



GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

Ministry of Finance and Planning

Finance Division

**COMPILATION
OF THE
GENERAL
FINANCIAL RULES**

Volume I

FIRST EDITION

Superintendent
Bangladesh Government Press, Tejgaon, Dhaka
1983

Price—Tk. 100

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FOREWORD

This is an exact reprint of former Central Government, Compilation of the General Financial Rules made thereunder, Volume-I, First Edition, January, 1951 without any amendment or modification in the rules except that—

(a) Wherever the words “Bengal”, “East Bengal”, “East Pakistan”, “Pakistan” appear, they shall be deemed to have been replaced by the word “Bangladesh”

and

(b) Wherever the words “Governor”, “Governor General”, “President”, “Prime Minister”, “Chief Minister” appear, they shall be deemed to have been replaced by the word “President”.

M. SYEDUZZAMAN
Secretary,
Finance Division.

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PREFACE TO FIRST EDITION

The constitutional changes resulting from partition have made it necessary to revise General Financial Rules. The revised edition incorporates all orders other than those of a temporary nature issued by the Government of Pakistan after the 14th August 1947 with such modification in the phraseology of the rules as are consistent with the present constitutional set up.

2. In bringing out the revised rules, the simplification and clarification of financial rules and delegations and their systematisation have been prominently kept in view. The opportunity has also been taken of extending the scope of these rules by including certain matters which were not previously embodied in any code. The main financial principles and procedure to be observed in regard to acquisition of stores and works and the accounts to be maintained generally in regard to them have for the first time been clarified in Chapter 8 and 9 respectively. Appendix 4 to these rules details the powers which a subordinate authority exercises in virtue of its being declared a head of a department. This has been included for the convenience of heads of departments.

3. The rules and orders contained in these volumes should be observed in common by all departments and authorities under Government, except where they are indicated as applying only to named departments. Departmental authorities should follow these rules and orders, supplemented by the special orders and instructions, if any, contained in their departmental regulations.

4. The revised rules provide for financial powers of Governors of Provinces, who act as Agents to the Governor General. Entrustment of Central functions to Provincial Governments is governed by Section 124 of the Government of India Act 1935 as adapted in Pakistan and normally, the only financial transaction involved is the payment (under subsection (4) of that section) of the extra cost of establishments necessitated by the entrustment. As these charges have to be approved by the Central Government in each case, Provincial Governments now have no power to sanction expenditure from the revenues of the Central Government. Chapter IV of Part II of the old Book of Financial Powers has therefore, been omitted from the revised rules.

Specific cases in which Provincial Governments exercise direct control over Central Expenditure will be regulated by Special orders of the Central Government.

5. The rules and orders contained in the Compilations of the Central Treasury Rules, the General Financial Rules, the Central Public Works Account Code and the Account Code supersede the rules and instructions contained in the Civil Account Code, Volumes I and II, the Public Works Account Code, the Forest Account Code, the Book of Financial Powers (1st Edition) and the Resource Manual.

6. The various departmental codes, regulations, etc., should be modified to conform to the revised rules and orders contained in the new publications. For facility of reference two explanatory memoranda have been incorporated in this Compilation, one showing the source of each of the rules and orders contained in the General Financial Rules and the

other showing how much of the rules and orders contained in the Civil Account Code and other Codes etc. now superseded have been dealt with in the new issues.

7. The forms prescribed in these rules have been distinguished from those prescribed in the Treasury Rules Fundamental Rules and the Account Code by being grouped in a separate series marked as "G.F.R." Supplies will be obtained from the Deputy Controller of Printing and Stationery Karachi or Dacca as the case may be in accordance with the procedure prescribed by the Controller of Printing and Stationery.

ABDUL QADIR,

*Secretary to the Government of Pakistan,
Ministry of Finance.*

KARACHI:

January 1951.

GENERAL FINANCIAL RULES OF THE CENTRAL GOVERNMENT

Volume I

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GENERAL FINANCIAL RULES OF THE CENTRAL GOVERNMENT

VOLUME I

CHAPTER I.—INTRODUCTORY

1. The rules contained in this volume, which are essentially executive orders of the Governor General, describe primarily the financial powers of different authorities subordinate to the Central Government and the procedure prescribed by the Governor General, which should be followed by them in the securing and spending of the funds necessary for the discharge of the functions entrusted to them. Departmental authorities should follow these rules, supplemented or modified by the special rules and instructions, if any, contained in their departmental regulations and other special orders applicable to them.

DEFINITIONS

2. Unless there be anything repugnant in the subject or context, the terms defined in this chapter are used in these rules in the sense hereby explained—

(i) **Accountant General**—means the head of an office of accounts and audit or of accounts who keeps the accounts of the Central Government.

(ii) **The Act**—means the Government of India Act, 1935 as adapted by the Government of Pakistan.

(iii) **Appropriation**—means the assignment to meet specified expenditure of funds at the disposal of the assigning authority.

(iv) **Auditor General**—means the Auditor General of Pakistan.

(v) **The Bank**—means the State Bank of Pakistan or any office or agency of the State Bank of Pakistan and includes any branch of the Imperial Bank of India acting as the agent of the State Bank of Pakistan in accordance with the provisions of the State Bank of Pakistan Order 1948.

"**State Bank**" means the State Bank of Pakistan.

(vi) **Competent Authority**—means Government or any other authority to which the relevant powers may be delegated by Government.

(vii) **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 collection of revenue by the authorities subordinate to the department.

(viii) **Ministry of Finance**—means the Ministry of Finance of the Central Government and includes the Financial Adviser, Military Finance, the Financial Adviser, Communications, and such other authorities in which the powers of the Ministry of Finance are vested by the Governor General.

(ix) **Financial year**—means the year beginning on the 1st of April and ending on the 31st of March following.

(x) **Government**—means the Central Government.

(xi) **Governor General**—means "Governor General of Pakistan."

(xii) **Head of a Department**—(1) means any authority declared to be such with reference to Rule 2(10) of the Supplementary Rules, if the declaration is made in general terms and not with reference to certain specified rules only, and

(2) includes any other officer declared to be such by the competent authority.

(xiii) **Non recurring expenditure**—means expenditure sanctioned as a lump sum charge, whether the money be paid as a lump sum or by instalments.

(xiv) **Primary unit of appropriation**—means a lump sum of money placed by the Governor General at the disposal of a subordinate authority by the method prescribed in rules 5 to 7 of the Book of Financial Powers *vide* Appendix 3.

(xv) **Public Account or Public Account of the Central Government**—means the consolidated fund into which moneys received on account of the revenues of the Governor General as defined in Section 136 of the Act are paid or credited and from which all disbursements of, or on behalf of, the Government are met.

Note.—Without prejudice to anything contained in Section 136 of the Act, "Revenues of the Governor General" would include all moneys received by Government officers on behalf of Government as such; not only the proceeds of taxation and the yield of ordinary revenues but also capital receipts, such as the proceeds of sales of land; the proceeds of borrowing operations; unfunded debt; and, unless the contrary intention appears, such receipts of a banking or deposit nature as by virtue of any statutory provision or of any general or special executive order of Government have to be held in the custody of Government.

(xvi) **Public Works**—means civil works and irrigation, navigation, embankment and drainage works.

(xvii) **Public Works Department**—means the Department of the Central Government in administrative charge of public works.

(xviii) **Re-appropriation**—means the transfer of funds from one unit of appropriation to another such unit.

(xix) **Recurring expenditure**—means all expenditure which is not non-recurring.

(xx) **Subordinate authority**—means a Department of the Central Government or any authority subordinate to or acting as Agent to the Governor General.

(xxi) **Treasury Rules**—means the Treasury Rules of the Central Government.

3. Heads of departments have been authorised to declare any gazetted officer subordinate to them to be the 'head of an office' for the purpose of these and other financial rules of Government.

CHAPTER 2.—GENERAL SYSTEM OF FINANCIAL MANAGEMENT AND CONTROL

I.—RECEIPT OF MONEY.

GENERAL

4. All transactions to which any officer of Government is a party in his official capacity must be brought to account without delay.

5. Moneys received as dues of Government or for deposit in the custody of Government should be credited into the Public Account in accordance with the Treasury Rules.

6. If a Government officer receives in his official capacity moneys which are not Government dues or the deposit of which in the custody of Government has not been authorised by Government, he must open an account with a bank for their deposit. Such accounts may be opened without special sanction with a branch of the State Bank of Pakistan, of the Imperial Bank of India acting as an Agent of the State Bank of Pakistan or with a Post Office Savings Bank. The prior approval of Government is required to their deposit in any other bank. The Government officer receiving such moneys is personally responsible for seeing that they are disbursed in strict conformity with the rules, regulations or orders governing the fund to which the moneys appertain, that a precise record of all the transactions is kept in a form complying with the regulations of the fund concerned and that the accounts are subjected to proper audit checks.

WITHDRAWAL OF MONEYS FROM THE PUBLIC ACCOUNT.

7. Unless otherwise expressly authorised by any law or rule or order having the force of law, moneys may not be removed from the Public Account for investment or deposit elsewhere without the consent of the Ministry of Finance.

ASSESSMENT, COLLECTION AND CHECK OF REVENUES.

8. Subject to such general or specific instructions as may be issued by Government in this behalf, it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed, collected and paid into the treasury. Detailed instructions on the subject are contained in Chapter 3.

II—EXPENDITURE AND PAYMENT OF MONEYS.

ESSENTIAL CONDITIONS GOVERNING EXPENDITURE FROM PUBLIC FUNDS.

9. As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the Governor General or by an authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorised grants and appropriations for the year.

STANDARDS OF FINANCIAL PROPRIETY

10. Every officer incurring or authorising expenditure from public funds should be guided by high standards of financial propriety. Among the principles on which emphasis is generally laid are the following:—

(i) Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

(ii) The expenditure should not be *prima facie* more than the occasion demands.

(iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

(iv) Public moneys should not be utilised for the benefit of a particular person or section of the community unless—

- (1) the amount of expenditure involved is insignificant, or
- (2) a claim for the amount could be enforced in a court of law, or
- (3) the expenditure is in pursuance of a recognized policy or custom.

(v) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.

CONTROL OF EXPENDITURE

11. Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

12. A Controlling officer must see not only that the total expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. In order to maintain a proper control, he should arrange to be kept informed, not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it. He must be in a position to assume before Government and the Public Accounts Committee, if necessary, complete responsibility for departmental expenditure and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise.

INTERNAL CHECK AGAINST IRREGULARITIES, WASTE AND FRAUD

13. In the discharge of his ultimate responsibilities for the administration of an appropriation or part of an appropriation placed at his disposal, every Controlling officer must satisfy himself not only that adequate provisions exist within the departmental organisation for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores, but also that the prescribed checks are effectively applied.

DELAYS IN PAYMENT

14. Delay in the payment of money indisputably due by Government is contrary to all rules and budgetary principles and should be avoided *vide* also paras. 105 and 106.

III—DUTIES AS REGARDS ACCOUNTS

MAINTENANCE OF ACCOUNTS

15. Every officer whose duty it is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy and, their despatch within the prescribed date.

