is empowered to forward D.C. Bills direct to Accountant-General.

Particulars of A.C. Bills drawn -----			Reference to letter No. & date in which D.C. Bills were sent controlling officer/A.G.	Reasons for delay if D.C. Bills were not sent to controlling officer/A.G.	Remarks
A.C.Bills No.	Amount	Date of drawal			
(1)	(2)	(3)	(4)	(5)	(6)

[G.O.Ms.No. 248, Fin., Dt. 20-7-1977]

FORM 26**Monthly return to be forwarded by the Controlling officer
to the next superior authority**

Sl.No.	Particulars of A.C.Bills drawn			Date of receipt of D.C.Bill	Reference to letter No. and date in which D.C.Bills were sent to A.G.	Reasons for delay if D.C.Bills were not sent to A.G.	Remarks
	Amount	Date of drawal	Designation of drawing officer				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Note :—The outstanding items should be continued to be shown in the subsequent monthly returns till such time the D.C. Bills are sent to the Controlling Officers/Accountant-General. (G.O.Ms.No. 248, Finance, Dt. 20-7-1977)

FORM 27

[See Chapter VI, Article 98]

Form of Register of the permanent Advance in the . . . District

Sl.No.	Designation of the officer to whom P.A. is sanctioned	Amount of initial sanction.	Reference No. & date	Initials
(1)	(2)	(3)	(4)	(5)

(a)Increase of (-)Decrease out of the amount in Col. 3 Ref. No. & Date (Indicate proceedings No. & Date)	Total progressive (net amount col.)	Initials. 3-6. 19	Date of acknowledgement. 19- 19-	Remarks.
(1)	(2)	(3)	(4)	(5)

Instructions for making entries in the register.

(1) The pages in the Register shall be numbered and certificate of count of pages shall be recorded on the first page of the register under proper attestation.

(2) Separate page or pages should be allotted for each of the officer located in each district setting apart a few pages for each district in the register.

(3) In column 2 designation of the officer to whom the advance is sanctioned and the complete address indicating the location of the office should be noted.

(4) Enhancement or reduction in the amount of permanent advance shall be recorded in Col.No. 6 in red ink and the relevant proceedings noted.

(5) Col.No. 9 is provided for making entries for four financial years.

(6) The entries shall be numbered and the corresponding number noted in the acknowledgement. The acknowledgements shall be filed, districtwise, and year-wise and they should be retained for a period of 10 years.

(7) Remarks (Column No. 10) may indicate any additional information required to be recorded in respect of entries made in Columns No. 1 to 9 of the entries.

(8) The register shall be properly “indexed”.

—[G.O.Ms.No. 54, Fin. & Plg. Dept., Dt. 14-2-1979]

**Appendix
to
AP. Financial Code — Volume 1**

(Vide enclosure to G.O.Ms. No. 50, Irrigation & CAD Department, Dt. 2-3-2009)

**CODE FOR E.P.C. CONTRACTS
(Engineering, Procurement and Construction)**

Provisions for EPC Works

1. **Article 51** — Refer page 55 of this book

Note under Article 51(a) :

For entrustment of EPC contracts the Government may approve a panel of firms/agencies based on certain prescribed eligibility criteria. This empanelment shall be reviewed at a periodicity of not more than 2 years.

In respect of EPC works, limited tender system inviting bids from the approved panel of firms/agencies under each category or open tender system shall be followed. The form of bid documents and contract format approved specially for EPC mode of works shall be used.

In respect of pre-qualified agencies, financial bid evaluation shall be done.

In respect of open category tenders, technical evaluation shall be done first following the criteria specified in the bid document and financial bid evaluation shall be done in respect of those who are qualified in technical bid evaluation.

2. **Article 163** — Refer page 145 of this book

In addition to the four methods of execution fifth method is introduced for execution of EPC works :

(v) By an agreement in the form approved by Government for EPC works.

In regard to method (v) the details are set forth clearly in the form of articles of agreement, tender notice and tender documents approved by Government.