16. An officer who signs or countersigns a certificate is personally responsible for the facts certified to, so far as it is his duty to know or to the

extent to which he may reasonably be expected to be aware of them. The fact that a certificate is printed is no justification for his signing it unless it represents the facts of the case. If in its printed form it does not represent the facts, it is his duty to make any necessary amendment which will call attention to the deviation and so to give the authority concerned the opportunity of deciding whether the amendments cover requirements.

DEMAND FOR INFORMATION BY AUDIT

17. It is the duty of every departmental and Controlling officer to see that the Accountant General is afforded all reasonable facilities in the discharge of his functions and furnished with the fullest possible information for which he may ask, for the preparation of any account or report, which it is his duty to prepare. No such information nor any books or other documents to which the Auditor General has a statutory right of access may be withheld from the Accountant General.

IV.—CONTRACTS

GENERAL PRINCIPLES

18. No contracts may be entered into by any authority which has not been empowered to do so by or under the orders of the Governor General.

The various classes of contracts and assurances of property authorised by the Governor General in exercise of powers conferred by sub-section (3) of Section 175 of the Act to be executed by different authorities are specified in Appendix I.

Subsidiary orders of Government as to the limitation upon the powers of these authorities, the conditions under which such powers should be exercised and the general procedure prescribed with regard to such contracts, such as calling for and acceptance of tenders, etc., are laid down in the appropriate departmental regulations.

19. The following general principles have been laid down for the guidance of authorities which have to enter into contracts or agreements involving expenditure from Public funds:—

(i) The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.

(ii) As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.

(iii) Standard forms of contracts should be adopted wherever possible, the terms to be subject to adequate prior scrutiny.

(iv) The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract as so varied. No payments to contractors by way of compensation, or otherwise, outside the strict terms of the contract or in excess of the contract rates may be authorised without the previous approval of the Ministry of Finance.

(v) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Ministry of Finance.

(vi) Whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited and, in cases where the lowest tender is not accepted, reasons should be recorded.

(vii) In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.

(viii) Even in cases where a formal written contract is not made, ino order for supplies, etc., should be placed without at least a written agreement as to the price.

(ix) Provision must be made in contracts for safeguarding Government property entrusted to a contractor.

(x) When a contract is likely to endure for a period of more than 5 years, it should, wherever feasible, include a provision for an unconditional power of revocation or cancellation by Government at any time on the expiry of six months' notice to that effect.

V.—DEFALCATIONS, LOSSES, ETC

REPORT OF LOSSES

20. (1) With the exceptions noted below, any loss of public money, departmental revenue or receipts, stamps, opium, stores or other property held by or on behalf of Government, caused by defalcation or otherwise, which is discovered in a treasury or other office or department, should be immediately reported by the officer concerned to his immediate official superior as well as to the Accountant General, even when such loss has been made good by the party responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss; they must not be delayed while detailed enquiries are made. When the matter has been fully investigated, a further and complete report should be submitted of the nature and extent of the loss, showing the errors or neglect of rules by which such loss was rendered possible, and the prospects of effecting a recovery.

(2) If the irregularity be detected by Audit in the first instance, the Accountant General will report it immediately to the administrative authority concerned, and if he considers necessary, to Government as well.

Exception 1.—In the case of Customs Revenue, (a) mistakes in assessments which are discovered too late to permit of a supplementary claim being made, and (b) under-assessments which are due to the interpretation of the law by the local Customs authority being overruled by higher authority more than three months after the assessment was made, need not be reported to the Accountant General. A record should, however, be kept of such cases for examination by the Accountant General at the time of audit.

Exception 2.—Petty cases, that is, cases involving losses not exceeding Rs. 200 each, need not be reported to the Accountant General unless there are, in any case, important features which merit detailed investigation and consideration.

21. The officers receiving a report submitted to him under para. 20 must forward it forthwith to Government through the usual channel with such comments as may be considered necessary. He should also submit a detailed report, after completing such departmental investigations as may be necessary or expedient on the causes or circumstances which led to the defalcation or loss, the steps taken to prevent its recurrence and the disciplinary or any other action proposed as regards the persons responsible.

ACCIDENTS

22. Any serious loss of immovable property, such as buildings, communications, or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, should be reported at once by the Departmental officer to the head of the department and by the latter to Government. When a full enquiry as to the cause and extent of the loss has been made, the detailed report should be sent by the departmental officer concerned to the head of the department, a copy of the report or an abstract thereof being simultaneously forwarded to the Accountant General.

RESPONSIBILITY FOR LOSSES, ETC.

23. Every Government officer should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence. Detailed instructions for regulating the enforcement of such responsibility are embodied in Appendix 2.

WRITE OFF OF LOSSES, ETC.

24. The powers delegated to different authorities to write off the irrecoverable value of public money or stores lost through fraud or negligence of individuals or other causes are indicated in Chapter 4.

VI—DEPARTMENTAL REGULATIONS

25. All Departmental regulations in so far as they embody orders or instructions of a financial character or have important financial bearing should be made by, or with the approval of, the Ministry of Finance

CHAPTER 3—REVENUE AND RECEIPTS

1—GENERAL

26. Subject to any special arrangement that may be authorised by competent authority with respect to any particular class of receipts, it is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realised and duly credited in the Public Account. They should accordingly arrange to obtain from their subordinates monthly accounts and returns in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statements of treasury credits furnished by the Accountant General to see that the amounts reported as collected have been duly credited in the Public Account.

If wrong credits thus come to the notice of the Controlling officer, he should at once inform the Accountant General with a view to the correction of the accounts. If any credits are claimed but not found in the

accounts, enquiries should be made first of the responsible departmental officer concerned.

Note 1.—For this purpose, each Accountant General will send to the departmental Controlling Officer, an extract from his account showing the amounts brought to credit in them in each month.

Note 2.—It is essential that the departmental accounts of revenue should not be compiled from the returns prepared by the treasury. But the Treasury Officer may be required, where necessary, to verify the returns prepared for submission to the departmental Controlling authority.

Note 3.—In order to minimise the differences between the treasury figures and the departmental figures, it is essential that the chalans with which money is remitted to the treasury should bear full and correct accounts classification.

27. Detailed rules and procedure regarding assessment, collection, remission, etc., of revenue should be laid down in the departmental regulations of the revenue and collecting departments concerned.

Note.—In departments in which officers are required to receive moneys on behalf of Government and issue receipts therefore in Form T. R. 5, the departmental regulations should prescribe the procedure rules for the maintenance of a proper account of the receipt, and issue of the receipt books, the number of receipt books to be issued at a time to each Officer and check with the Officer's accounts of the used books when returned.

28. No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

29. Unless specially authorised by any rule or order made by competent authority, no sums may be credited as revenue by debit to a suspense head: the credit must follow and not precede actual realisation.

30. Heads of departments in charge of important sources of revenue should keep the Ministry of Finance fully informed of the progress of collection of revenue under their control and of all important variations in such collections as compared with the Budget estimates.

II—SPECIAL RULES FOR PARTICULAR CLASSES OF RECEIPTS

RENTS OF GOVERNMENT BUILDINGS, LAND, ETC.

31. The detailed rules and procedure regarding the demand and recovery of rents of Government buildings and lands are contained in the departmental regulations of the departments in charge of those buildings.

When the maintenance of any rentable building is entrusted to a civil department other than the Public Works Department, the head of the department concerned will be responsible for the due recovery of the rents thereof. The procedure for the assessment and recovery of the rents of such buildings will be regulated generally by the rules applicable to residences under the direct charge of the Public Works Department.

FINES

32. It is the duty of every court or authority having the power to fine to see that the money realised reaches the treasury and that adequate precautions are taken against double refunds of fines or refunds of fines not actually paid into the treasury.

33. The duty of realizing fines and of checking the receipts and refunds rests with the departmental officers. Each court, civil or criminal, is required to submit to the District Judge or to 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 as well as of the refunds therefrom, the statement being made up for the account month of the treasury or sub-treasury with which the court deals. The District Judge and the District Magistrate should each consolidate these returns into a monthly fines statement for the courts under him and for his own 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 the treasury with the credit appearing in the treasury account. The Treasury Officer should certify to the correctness or otherwise of these amounts. Where 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.

Note 1.—The statement should exhibit the amounts under each head of accounts, e.g., Magisterial fines, under the Prevention of Cruelty to Animals Act, etc., separately.

Compensation fines due to an injured party which are creditable to deposits and fines which under the orders of competent authority are creditable to a Municipal or Local Fund, should be excluded from this statement.

Note 2.—When fines are received in another district, an intimation should be given by the recovering officer to the officer concerned, who should note the fact in his monthly fine statements.

CONVICT CHARGES RECOVERABLE FROM STATES WHICH HAVE ACCEDED TO PAKISTAN

34. Where States which have acceded to Pakistan are responsible for the cost of convicts imprisoned in Jails in Pakistan for offences committed in such States, the Jail officials should communicate to the Accountant General any amount recoverable on this account and the Accountant General will then see to its due recovery.

Note.—The basis for fixing the responsibility of the States which have acceded to Pakistan in the case of convicts sentenced by British Indian Courts prior to 15.8.1947 and by the Pakistan Courts or Officers subsequent to 14.8.1947 for offences committed in such States will, until further orders, be the rules contained in the Government of India, Foreign Department Resolution No. 3384-1, dated the 10th October, 1890.

[Min. of Fin. u.o. No.28-C.R./50 dt: 7.3.50 and Min. of states and F.R. u.o. No. D. 1211-S/50 dt: 21.3.50]

MISCELLANEOUS DEMANDS

35. Realisation of miscellaneous demands of Government not falling under the ordinary revenue administration will be watched by the Accountant General. Such are payments due from States acceding to Pakistan, contributions from Provincial Governments, Local Funds, Contractors and others towards Establishment charges; etc.

III.—REMISSIONS OF, AND ABANDONMENT OF CLAIMS TO, REVENUE

36. The sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue.

Note.—The powers of subordinate authorities to sanction the write off of loss of revenue are indicated in Schedule V to the Book of Financial Powers.

37. Heads of departments and Local Administrations should submit annually on the first of June to the Accountant General concerned statements showing the remissions of revenue and abandonment of claims to revenue sanctioned during the preceding year by competent authorities in exercise of the discretionary powers vested in them otherwise than by law or rule having the force of law. For inclusion in these statements remissions and abandonments should be classified broadly with reference to the grounds on which they were sanctioned and a total figure should be given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class.

Subject to any general or special order issued by Government, individual remissions below Rs. 100 need not be included in this statement.

Note 1.—Heads of Local Administrations may make rules defining remissions and abandonments of revenues for the purpose of this rule.

Note 2.—Where the administrative year does not coincide with the financial year, the figures of the former, if this prove more convenient to the departmental authorities may be given in the statement.

Note 3.—This rule does not apply to Railways and Posts and Telegraphs Departments.

IV—AUDIT OF RECEIPTS

38. When the audit of the receipts of any department of Government is entrusted to the Auditor General, it will be conducted in accordance with the regulations reproduced in Annexure A to this Chapter.

Note 1.—The procedure in respect of particular classes of receipts, e.g., stamps, opium, foreign service contributions, etc. will be governed by special orders issued by Government.

Note 2.—The audit of receipts accruing under Debt and Remittance heads and of those included in the subsidiary accounts of Government Commercial undertakings devolves on the Auditor General and is conducted in such manner and to such extent as may be prescribed by him.

ANNEXURE A

(See para 38)

REGULATIONS FOR THE CONDUCT OF THE AUDIT OF RECEIPTS

1. It is primarily the responsibility of the Departmental authorities to see that all revenue or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realised and credited to public account and any investigation by Audit must be so conducted as not to interfere with this executive responsibility. Audit shall, however, have power to examine the correctness of the sums brought to account in respect of receipts of any department in such manner and to such an extent as may be determined by Government in consultation with the Accountant General.

2. In conducting the audit of receipts of any Government department, the chief aim should be to ascertain that adequate regulations and procedure have been framed to secure an effective check on the assessment, collection, and proper allocation of revenue, and to see by an adequate detailed check that any such regulations and procedure are being observed. In the audit of receipts ordinarily the general is more important than the particular.

3. In the audit of receipts it would be necessary in the case of a department, which is a receiver of public money, to ascertain what checks are imposed against the commission of irregularities at the various stages

of collection and accounting and to suggest any appropriate improvement in the procedure. Audit might, for instance, suggest in a particular case that a test inspection should be carried out by comparing a sample set of receipt counterfoils with the receipts actually in the hands of the tax-payers or other debtors, the results of such an inspection being made available to Audit.

In no case, however, should independent enquiries be made among the tax-payers or the general public. Audit should confine itself to calling upon the Executive to furnish necessary information and, in cases of difficulty, it should confer with the Administrative authorities concerned as to the best means of obtaining the evidence which it requires.

4. The audit of receipts should be regulated mainly with reference to the statutory provisions or financial rules or orders which may be applicable to the particular receipts involved. If the test check reveals any defect in such rules or orders, the advisability of amendment should be brought to notice.

It is, however, rarely if ever the duty of Audit to question an authoritative interpretation of such rules or orders, and in no case may Audit review a judicial decision, or a decision given by an Administrative authority in a *quasi-judicial* capacity. This instruction does not, however, debar an auditor from bringing to notice any conclusion deducible from the examination of the results of a number of such decisions.

5. Where any financial rule or order applicable to the case prescribes the scale or periodicity of recoveries, it will be the duty of Audit to see, as far as possible, that there is no deviation without proper authority from such scale or periodicity. When this check cannot be exercised centrally, a test audit may be conducted at local inspections, the aim being to secure that disregard of rule or defects of procedure are not such as to lead to leakage of revenue rather than to see that a particular debt due to Government was not realised at all or on due date.

6. Ordinarily Audit will see that no amounts due to Government are left outstanding on its books without sufficient reason. Audit will continue carefully to watch such outstandings and suggest to departmental authorities any feasible means for their recovery. Whenever any dues appear to be irrecoverable, orders for their adjustment should be sought. But unless permitted by any rule or order of a competent authority, no sums may be credited to Government by debit to a suspense head; credit must follow, and not precede, actual realisation.

7. The procedure prescribed by the Auditor General for raising and pursuing audit objections in relation to expenditure, including powers of Audit Officers to waive recovery of Government dues under certain conditions, shall apply *mutatis mutandis* in respect of audit objection on any accounts of receipts.

CHAPTER 4.—POWERS OF SANCTION

I.—POWERS OF VARIOUS AUTHORITIES IN THE MATTER OF SANCTIONING EXPENDITURE

GENERAL

39 (1). Deleted.

(2) The responsibility for financial operations of the Central Government as also for the exercise of all executive authorities rests on the Governor General, whose sanction, given either directly or by persons to

whom the necessary power has been delegated, is necessary to all expenditure from the revenues of the Governor General. The extent to which powers to sanction expenditure have been delegated to various authorities is indicated in the following paras.

POWERS OF SUBORDINATE AUTHORITIES IN PAKISTAN

40. All the most important general orders on the subject of financial powers of subordinate authorities in relation to expenditure from the revenues of the Governor General are embodied in Appendices 3 and 3-A and the relevant chapters of this compilation. Delegations made under those orders are incorporated in the departmental regulations or in the Manuals of the Accountant General concerned.

The financial powers of subordinate authorities in certain departments, *e.g.*, Railway, etc., are regulated by separate schedules of powers relating to those departments and by general orders issued with the concurrence of the Ministry of Finance, which are embodied in the respective departmental regulations.

41. The powers which are commonly shared by all heads of departments and may, in the absence of any orders to the contrary, be exercised by any subordinate authority in virtue of its being declared as the head of a department, are shown in Appendix 4.

42. The financial powers of the Central Government, which have not been delegated to any other Ministry, department or authority vest in the Ministry of Finance.

43. Unless otherwise provided by any special rule or order of Government, a higher authority may exercise the powers delegated to an authority subordinate to it.

POWERS OF HEADS OF PAKISTAN MISSIONS IN FOREIGN COUNTRIES INCLUDING THE HIGH COMMISSIONERS FOR PAKISTAN IN THE UNITED KINGDOM

44. The extent to which powers to sanction expenditure connected with the performance of the functions of Heads of Pakistan Missions in foreign countries including the High Commissioner for Pakistan in the United Kingdom have been delegated to the Heads of Missions as set out in Appendix 3A.

FUNCTIONS OF THE HIGH COMMISSIONER FOR PAKISTAN IN THE UNITED KINGDOM

44-A. The functions now performed by the High Commissioner for Pakistan in the United Kingdom on behalf of the Central Government are specified in the list as given in Appendix 5.

II.—POWERS IN REGARD TO CERTAIN SPECIAL MATTERS GRANTS OF LAND ASSIGNMENTS OF REVENUE AND OTHER CONCESSIONS, ETC.

45. No department or authority may, without previous consent of the Ministry of Finance, issue any orders (other than orders in pursuance of

general delegation made by or with the approval of the Ministry of Finance) which—

(i) involve any grant of land, or assignment of revenue, or concession, grant, lease, or licence of mineral or forest rights or right to water power, or any easement or privilege in respect of such concessions; or

(ii) in any way involve any relinquishment of revenue.

Note.—The powers to execute instruments are governed by the orders given in Appendix I and other departmental and local orders on the subject.

PAYMENT OF COMMUTATION MONEY

46. The powers of the Central Government under rule 32 in section IV of Appendix 3 to the Account Code, Vol. I, to authorise, in respect of pensions which are divisible between the Central Government and a Provincial Government and in which the latter cannot find funds to meet the due share of the commutation money, the debit to the revenue of the Governor General of the whole commuted value of a portion of the pension, (not exceeding the commuted value of the Central Government's share of the pension), may be exercised by the Ministries and Divisions of the Central Government administratively concerned.

WRITE-OFF OF LOSSES

Note.—The orders in the following paras. do not apply to the Defence and the Railway Departments whose powers in the matter of write off of losses are regulated by special orders incorporated in the departmental regulations.

47. (1) Subject to the limits and conditions specified in Schedule V to the Book of Financial Powers, a competent authority may sanction the writing off finally of the irrecoverable value of stores or public money lost by fraud, negligence of individuals or other causes, provided that—

(i) the loss does not disclose a defect of system the amendment of which requires the orders of higher authority; and

(ii) there has not been any serious negligence on the part of some individual Government officer or officers which may possibly call for disciplinary action requiring the orders of any higher authority.

These orders apply also to the writing off of losses of revenue, irrecoverable loans and advances and of deficiencies, depreciation, etc., in the value of stores included in the stock and other accounts. (See also para. 166.)

Note.—The expression 'Value' of Stores' used in this sub-para. should be interpreted as meaning 'Book Value' where priced accounts are maintained and 'Replacement Value' in other cases.

(2) All sanctions to write off should be communicated to the Accountant General for scrutiny in each case and for bringing to notice any defect of system which requires attention.

Note.—Sanctions to the writing off of irrecoverable balances of income-tax demands accorded by competent authorities need not be communicated to the Accountant General.

Irrecoverable balances of income-tax demands written-off by incompetent authorities should, however, be included in the statement required to be submitted to the Accountant General under para. 37.

48. The orders contained in the last preceding para. do not apply to loss of cash in treasuries, whether in the course of remittance or out of treasury balance, small coin depot or currency chest. Individual cases of such losses should be reported to the Ministry of Finance and its specific approval obtained before any item can be written-off in the accounts of the Central Government.

Note.—It has been decided with the concurrence of Provincial Governments and the Auditor General, that, in general, losses sustained by the Central Government through the negligence or culpability of the staff paid for by a Provincial Government and *vice versa*, should be borne as they occur, *i.e.*, by the Central Government, if the loss occurs in connection with Central transactions and, by the Provincial Government, if it is on account of a Provincial transaction.

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 increment 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.

REMISSION OF DISALLOWANCES BY AUDIT AND WRITING-OFF OF OVERPAYMENTS MADE TO GOVERNMENT SERVANTS

49. (1) Ministries and Divisions of the Central Government, Governors of Provinces acting as agents to the Governor General and the Chief Commissioner and Agent to the Governor General, Baluchistan, may, for reasons to be recorded, waive the recovery of an amount disallowed by an Audit Officer or otherwise found to have been overpaid to a Government servant, if—

(i) the amount disallowed has been drawn by the Government servant concerned under a reasonable belief that he was entitled to it ;

(ii) the enforcement of the recovery will, in the opinion of the competent authority, cause undue hardship, or it will be physically impossible to effect the recovery ; and

(iii) in the case of disallowances of emoluments of the nature of pay as defined in Fundamental Rule 9 (21), made within one year of the date of payment—

(1) the Government servant is not in receipt of pay exceeding Rs. 12,000 a year or, in the case of others, the overdrawal has not the effect of raising the Government servant's pay beyond Rs. 12,000 in any year ; and

(2) the overdrawal has not been occasioned by delay in notifying a promotion or reversion.

These powers may be exercised by the authorities to which the powers may be specially delegated by Government, provided that the yearly pay limit referred to in sub-clause (1) above does not exceed Rs. 1 500 in any individual case :—

(2) All sanctions to forego recovery under these orders should be communicated to the Accountant General. It is open to the Accountant General to require that the action taken in any case should be reported to the Ministry of Finance for orders.

50. The powers delegated to Audit Officers to waive objection to, or to forego recovery of, irregular expenditure in individual cases are laid down in paras. 248 to 250 of the Audit Code, from which relevant extracts are reproduced in Appendix 6.

III.—COMMUNICATION OF SANCTIONS.

51. Financial sanctions and orders of competent authorities under these or any other authorised rules, *e.g.*, the Fundamental and Supplementary Rules, the Civil Service Regulations, the Provident Fund Rules, the Civil Pensions (Commutation) Rules, the Treasury Rules, the Public Works Department Code, the Central Public Works Account Code, etc., will be communicated to the Accountant General concerned in accordance with the procedure set out below :—

(i) All financial sanctions and orders issued by a Ministry or Division within its own financial powers as a Ministry or Division of the Central Government will be communicated direct to the Accountant General by the Ministry or division concerned. All other orders involving financial sanctions, which may be issued by Ministry or Division of the Central Government, *i.e.*, sanctions beyond their financial powers will be communicated to the Accountant General through the Ministry of Finance.