3. Article 175 — Refer page 150 of this book**Note under Article 175 :**

1. In case of EPC works, measurements shall be recorded by EPC agency in M.Books and L.F.Books issued by the concerned Engineer-in-Charge duly numbered and certified. The M.Books and LF.Books have to be maintained by the EPC agency through authorized graduate engineers as per procedure prescribed in Code and finally to be handed over to the department (Engineer-in-charge).

2. in Earth Work Excavation and embankment AE/AEEs have to verify and record—

a. 1/3rd of pre-levels taken by EPC agency,

b. 100% levels in case of cut off and foundations,

c. 25% of intermediate work done levels,

d. 100% for final levels recorded by EPC Agency.

e. All measurements recorded by the EPC agency in the M-Books issued by the EE shall be checked to 100% extent by AEs/AEEs

f. DEEs, EEs and SEs have to check the above levels and measurements as per standing codal provisions and orders.

3. Wherever Quality Control agencies are in existence, such agency has to record its findings in M Books/LF Books besides furnishing certificates as prescribed separately.

4. Article 177 — Refer page 152 of this book**Note under Article 177 :**

1. In EPC contracts, Mobilisation advance not exceeding 5% of the contract value is payable at the prescribed stages of execution. Mobilisation advance on new machinery at the prescribed percentage of the value of new machinery not exceeding 5% of contract value is payable against production of original invoices in proof of purchase of the machinery by the contractor/firm/joint venture.

2. The invoices should be in the name of the contractor/firm/joint venture only and the new machinery should have been purchased only after the date of conclusion of the agreement for the work.

3. No mobilisation advance is payable on machinery purchased by an individual firm in respect of joint ventures though that individual firm is a partner in the joint venture.

4. The contractor/firm/joint venture should submit an undertaking to the effect that they have not obtained any mobilisation advance from the government against the machinery for which they are presently claiming payment of mobilisation advance. This is to ensure that mobilisation advance is paid only once against one purchase. Any wrong declaration, when comes to light, entails recovery of the entire amount paid with penal interest in a lump from their immediate next work bill apart from instituting other prescribed penal actions.

5. Payment of mobilisation advance is also permissible on ordered machinery with approval of Government.

6. Recovery of mobilisation advance along with interest shall be made as per provisions of the contract.

5. Article 185 — Refer page 155 of this book

Note (2) under Article 185 :

Note (2) : The estimate shall be prepared based on available preliminary data, the scope of works and project parameters taking into consideration the points mentioned in Para 390 and duly furnishing approximate financial break up of component parts as envisaged in Para 101 of A.P.P.W “D” Code and submitted in case of works to be taken up under EPC for according Administrative approval.

6. Article 190 — Refer page 159 of this book

The following para to be added under Article 190 :

In respect of EPC works the method of execution shall be as per the provisions of agreement.

7. Article 192 — Refer page 160 of this book

Note 4 under Article 192:

Note 4 :—In respect of EPC works bid documents approved by Government shall be adopted for inviting tenders.

8. Article 193 — Refer page 161 of this book

Note 1 under Article 193:

Note 1 : The procedure prescribed by Government for acceptance of tenders in respect of EPC shall be followed.

9. Article 195 — Refer page 162 of this book

**The following shall be added below “f”
under Article 195 :**

1. Entrustment of the additional items contingent to the main work and within the scope of contract will be authorised by the employer and the contractor shall be bound to execute such additional items at no extra cost to the employer and the cost of such items shall be deemed to have been included in the contract price quoted.

2. Entrustment of additional items of work contingent to main work and outside the scope of the contract will be authorised by the employer with the prior approval of the Government and the contractor shall be bound to execute such additional items and shall be compensated at the price decided by the Government.

3. Whenever additional items not contingent on the main work and outside the scope of original contract are entrusted to the contractor, entrustment of such items and the price to be paid shall be referred to the Government for final decision.

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