(ii) Sanctions and orders of any other authority to which the power of sanction has been delegated will be communicated to the Accountant General by that authority.

(iii) In cases referred to in clause (i) above, if an order sanctioning expenditure is sent to the Accountant General direct by a Ministry or Division and that Ministry or Division is not competent to sanction the expenditure the Accountant General will not refuse obedience but will report to the Ministry or Finance that such an order has been issued and request that it may be communicated to him by the Ministry of Finance in due course.

(iv) If an order or sanction has been issued with the concurrence of the Auditor General, the fact should be mentioned in the endorsement to the Accountant General.

(v) In all orders conveying sanctions to expenditure of a definite amount or up to a specified limit, the amount of sanction should always be expressed both in words and in figures.

(vi) All letters or orders conveying sanctions to expenditure, appointments, etc., must be signed by an authorised gazetted officer.

Note.—In cases in which the documents relating to any sanction or order are deemed secret, the Accountant General will accept a statement of fact signed by the Governor General in lieu of those documents.

52. All orders conveying sanction to the grant of additions to pay, such as special pay and compensatory allowance, should contain a brief but clear summary of the reasons for the grant of the addition so as to enable the Accountant General to see that it is correctly classified as special pay or compensatory allowance, as the case may be. In cases in which an official record in an open letter is considered undesirable, the reasons for the grant of such additions to pay should be communicated confidentially to the Accountant General. A similar procedure should also be followed in all other cases in which the rules require that reasons for the grant of special concessions or allowances should be recorded.

53. Sanctions accorded by competent authority to grants of land and alienation of land revenue, other than those in which assignments of land revenue are treated as cash payments, should be communicated to the Accountant General in a consolidated monthly return giving the necessary details to enable him to audit the sanctions accorded.

54. When proposals for a new grant-in-aid are placed before the Standing Finance Committee, details should be furnished showing the purpose of the grant and the exact nature of the conditions on which it is proposed to be made. To enable the Accountant General to compare such purposes and conditions with those enumerated by the sanctioning authority in its subsequent orders of sanction, the Accountant General should be supplied, when the sanction is conveyed to him under para. 51, with relevant extracts from the Proceedings of that Committee.

IV.—INDICATION OF THE SOURCE OF APPROPRIATIONS IN THE SANCTION TO EXPENDITURE.

55. In all applications for sanction to expenditure it should be distinctly stated whether provision for the proposed charge has, or has not, been made in the budget estimates of the year, and, if it has not been made, whether the funds can be found by valid re-appropriation.

56. Authorities which sanction new expenditure after funds have been communicated, should be careful to indicate the source of appropriation.

Where it is desired to sanction expenditure before funds have been communicated, as may be necessary in order to avoid delay in starting work at the beginning of a new financial year (*vide* para 87), or to prevent duplication of orders, the authority which does so should be careful to add the words "subject to funds being communicated in the budget of the year".

Note.—Vague expressions such as, "subject to budget provision" should be carefully avoided in conveying sanctions to expenditure.

V.—DATE OF EFFECT OF SANCTION.

Rule 57 (Sub-para 1)

57. Unless otherwise indicated specifically in the order conveying the sanction, a sanction issued by a competent authority has effect from the date of orders conveying the sanction.

In all cases, these orders are subject to the general order contained in para. 3 of the Book of Financial Powers regarding appropriation of funds and to any special provisions as to the date of effect in the rules, orders or sanctions themselves.

Note.—Orders sanctioning the creation of temporary posts should, in addition to the sanctioned duration of the post, invariably specify the date from which it is to run whether it be the date of entertainment or otherwise.

VI.—RETROSPECTIVE SANCTION.

58. (1) All authorities which are competent to sanction revision of pay or the grant of concessions to Government servants should bear in

mind that retrospective effect should not be given to financial sanctions, except in exceptional circumstances, without the special approval of Government.

(2) In the absence of special reasons to the contrary, concessions regarding rates of pay for any class of Government servants should take effect as from the first of March and not from some date in the middle of a financial year.

VII.—LAPSE OF SANCTION.

59. A sanction for any fresh charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed.

Note.—This order does not apply to a case where an allowance sanction for a post or a class of Government servants has not been drawn by a particular incumbent or incumbents, nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by competent authority.

60. Deleted

VIII.—SPECIAL RULES FOR WORKS EXPENDITURE.

61. Special rules for regulating administrative approvals and sanctions to expenditure on works are contained in the Central Public Works Department Code and other departmental regulations—see also Chapter 9.

CHAPTER 5—BUDGET, GRANTS AND APPROPRIATIONS

I.—BUDGET

INTRODUCTORY.

62. A statement of the estimated annual revenue and expenditure of the Governor-General, together with all other receipts and disbursements of the Central Government, arising both in Pakistan and in England, is prepared by the Ministry of Finance and presented to the Legislature. This statement is generally known as the "Annual Financial Statement" or the "Budget".

63. The proposals of the Governor-General in connection with the votable part of the Budget are submitted to the vote of the Legislature in the form of Demands for Grants. The detailed estimates presented in support of each demand include provision both for votable and non-votable expenditure, though the two classes of expenditure are clearly distinguished. A separate demand is presented in respect of expenditure controlled by the head of each of the centrally administered areas, other expenditure relating to such areas being included in the relevant subject Demands.

64. The form of the Budget and Demands for Grants is laid down by the Ministry of Finance and no alteration of arrangement or classification can be made without the approval of that Ministry.

65. The material on which the Budget and Demands for Grants are based is obtained by the Ministry of Finance in the form of detailed estimates submitted by heads of departments, administrations etc., who in their turn depend for the material on heads of offices and other officers.

who collect the revenues or incur expenditure. The Accountant General is responsible for rendering such assistance in the preparation, check and the consolidation of Budget Estimates and Demands for Grants as may be settled by the Ministry of Finance in consultation with the Auditor General.

66. All estimates of revenue and expenditure included in the Budget are for the financial year.

II—PREPARATION AND SUBMISSION OF DETAILED ESTIMATES.

GENERAL PROCEDURE FOR ESTIMATING.

67. Except in cases in which Government has expressly directed otherwise, departmental estimates of revenue and expenditure should be prepared in two parts—

- (i) Part I, relating to revenue and ordinary expenditure (Standing and Fluctuating charges), and
- (ii) Part II, relating to new expenditure.

The term 'new expenditure' applies not only to expenditure on all new services the provision for which has not been previously included in the sanctioned grant or appropriation but also to new items like those involved in additions to, or extensions of, an existing service, commitment or facility, *e.g.*, provisions for new buildings, new roads, additions to existing establishments, grants-in-aid, contributions and similar items of expenditure. In cases of doubt whether expenditure of a particular kind should be included in the statement of new expenditure, the matter should be referred to the Ministry of Finance for orders.

68. The sanctioned procedure for the preparation and submission of the several classes of detailed estimates which go to make up the Budget Estimates of revenues and expenditure of Government is set out in Annexure A to this Chapter. Supplementary instructions for the collection of local details and preparation and scrutiny of local estimates are contained in the Codes, Manuals, etc., of the departments concerned.

Special rules for the preparation and submission of departmental estimates, *e.g.*, the Defence, Railways, Posts and Telegraphs, etc., are laid down in the departmental regulations of the respective departments.

ESTIMATES OF REVENUE AND ORDINARY EXPENDITURE

(PART I).

69. The detailed estimates should be prepared on forms supplied by the Account Office, which contain separate columns to show—

- (i) the sub-heads and detailed heads of the estimates ;
- (ii) the actuals of the past three years under each detailed head or sub-head (a) for the full year and (b) broken periods like first six months and last six months, etc. ;
- (iii) the budget estimates for the current year ;

- (iv) the revised estimates for the current year, and
- (v) the budget estimates for the ensuing year.

The actuals for the past three years will be filled in by the Accountant General in the forms sent out by him to the estimating authorities; the latter should fill in the last six months' figures of the previous year and the first six months' figures of the current year and the revised estimates in the relevant columns with reference to information available with them. *The revised estimates, like past actuals, are one of the material factors to be taken into account in preparing the budget estimates. The column 'Revised' should therefore be invariably filled in and great care should be taken in including or omitting commitments that are likely to materialise or not during the year.*

70. The making of the revised estimates should always precede an estimate of a future year. A revised estimate should be framed in the light of—

- (i) actuals so far recorded in the current year ;
- (ii) the actuals of the same period of the last and previous years ;
- (iii) the 12 months' actuals of the past and previous years ;
- (iv) orders, already issued or contemplated, of appropriation or re-appropriation or any sanction to expenditure, and
- (v) any other relevant facts.

Any information required from the Accountant General in connection with these estimates should be obtained from him separately.

71. In framing the budget estimates, the estimating authorities should exercise the utmost foresight. All items of receipt and expenditure that can be foreseen should be provided for and care should be taken in consultation with the Accountant General, where necessary, to see that the provision is included under the proper heads. Needless to say, although the estimating authorities are asked to provide for all foreseeable items, the Ministry of Finance will exercise its right to excise or reduce the provision for any item which it thinks unjustifiable. An exhortation to show foresight is not an invitation to provide for additional items of expenditure without justification. While provision should be made for all items of expenditure that can be foreseen, it is essential that the amount of the provision should be restricted to the absolute *minimum* necessary.

72. In making estimates in respect of fixed charges, it must be borne in mind that what are called fixed establishments are not irrevocably fixed for all time and should be brought under the formal review of heads of departments from time to time. Even when there is no thought or intention of making any change in establishments, heads of departments should review the entire estimates of the requirements of their departments. Similarly, sanction to recurring contingent expenditure should also be brought under the review of heads of departments from time to time.

73. The following are the chief rules for the preparation of the detailed estimates—

- (i) the estimates should be prepared on the basis of what is expected to be actually received or paid (under proper sanction) during the ensuing year, including arrears of previous years and not only for the demand or

the liability falling due within the year. In no case should merely the net receipts or the net charges be entered, but the gross transactions in full, even where receipts are to be shown as deductions from expenditure.

(ii) No item of expenditure should be provided for, which is not covered by sanction, either general or specific. If any provision be considered necessary for an unsanctioned item, it should be included in Part II (New Expenditure), and on no account be incorporated in Part I (Standing and Fluctuating Charges). The necessary provision will be included by the Accountant General on receipt of orders from the Ministry of Finance.

(iii) The statement of details of provision for pay of officers and of establishments should be prepared in Form G. F. R. 1.

(1) In framing estimates for sanctioned establishment whether permanent or temporary, the full amount of the pay, including increments, which is likely to be drawn by men on duty during the year should be provided for. Suitable provision should be made for leave salary both of officers and establishment on the basis of past actuals, regard being had to any known factors which may affect the past actuals. Provision for those who are on deputation or otherwise absent and unlikely to return to the strength within the period of the budget should be excluded, but the names of the personnel on deputation should be shown. A lump deduction should then be made where experience shows that a saving may be anticipated for posts likely to be kept vacant on for other reasons.

Note.—Leave-salaries on account of Government servants on leave in the United Kingdom and Overseas pay drawn in sterling will be provided for in the estimates for Charges in England (see paragraph 81) and should not therefore be provided here. Necessary deductions should be made from pay of officers for family allotments payable in England which are separately provided for under Charges in England.

(2) The columns of numbers must be carefully checked; the rate of pay should be stated, whenever possible, in order to admit of verification with the columns of charge. Variations in the columns of numbers as well as in amount should be explained. If they rest on an order of Government, the number and date should be quoted.

(3) No provision should be made for posts which it has been decided to leave unfilled. If it is, however, desired to revive any of these posts previous consent of the Ministry of Finance should be obtained before including any provision in the estimates on this account.

(iv) For all fixed recoveries and fixed payments (other than establishment charges) the sanction fixing the amount should be quoted.

(v) *Opposite every item of fluctuating charges, such as travelling allowances, contingent charges, official postage and the like, a note in red ink should be made of the actual expenditure of each of the three years last past together with a brief explanation of any abnormal variation; and in all cases where estimates for the coming year differ from those of the preceding year, full explanation must be given.*

Note 1.—In the case of contract contingent charges, only the sanctioned amount of the contract grant should be shown.

Note 2.—The estimates of contingent charges should be checked by the Controlling officer by comparison of the expenditure of various offices.

(vi) The estimate of receipts and varying charges should not be merely an arithmetical average of three years' figures. The average is a guide, but it should not be taken absolutely.

(vii) Calculation of fixed revenue should be based on actual demand, including arrears and probabilities of realisation during the year. The arrears and current demand should be separately shown, and reasons given if full realisation cannot be expected.

(viii) Every department will provide for the whole receipt and charge with which it deals finally; thus, when the Pakistan Public Works Department collects irrigation revenue, it will estimate for it.

(ix) No lump provision should be made in the budget, except under definite orders.

(x) Provision for losses should not be made in the estimates. If, however, the nature of the work of a department is such that some losses must be regarded as inevitable each year, provision may be made with the special sanction of the ministry of Finance in each case.

(xi) Estimates of anticipated revenue both for current and subsequent years will be prepared by each department and rendered to the Accountant General on dates to be prescribed by him. It is not necessary to transmit these estimates to the Ministry of Finance, unless the latter specifically calls for them.

ESTIMATES OF NEW EXPENDITURE

(PART II).

74. Subject as provided in Annexure A to this Chapter, proposals if any, involving new expenditure should be submitted by heads of departments and other estimating authorities to the Administrative Department concerned not later than the 15th October each year to permit the latter to undertake an examination of the proposals in their various aspects. It is open to the Administrative Departments to require heads of departments, etc., to submit proposals for new expenditure in the course of the year without reserving them for a consolidated report at the time of the submission of the budget estimates of the ensuing year and also to require them to submit direct to other Ministries of the Central Government such of the proposals for new expenditure as require to be considered by the latter, in order to ensure that the proper consideration of the proposals from the administrative and financial points of view is completed before the 1st of November.

75. No scheme of new expenditure will be included in the Budget unless it is complete and finally approved. In submitting proposals for new expenditure, administrative difficulties and delays in sanctioning processes should always be borne in mind and not more should be recommended for provision in the budget than is likely to be spent during the course of the financial year.

76. All proposals for new expenditure should be referred to the Ministry of Finance not later than November 1st of each year. Ordinarily no proposals will be accepted after that date, but the Ministry of Finance will

exercise its discretion in admitting provision for items which have not been completed through all the requisite sanctioning processes. This does not mean that the Ministry of Finance will provide for unforeseen items, nor in general admit items into the Budget in regard to which there is insufficient proof that expenditure will be undertaken in the following year. In any case, the mere existence of budget provision does not imply the acceptance of the proposal when it comes up for detailed scrutiny.

November 1st has been fixed as the latest date for referring proposals to the Ministry of Finance, but special efforts should be made by Administrative Departments to ensure that schemes are prepared and submitted as early as possible so as to avoid rush of work during the last few days. Suitable instructions should accordingly be issued by the Administrative Departments to all authorities subordinate to them.

77. The Ministry of Finance will complete the examination of all proposals and communicate its decisions to the Administrative Department concerned by the 1st December. Proposals which it accepts in principle will be classified into three broad categories :—

(i) Items which in the opinion of the Ministry of Finance are inevitable or obligatory.

(ii) Items which in the opinion of the Ministry of Finance are remunerative or which do not involve net additional expenditure.

(iii) Items which do not fall within either of the two above categories and which, however desirable, could be postponed.

78. The Ministry of Finance will agree to budget provision being made for classes (i) and (ii) ordinarily. Items under category (iii) will normally be referred to a Conference of Secretaries of all the Ministries for consideration in the light of the total provision which it may be found possible to make in the Budget. Immediately on receipt of intimation from the Ministry of Finance, the Administrative Departments should send new items statements in respect of finally accepted items.

79. The procedure detailed in paragraphs 76 and 77 will not apply to works expenditure under "34-Tribal Areas", "50-Civil Works" and other Public Works major heads. The allotment of funds for major works in progress, minor works, maintenance and repairs, etc., will be regulated *mutatis mutandis* by the rules contained in Appendix 6 to the Central Public Works Account Code. Proposals for new major works should, just like other new items of expenditure be referred to the Ministry of Finance which will either reject them or accept them in principle. A consolidated list in Form G. F. R. 2 of all new major works accepted by the Ministry of Finance should be sent to that Ministry by the Administrative Department concerned by the 1st December. The Ministry of Finance will allot the lump sum for new major works under each of the major heads "34-Tribal Areas" and "50-Civil Works" and for "Irrigation" major heads taken collectively, and the distribution of these lump sums between the various new works accepted by the Ministry of Finance in principle will be settled in accordance with the procedure described in Appendix 6 to the Central Public Works Account Code, unless otherwise settled at the Secretaries' Conference.

80. *Close adherence to the time-table given above is an essential part of the procedure and all departments should make every possible effort to submit their original proposals and subsequent statements in advance of the last dates fixed above.*

Note.—Reference to the Standing Finance Committee, where it is required, will not in any case be affected by the procedure outlined in paragraphs 76 to 79.

ESTIMATES OF EXPENDITURE IN ENGLAND

81. The charges incurred by the High Commissioner for Pakistan on behalf of the Central Government will be estimated for separately. Provision for all Charges in England should be made in the appropriate Subject or Area demands under a separate sub-head "Charges in England" under the control of the High Commissioner for Pakistan.

The estimates will be framed mostly with reference to forecast, authorities for payment and other data furnished by authorities in Pakistan in accordance with general or special instructions issued by Government from time to time.

82. For purposes of the Budget, the sterling figures for receipts and charges in England will be converted at the official rate of exchange, no separate provision being made for gain or loss for purposes of revised estimates the necessary provision for loss or gain by exchange under each grant or major head will be worked out in Pakistan each year on the basis of the estimated average rate of exchange for the year communicated by the Ministry of Finance to the authorities concerned.

III—CONSOLIDATION OF THE ESTIMATES AND DEMANDS FOR GRANTS

83. The estimates framed in the individual Budgets are consolidated by the Accountants General under orders issued by the Ministry of Finance. The following instructions should be carefully borne in mind by all authorities concerned in the preparation of the Demand Statements:—

(i) The demand for each centrally administered area should include all expenditure actually incurred in the area, whether voted or non-voted, which is under the administrative control of the Head of the Administration concerned. The heads of expenditure included in the other Demands should, however, be shown at the foot of the summary so as to bring out the total expenditure of the Administration.

(ii) The details of each demand should be grouped under the sub-heads fixed by the Ministry of Finance. The sub-heads as they appear in the Demands for Grants for a year (as voted by the Legislature) will be the sub-heads prescribed by the Ministry of Finance for that year. Any changes in the prescribed sub-heads found necessary by the departmental authorities or the Accountants General during the course of the year will be introduced only under the formal authority of the Ministry of Finance. A sub-head which remains inoperative for three consecutive years is automatically deleted from the Demands for Grants. Its revival will also require the formal sanction of the Ministry of Finance.

Note.—Subject to any general or special orders of Government, these sub-heads will be treated as the units of appropriation within the meaning of paragraphs 6 and 7 of the Book of Financial Powers. *The sub-heads of Demands are distinct from sub-heads of account.*

(iii) In the volume of "Details of Demands and Appropriations", under Pay of Officers and Pay of Establishments there will be a column for strength showing the strength as it exists at the time of preparation of the estimates for the next year. There will also be an Annexure to each Demand showing for the two heads "Pay of Officers" and "Pay of Establishments", the total number and cost in the Budget year and in the previous year.

(iv) The new items and all fresh recurring charges for which a Supplementary Grant has not been obtained from the Legislature so far and which are appearing in the Demands for Grants for the next year for the first time, are to be printed in thick type and are to be shown separately under the correct sub-head and properly described.

(v) The non-voted items should be shown in italics throughout and distinction between non-voted and voted expenditure should be made in all the columns.

(vi) A reserve should be shown as a distinct sub-head of a Demand.

(vii) The units "Pay of Officers" and "Pay of Establishments" should be shown as distinct sub-heads. They should not be mixed up with other sub-heads.

(viii) Leave salary should be shown as a distinct item and classified under the head "Pay of Officers" or "Pay of Establishments" as the case may be.

(ix) The distribution of the totals between voted and non-voted of the sub-heads of a grant should agree with those given in the "Details of Demands and Appropriations" under each sub-heads.

(x) Combined establishments the charges of which are distributed between the Central Government and a Provincial Government or between two Departments of the Central Government should be exhibited at their full amount in one place, and the portions recoverable from the Provincial Government or other Departments, as the case may be, shown under the sub-head "Establishment charges recovered from other Governments, Departments, etc." Lump sum amounts recoverable from other Governments should be exhibited under the same head without any details, lump sum payments being similarly exhibited under the head "Establishment charges paid to other Governments, Departments, etc."

IV.—COMMUNICATION AND DISTRIBUTION OF GRANTS

84. (1) The grants voted by the Legislature, together with any sums sanctioned for non-votable expenditure will be communicated by the Ministry of Finance to the Administrative Department and the Accountant General concerned in the shapes of lump sums known as primary units of appropriation (see paragraph 7 of the Book of Financial Powers). The Administrative Department will then make arrangements for distributing the sanctioned funds, where necessary, among the Controlling and disbursing officers subordinate to them in accordance with the instructions laid down in clause (2) of paragraph 89. The Accountant General will render such assistance in the distribution of grants as may be settled in each case.

(2) Subject to any special rules or orders of Government, the distribution of grants should usually be effected as under:—

(i) The whole or part of the appropriation for a primary unit may be placed at the disposal of a Controlling or a disbursing officer or the primary

unit may be broken up into a number of secondary units (each of which will cover either one or a number of detailed heads of account) and the appropriation for any of these, pholly or in part, may be placed at his disposal.

(ii) A Controlling officer at whose disposal an appropriation for a primary or secondary unit has been placed, may out of it allot funds for expenditure on a specific item or on a group of items.

(iii) Any distribution of appropriation among specific items or groups of items, which may be made by a disbursing officer for purposes of his control over the expenditure, will not be recognised by the Accountant General and should not be intimated to him.

85. An appropriation is intended to cover all the charges including the liabilities of any of past years, to be paid during the year or to be adjusted in the accounts of it. It can be authorised by competent authority at any time before, but not after the expiry of the financial year. Any unspent balance lapses and is not available for utilisation in the following years, except in so far as it has been anticipated and re-included in the estimates.

86. The High Commissioner for Pakistan as also the Chief Accounts and Audit Officer will be informed by the Ministry of Finance of the amounts allotted under each head of account for charges in England on stores and otherwise.

V. INCURRING OF EXPENDITURE IN ANTICIPATION OF FUNDS

87. In the event of the orders communicating the allotment of funds under paragraph 84 not being received before the commencement of the financial year, disbursing officers may authorise expenditure in anticipation of funds on pay and other charges on the basis of that incurred in the last month of the preceding year.

Note.—Appendix 6 to the Central Public Works Account Code lays down the rules for incurring expenditure in the Pakistan Public Works Department in anticipation of funds. These rules will apply mutatis mutandis to the expenditure on works executed by other departments, except where the Controlling authority directs otherwise.

VI. CONTROL OF EXPENDITURE

88. The authority administering a grant is ultimately responsible for watching the progress of expenditure on public services under its control and for keeping the expenditure within the grant. In order that the control of departments over such expenditure may be effective and real and that the Controlling officer should be in a position from month to month to estimate the likelihood of savings in and excesses over grants and appropriations, the procedure laid down in the following rules should be observed by all departments and Controlling and disbursing officers subordinate to them, except where the Ministry of Finance have agreed in writing to some other procedure.

89. (1) The head of each department will be responsible for controlling expenditure from the grant or grants at his disposal, and will exercise his control through the Controlling officers, if any, and the disbursing officers subordinate to him.

(2) Control over expenditure must be exercised with reference to the grant as it stands from time to time. It is the duty of the head of the department to distribute the grant as voted by the Legislature or, in the case of non-voted appropriation, as sanctioned by the Governor-General, among the various Controlling and disbursing officers subordinate to him, so far as this has not been done by the Ministry of Finance. In so doing he must take into account lump sum cuts made by the sanctioning authority. He must similarly distribute any increases or reductions subsequently made in the grant or in any part of it by the competent authority, whether the alteration is due to a supplementary grant, to a lump reduction or to a re-appropriation. When making his distributions, he must invariably communicate to the officer concerned the complete accounts classification of each item distributed, including the major, minor and detailed heads of account and the primary unit. Such distribution is however, not essential in the case of provision for pay of officers and of establishments. In making a distribution, it is always open to the head of a department to keep a portion of the grant as an undistributed reserve in his own hands.

(3) The following procedure must be followed by every disbursing officer in submitting claims for money:—

(i) He must attach to each bill a slip in Form G. F. R. 3, which will be returned by the Treasury Officer, with the cash or cheque, after noting thereon the voucher number and the date assigned to the bill.

(ii) He must enter on each bill the complete accounts classification of the proposed expenditure, from major head down to detailed head of account and state whether the charge is voted or non-voted. When a single bill includes charges falling under two or more detailed heads the charges must be distributed accurately over the respective heads.

(iii) Except in the case of bills for the pay of officers or of establishments and for allowances drawn with pay, he must enter on each bill and on each slip in form G. F. R. 3, the progressive total of expenditure up-to-date under the sub-head or sub-heads to which the bill relates, including the amount of the bill on which the entry is made.

(4) In order to enable all concerned to watch expenditure against those portions of grants which are peculiarly liable to fluctuation, the following procedure must be followed in respect of all bills other than those for pay of officers or of establishments and for allowances drawn with pay:—

(i) Every disbursing officer and in respect of his own expenditure from portions of the grant retained in his own hands, every Controlling officer and head of department, must maintain a separate register in Form G. F. R. 4, for such minor or sub-head of account with which he is concerned. In this must be entered the necessary particulars of the charges drawn on each bill under the appropriate primary unit and detailed head.

(ii) On the third day of each month, a copy of the entries in this register, so far as these record sums actually drawn from the treasury during the preceding month, must be sent in full detail by the officer maintaining it to the head of the department or other Controlling Officer. As certain of the entries in each month will represent bills which were not actually cashed before the end of that month, the copy sent will

include a few entries of a previous month and exclude a few made in the month for which the return is submitted. With the copy must be forwarded all the slips in Form G. F. R. 3 which relate to the bills entered in it. If there be no entries in the register in any month, a "nil" statement must invariably be sent.

(iii) In order to watch the receipt of the returns prescribed in the foregoing sub-clause, the Controlling officer must maintain a broad-sheet in Form G. F. R. 5, in which a serial number will be allotted to each individual disbursing officer. This broad sheet must be carefully watched and reminders sent if any returns are not received by the 7th of the month, since the accuracy of the Controlling officer's accounts will depend upon the receipt of complete returns. The serial number allotted to each disbursing officer must be communicated to the Accountant General.

(iv) On receipt of the returns from disbursing officers, the Controlling officer must carefully examine them and must satisfy himself—

- (1) that progressive expenditure has been properly noted on the slips and the available balances worked out:—
- (2) that the accounts classification has been properly given;
- (3) that expenditure up-to-date is within the grant;
- (4) that the returns have been signed by the disbursing officers; and
- (5) that all relevant slips in Form G. F. R. 3 have been attached. If he finds defects in any of these respects, he must take immediate steps to rectify them.

(v) When all disbursing officers' returns for a particular month have been received and found to be in order the Controlling officer must prepare a statement in Form G. F. R. 6, in which he will incorporate—

- (1) the totals of the figures supplied by disbursing officers;
- (2) the totals taken from his own registers in Form G. F. R. 4; and
- (3) the totals of adjustments under the various detailed heads which will be communicated to him by the Accountant General on account of transfer entries and expenditure debited to the grant through accounts current.

If the Controlling officer be not the head of the department, he must forward to the latter authority a copy of this statement supporting it by the slips in Form G. F. R. 3, and the copies of Form G. F. R. 4, submitted by disbursing officers and by a copy of the month's entries in the register in Form G. F. R. 3.

If any adjustment communicated by the Accountant General affects the appropriation at the disposal of a subordinate disbursing officer, the fact that it has been made must be communicated by the Controlling officer to the disbursing officer concerned.

(vi) On the receipt of all the necessary returns, the head of the department must prepare an account in Form G. F. R. 7, showing the complete expenditure from the grant at his disposal up to the end of the preceding

month. The figures of expenditure upon pay of officers and establishments and upon allowances drawn with pay will be communicated to him by the Accountant General as prescribed in sub-paragraph (5) below.

(vii) In May of each year, the head of the department must forward to the Accountant General a copy of his account for April in Form G. F. R. 7. In subsequent months, it will suffice to send an abstract of the expenditure up-to-date under the various heads of disbursements in three columns, showing—

- (1) expenditure up to the end of the preceding month ;
- (2) expenditure during the month just concluded ; and
- (3) total expenditure up-to-date, being the total of (1) and (2).

The subsidiary records in Forms G. F. R. 4 and 6 will be retained by the head of the department in his own office, unless in any case the Accountant General requires that the whole or any part of them should be sent to him with the statement.

(viii) The head of the department and the Accountant General will be jointly responsible for the reconciliation of the figures given in the accounts maintained by the head of the department with those that appear in the Accountant General's books. Unless in any case there are special rules or orders to the contrary, such as those contained in paragraph 90, the reconciliation should be made monthly, the initial responsibility resting with the Accountant General. The reconciliation need not be very close; its extent should be determined by the following considerations :—

(1) that the account figures finally published will be those maintained by Accountant General, and

(2) that the main object of the reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible an efficient departmental control of expenditure.

(5) Expenditure on the pay of officers and establishments is not, as a rule, liable to violent fluctuations. Moreover, the provision for such expenditure is frequently not distributed among disbursing officers. It is therefore unnecessary to watch such expenditure through the forms and registers prescribed in sub-paragraph (4) above. The figures of such expenditure will be communicated monthly by the Accountant General to the head of the department, who must enter them in his account Form G. F. R. 7 and watch the progress of expenditure against the grant.

(6) The head of the department and his Controlling officers must further take steps to maintain a careful watch over expenditure incurred from time to time on important non-recurring objects, such as grants and contributions, purchase of rations and purchase of uniforms. It is necessary to deal with such items separately from the accounts of ordinary monthly expenditure since they occur once or twice only in the course of a year. The head of the department or Controlling officer must decide for himself what method of watching such expenditure he will adopt. In some cases he may prefer to keep the entire grant under his own control and to order disbursing officers who wish to spend money against it to apply to him for

a special allotment. In other cases, he may prefer to distribute the grant and to order his disbursing officers to report expenditure against it as soon as they incur such expenditure, separately from their ordinary monthly accounts. Whatever method he adopts, it is essential that he should keep himself informed, not only of actual expenditure against such grants, but also of liabilities which have been incurred and must ultimately be met from them. Without such information, no adequate control over expenditure can be exercised.

(7) Under the procedure prescribed in these rules, a head of department or Controlling officer should be in a position from month to month to estimate the likelihood of savings or excesses and to regularise them in accordance with the instructions laid down in paragraph 94 *et seq.* The processes involved should receive the personal attention of the heads of departments and Controlling officers and must on no account be left to be conducted entirely by sub-ordinates.

90. The procedure outlined in sub-paragraphs (3) to (5) of the preceding paragraph will not apply to Departments of the Central Government and sub-ordinate and attached offices at the headquarters of the Government of Pakistan, which are under the audit control of the Accountant General, Pakistan Revenues. The special procedure to be adopted by those departments and offices is laid down in the late Government of India Finance Department Office Memorandum No. D-2839-B, dated the 8th July, 1933, which is reproduced as Annexure B to this Chapter.

Note 1.—Special rules for the control of expenditure under Public Works are laid down in Appendix 6 to the Central Public Works Account Code. Those rules apply *mutatis mutandis* to works expenditure under '34-Tribal Areas'.

Note 2.—Special rules for the control of expenditure in other departments to which the procedural rules in sub-paragraphs (3) to (5) of paragraph 89 do not apply, will be contained in the departmental regulations and the Manuals of the Accountants General concerned.

91. The Accountant General will warn the department concerned immediately of the first appearance of any excessive proportionate outlay under any grant or under any primary unit of appropriation. It must be clearly understood, however, that the authority administering a grant and not the Accountant General is ultimately responsible for the control of expenditure against the grant.

92. The High Commissioner for Pakistan as disbursing authority for Charges in England will incur expenditure within the budget allotments under the respective grants as communicated to him by the Ministry of Finance. The head of the department or Controlling officer in Pakistan will be responsible for keeping watch over expenditure under the unit 'Charges in England' with reference to the grant as a whole and obtain from the Accountant General details of monthly expenditure adjusted in his accounts from time to time.

VII.—PROVISION OF FUNDS FOR WORKS EXECUTED THROUGH A DIFFERENT AUTHORITY.

93. In order to ensure that a department undertaking a work on behalf of another does not exceed the sanctioned estimates without the authority of the employing department, the department responsible for providing the

funds should intimate to the department undertaking the work the sanctioned grant within which the expenditure is to be incurred. The department incurring the expenditure shall be responsible not only for seeing that the allotment placed at its disposal is not exceeded but also that any anticipated savings are notified and surrendered in time. In cases where an excess is anticipated, the department incurring the expenditure shall be responsible for obtaining the additional allotment in proper time through the employing department.

VIII.—SURRENDER OF ANTICIPATED SAVINGS.

94. A department or disbursing officer may find in the course of the year that the expenditure under some sub-head is likely to be less than the provision in the Budget. The saving may be due to one or more of the following causes :—

- (i) actual postponement of expenditure ;
- (ii) real savings due to economy ; and
- (iii) normal savings due either—
 - (1) to original over-estimating ; or
 - (2) to the usual administrative causes, *e.g.*, casualties, etc.

Savings due to cause (i) should in no circumstances be used for re-appropriation to meet new items of expenditure without the sanction of Government. Unless savings due to cause (ii) have been made deliberately to provide for an unforeseen emergency, they should not ordinarily be utilized in the course of the year for new items of expenditure, as it is desirable that all such new items should be considered together at the time of the preparation of the Budget.

95. All anticipated savings should be surrendered to Government immediately they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units (see paragraph 98) which are definitely foreseen at the time. No savings should be held in reserve for possible future excesses.

96. It is contrary to the interest of the State that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilised should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure which might wait till next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.

IX.—EXPENDITURE NOT PROVIDED FOR RE-APPROPRIATIONS AND SUPPLEMENTARY GRANTS.

GENERAL RULES.

97. Expenditure for which no provision has been made in the original budget estimate of the current financial year should rarely, if ever, be incurred.

98. It may, however, be found that an excess is likely owing to either (1) an unforeseen emergency or, (2) under-estimating or insufficient allowance for factors leading to the growth of expenditure. In the case of an excess of either type the head of the department or Controlling officer concerned should proceed as follows :—

(i) He should in the first place examine the allotments given to other disbursing officers under the same detailed head inside the unit of appropriation, and transfer to the disbursing officer who requires an additional allotment such sums as can be permanently or temporarily spared. Since appropriation audit will ordinarily be conducted against total allotments for a unit, there is here no question of re-appropriation in the technical sense of the word. The process amounts to nothing more than redistribution, which the Controlling officer can ordinarily effect without reference to any other authority.

(ii) Should he find such redistribution impossible, he should examine the allotments against other detailed heads inside the primary units of appropriation, with the object of discovering probable savings and effecting a transfer. Where such redistribution is feasible, he should, if he has been invested with the necessary powers, carry it out. Otherwise, he should obtain the sanction of the competent authority.

(iii) If provision of funds from within the primary unit proves to be impossible, an examination of the whole grant should be undertaken to see whether there are likely to be savings under any of the other units of appropriation due to cause (iii) described in paragraph 94, which can be utilised to meet it. If so, he should proceed as indicated in clause (ii) above.

(iv) If such savings are not available, it should be seen whether special economies can be effected under other sub-heads. If funds cannot be provided by either of these methods, it will have to be considered whether the excess should be met by postponement of expenditure or whether an application for a supplementary grant should be made. In either case, application will have to be made to the Ministry of Finance through the Administrative Department concerned and the course recommended by the latter stated. Normally, an application for a supplementary grant will not be entertained by Government unless the anticipated excess is due to a cause beyond the control of the authority concerned and funds cannot be found by any legitimate postponement of expenditure for which provision already exists. *All application for supplementary grants should be accompanied by a full explanation of the reason for the excess and of the impossibility of providing funds to meet it.*

RE-APPROPRIATION OF FUNDS

99. Re-appropriation, which implies the transfer of funds from one primary unit of appropriation to another such unit within a grant, can be sanctioned under formal orders of a competent authority, only when it is known or anticipated that the appropriation for the unit from which funds are to be diverted will not be utilised in full, or that savings can be effected in the appropriation for that unit in the manner indicated in paragraph 94. In no case it is permissible to re-appropriate from a unit with the intention of restoring the diverted appropriations to that unit when savings become available under other units later in the year. *Any*

allotment or re-appropriation within a grant or appropriation may be authorised at any time before but not after the expiry of the financial year to which such grant or appropriation relates.

Note.—The powers of re-appropriation conferred upon subordinate authorities (vide Schedule III to the Book of Financial Power) are also subject to the conditions specified in paragraph 8 and 9 of that Book, and such other general or specific restriction as may be imposed by Government in this behalf.

100. An application for additional appropriation of funds should ordinarily be supported by a statement in Form G. F. R. 8 (or other special form as may be authorised by departmental regulations) showing how the excess is proposed to be met. In all orders sanctioning re-appropriation, the reasons for savings and excesses of Rs. 1,000 or over and the primary units (and secondary units, where necessary), affected should be invariably stated. The authority sanctioning the appropriation should endorse a copy of the order to the Accountant General concerned.

101. Copies of orders affecting the expenditure in England should also be communicated to the Chief Accounts and Audit Officer to the High Commissioner for Pakistan.

SUPPLEMENTARY GRANTS

102. All applications for supplementary grants under paragraph 98 should normally be submitted to Government so as to reach the Ministry of Finance, as far as possible, by the middle of December at the latest or by such other date as may be prescribed by the Ministry of Finance from time to time. Administrative Departments should not, however, hold up the applications till that date, but forward each application to the Ministry of Finance as soon as they become convinced that a supplementary grant will be necessary.

103. On receipt of an application for a supplementary grant, the Ministry of Finance will review the position of the grant as a whole with reference to the known actuals of the year to date and actuals and estimates for previous years. If after this examination the Ministry of Finance comes to the conclusion that it should be possible for the Administrative Department to meet the expenditure within the sanctioned grant, either from normal savings or by special economies or in the last resort by judicious postponements of other expenditure, the Administrative Department will be so informed and no supplementary demand will be presented to the Assembly. If, on the other hand, the Ministry of Finance considers that a supplementary grant will be necessary a demand will be placed before the Assembly as soon as possible.

104. The supplementary grants and appropriations referred to in the preceding paragraphs are such as are required by extra expenditure on the normal activities of the department. Expenditure on a new service, in the technical sense, and on new items, such as, new buildings, new roads, etc., for which no provision exists in the budget, may be incurred in the middle of the year only in exceptional cases. Government is averse, on general principle, to admitting such demands in the course of year. In case, however, the necessity to incur such expenditure is urgent, the Administrative Department should explain clearly why it was not provided for in the original Budget and it cannot be postponed for consideration in connection with the next Budget. The Ministry of Finance, if satisfied on

these points, will consider whether it would not be reasonable to ask the department concerned to curtail its other expenditure so as to keep the total within the grant. Ordinarily, no new service or item will be accepted by the Ministry of Finance unless the department concerned can guarantee that the extra expenditure will be met from normal savings or by special economies within the grant. Cases which involve a supplementary grant will normally be accepted by the Ministry of Finance only if they relate to matters of real imperative necessity, or to the earning or safe-guarding of revenue. In such cases the demand for a supplementary grant, or for a token grant in respect of a 'new service' if the expenditure can be met by re-appropriation, will be presented to the Legislature as soon as practicable after the need arises.

INEVITABLE PAYMENTS

105. It is an important financial principle that money indisputably payable should not, as far as possible, be left unpaid, and that money paid should under no circumstances be kept out of accounts a day longer than is absolutely necessary even though the payment is not covered by proper sanction. It is no economy to postpone inevitable payments even for the purpose of avoiding an excess over a grant or appropriation and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date. It must be borne in mind that if an inevitable payment is required to be made in the absence of funds, the error lies not so much in the payment as in the entering into of the relevant liability.

Note. When demands (original or supplementary) are placed before the Legislature suitable provision should always be made for anticipated liabilities; and the provision in Note 3 below paragraph 321 that adjustment should not be made in the previous year's accounts in certain circumstances should not be used as a cloak to cancel the results of defective budgeting. The onus of providing that the disbursement could not have reasonably been anticipated should lie on the Controlling officer.

106. A disbursing officer may not on his own authority authorise any payment in excess of the funds placed at his disposal; but absence of funds should not necessarily prevent the payment of any sums really due by Government. If the disbursing officer is called upon to honour a claim which is certain to produce an excess over the allotment or appropriation at his disposal, he should take the orders of the administrative authority to which he is subordinate before authorising payment of the claim in question.

X.--APPROPRIATION ACCOUNTS.

107. The Appropriation Accounts mainly depend on explanation furnished by heads of departments, etc., to the Accountant General as to the cause of variations between the appropriations and the expenditure. It is most important, therefore, that all references from the Accountant General in connection with the Appropriation Accounts should be dealt with as promptly as possible. The explanation furnished of variations between appropriation and expenditure or of any apparent failures to exercise adequate financial control over expenditure should be concise, accurate and fully informative, and such vaguely worded phrases as "due to over-estimating", "covered by re-appropriation" or "re-appropriations proved unnecessary or inadequate" should be avoided. The question in which the Public Accounts Committee are ordinarily interested are (1) whether the variation was inevitable, and (2) whether it could not have been foreseen.

If the explanations indicate, with sufficient clearness the answers to both of these questions the number of points on which additional information may be required would be very materially reduced. The same principle applies also to cases of financial irregularities proposed for inclusion in the Appropriation Accounts or the Report thereon.

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ANNEXURE A.

(See pragraph 68).

Procedure for the preparation and submission of the detailed budget estimate of the Central Government, (CIVIL).

A.—Estimates other than those dealt with in Section B—E, below.

1. These estimates will be prepared in two parts.

Part I.—Section A.—relating to revenue and to standing charges, *i. e.*, charges which though they may vary from year to year are nevertheless not dependent upon the volition of the head of the department, *e. g.*, permanent establishment, travelling allowances and ordinary contingent expenditure.

Section B. relating to charges which, though not connected with new objects of expenditure, are nevertheless liable to fluctuate materially from year to year and which require to be scrutinised by Government before they can go into the Budget *e. g.*, purchase of animals or quinine, purchase of raw materials for jails, plantation labour under Botanical Survey excavations under Archaeology, etc.

Part II, relating to entirely new object of expenditure.

Part I of the estimates will be prepared on forms supplied by the Accountant General and submitted in duplicate to him and to the Administrative Department so as to reach them not later than the 15th October. These estimates will be accompanied by a statement Part II, showing the new items of expenditure for which it is proposed to include provision in the Budget. The statement should be in Form G. F. R. 9, or in a similar form, and the items shown in it should not be included in Part I of the estimates. The statement should include all proposals for new expenditure, whether they relate to voted or non-voted heads.

2. The Administrative Department will examine all estimates in Part I received by it and forward them with its remarks to the Ministry of Finance so as to reach the latter as far as possible before the 1st of November without waiting for the remarks of the Accountant General. It need not concern itself with an examination of the estimates of revenue though it is at liberty to bring any point to the notice of the Ministry of Finance if it desire to do so.

3. The Accountant General will examine the estimates with reference to his audit registers, sanctions, etc., and communicate direct to the Ministry of Finance any formal changes which he makes, in the form of a change statement, as soon as he completes his examination by the 1st

November. A copy of the remarks made by the Accountant General will be communicated by the Ministry of Finance to the Administrative Ministry concerned as soon as they are received and as far possible the Administrative Ministry will be consulted before any change suggested by the Accountant General is accepted. The orders of the Ministry of Finance on the estimates will be communicated to the Accountant General for incorporation in his consolidated estimate.

4. Part II relating to new items will be dealt with in accordance with the instruction laid down in paragraphs 76 *et seq* either through consolidated statement of new items for each budget or by a separate reference for each item in the case of the more important proposals.

Proposals for new expenditure which are submitted during the course of the year will be dealt with in accordance with the procedure laid down in paragraphs 74 *et seq*. The Ministry of Finance will communicate items which are approved by them to the Accountant General for incorporation, in his consolidated estimates.

B.—Estimates for Agency subjects other than Civil works.

5. The Provincial Governments will in these cases send up their estimates of expenditure other than that for Central Civil works after the usual scrutiny by the Accountant General in two parts, Part II constituting all new items of expenditure and Part I of the rest of the estimates. Both the parts will be sent to the Administrative Department concerned so as to reach it not later than the 15th October, Part II will be dealt with in accordance with the procedure outlined in paragraph 76 *et seq*. for proposals relating to new items. Part I will be scrutinised by the Administrative Department which will forward its remarks to the Ministry of Finance before the 1st November. The orders of the Ministry of Finance on the estimates will be communicated to the Accountant General for incorporation in his consolidated estimates.

In the case of revenue the Accountant General will, after discussion with the Provincial Government, incorporate the estimate in Part I.

The instructions contained in rule 7 below apply also to Central Civil works entrusted to the agency of Provincial Governments.

C.—Estimates of the Audit Department

6. The procedure for dealing with these estimates will be same as that prescribed above for estimates relating to agency subject, the Auditor General taking the place of the Provincial Governments. The detailed scrutiny of the estimates will be done by the Ministry of Finance which is the Administrative Department in respect of this subject.

D.—Estimates of Works Expenditure under "50-Civil Works" and other Public Works major heads

7. The detailed rules regarding the preparation and submission of budget estimates for Central Public Works are contained in paragraph 79 and in Appendix 6 to the Central Public Works Account Code. The rules in that Appendix apply *mutatis mutandis* to works expenditure, under "34-Tribal Areas"

E.— Certain Estimates prepared by Accounts Officers.

8. These comprise mainly the estimates for superannuation allowances and pensions and interest on miscellaneous obligations. The Accountants General, who are in the best position to prepare the estimates under these heads will prepare them in accordance with such instructions as may be issued by Government and incorporate them in the consolidated estimates submitted by them to the Ministry of Finance by the 15th of December. No orders will be issued by the Ministry of Finance on these estimates; they may be incorporated by the Account Officers in the consolidated estimates submitted in January after allowance for any modifications which may be considered necessary in the light of later information.

ANNEXURE B

(See paragraph 90)

(Extract from the late Government of India, Finance Department, Office Memorandum No. 2839-B., dated the 8th July 1933, as adapted.)

Special procedure regarding control of expenditure for heads of Accounts relating to Departments of the Central Government and their subordinate and attached offices at the Headquarters of the Government of Pakistan.

The Controlling officer shall maintain a detailed statement of cash payment in Form G. F. R. 10 with the headings of the columns altered to suit individual circumstances. Into this shall be incorporated the totals by sub-heads of each bill paid by cash with the date of its encashment. In the case of payments made to the Bank on behalf of officers it will be sufficient to show the anticipated approximate date of payment provided it is in the correct month of payment.

2. To record charges of the nature of the following items a register in similar form but with the title "Detailed Statement of adjustments" shall be kept.

(1) *Work bills and telephone charges.*—When the charge is accepted by the disbursing officer concerned.

(2) *Charges for stores obtained through the Pakistan Stores Department (Department of Supply).*—When intimation of the charge is made to the Controlling officer either by the Stores Department or by the Accountant General, Pakistan Revenues.

(3) *Passage debits.*—When intimation of the debit is made by the Accountant General, Pakistan Revenues to the Controlling officer.

(4) *Passage contributions.*—As the monthly liability accrues.

(5) *Charges on railway warrants.*—When intimation of the charges is made by the Accountant General, Pakistan Revenues, and

(6) *Other adjustments.*—When communicated by the Accountant General, Pakistan Revenues, if not already otherwise incorporated in the register.

3. These monthly totals shall then be taken to an expenditure control form—Form G. F. R. 11—suitably modified to suit individual circumstances. The progressive totals to end of any given month shall be worked out by the 7th (say) of the next month and control based on these figures.

4. A clerk in the office of each Controlling officer concerned may bring his accounts to the office of the Accountant General, Pakistan Revenues for reconciliation of monthly totals up to the end of November and January with the cash accounts maintained in the Accountant General, Pakistan Revenues' office on dates which may be separately determined in each case, the office concerned taking the initiative in the matter. The clerk will also have to ascertain that all adjustments incorporated in the office of the Accountant General, Pakistan Revenues, are also incorporated in his own accounts though many adjustments incorporated in his own accounts will not have been incorporated up to that time in the books of the Accountant General, Pakistan Revenues. His books will have to include under cash payment charges which he is aware have already been made in other Accounts Circles though they have not so far appeared in the Accountant General, Pakistan Revenues' accounts through the Exchange Account.

5. The instructions given below should be carefully observed :—

(1) The discrepancies discovered during the checking of the accounts for the periods ending in November and January will be recorded in a special register one copy of which will be retained by the Accountant General and the other by the department concerned. Within a week of the completion of the register the Accountant General will send to the department a memorandum showing the discrepancies entered in the register and the action taken by his office to reconcile them. This memorandum should be returned in original as quickly as possible with the necessary comments and explanations. Further reference will then be made, if necessary until all the discrepancies are reconciled.

(2) After the closing of the accounts for February and March, the Accountant General will send to each department concerned a statement showing :—

- (a) the amounts adjusted during the month under the various sub-heads.
- (b) the amounts of book of debits adjusted during the month under those sub-heads in the same details as at present, and
- (c) progressive actuals under each sub-heads.

These statements should be compared with the books maintained in the department and any discrepancies should be promptly brought to the notice of the Accountant General.

(3) The Accountant General will obtain the concurrence of the departments concerned before accepting any book debits affecting their accounts

but in the case of debits raised under standing orders, and when a voucher contains a record of acceptance by an officer of the department concerned after actual adjustment to enable the latter to account for them. No further concurrence of that department in the debits need be obtained. The debits adjusted under standing orders should however, be intimated to the department concerned.

6. Departmental accounts shall also be maintained in respect of the sub-heads " Pay of Officers " and " Pay of Establishments " firstly because it is a simple matter, secondly because the accounts figures are much too late to be of use to the departments for the purpose of control of expenditure and thirdly, because the reconciliation of department accounts with the accounts kept in the office of the Accountant General, Pakistan Revenues may bring to light some cases of misclassification in the accounts office.

7. Controlling officers who have to obtain monthly statements from subordinate officers may do so in Form G. F. R. 10 suitably modified separately for cash and adjustment. All these may be consolidated into a statement showing monthly totals by sub-heads from which the expenditure control form—Form G. F. R. 11—may be prepared.

8. The Controlling officers are authorised to vary the general procedure to meet individual cases in consultation with the Accountant General Pakistan Revenues, if such a course should result in a simplification of work. In case of disagreement between the Accountant General and the Controller Officer, the points should be referred to the Ministry of Finance for orders.

CHAPTER 6.—ESTABLISHMENT

ALTERATIONS OF ESTABLISHMENT

108. The powers of sanction of various subordinate authorities in the Civil Departments in the matter of creation of permanent or temporary posts are specified in Schedules I and II to the Book of Financial Powers. The powers of subordinate authorities in the Railway Departments are laid down in the Financial Codes and Regulations of that Department.

All proposals for additions to establishment, whether permanent or temporary, or for any increase in the emoluments of existing posts, should be scrutinised with the greatest care by heads of departments and other authorities concerned. In submitting such proposals, the instructions contained in the following paragraphs should be carefully observed.

109. When the entertainment of a new establishment or a change, temporary or permanent, is proposed in an office, a letter fully explaining the proposal and the conditions which have given rise to them, together with the proposition statement, if necessary under para. 111, should be submitted to the competent authority. In this letter should be set out *inter alia* :—

(i) the present cost, either of the section or sections affected, or of the total establishment as the circumstances of the case may indicate to be necessary ;

(ii) details of the pay of the post or posts and the number of posts which it is proposed to add or modify ; and

(iii) as accurate an estimate as possible of the extra cost involved.

Note 1. -In determining the extra cost, allowance, whether fixed or variable, should be included.

Note 2. -The authorities submitting the proposals should take into account any claims to pensions that may arise in consequence of their proposals with reference to Article 429 of the Civil Service Regulations and certify to their having done so in their proposals.

110. If the expenditure is proposed to be incurred in the current year, the proposals should show clearly whether it can be met within the grant or appropriation of the year. If the expenditure can be met by reappropriation, a reappropriation statement prescribed in para. 100 should be submitted with the proposals.

111. Whenever any large scale or complicated proposals are made for the revision of existing or the creation of new establishments (including all proposals which require the sanction of Government), the letter explaining the proposals should be accompanied by a proposition statement in Form G. F. R. 12 and submitted through the Accountant General who will verify the correctness of the statement.

112. The details to be shown in proposition statements should be determined by the following principles :--

- (i) The proposition statement should relate strictly to the section or part of the office affected by the proposals. As regards the other parts or sections of the office neither details nor figures of total cost need be included.
- (ii) Where a section consists of both Class IV and superior servants, details need be given only of class affected, if a saving of labour will result from the adoption of this procedure.
- (iii) Where the pay of any post, existing or proposed, rises from a minimum to a maximum by periodical increments, the average monthly cost, and not the actual or the commencing cost, must be given. The average monthly cost for the purpose of this rule should be calculated in the manner prescribed in the Finance Department letter No. F. 39-II-Ex 1-31 dated the 2nd April 1921 as amended from time to time [*Vide* Government orders printed below Fundamental Rule 9(31) (c) in section III Chapter II, of the Posts and Telegraphs Compilation of the Fundamental Rule etc.
- (iv) The fixed allowance referred to in Note 1 below para. 109 should be entered in the proposition statement but the variable allowances need not be included therein.

VARIATION IN SANCTIONED PAY OF A POST.

113. The head of an office is not at liberty to re-adjust the pay of Government servants by giving one Government servant more and another less than the sanctioned pay of his post; nor may he distribute the pay of an absentee otherwise than as provided in the rules governing the service to which the Government servant belongs. But in the case of non-gazetted

establishments divided into separate units or cadres carrying different scales of pay, there is no objection to excess appointments being made in a lower unit or cadre against an equal or greater number of vacancies left unfilled in the higher.

TRANSFER OF OFFICE.

114. Every transfer of charge of a gazetted officer should be reported by post on the same day to the Accountant General. The report should be made in Form TR. 1 unless any other form has been duly authorised, and should simultaneously be sent to the head of the department or other Controlling authority concerned.

115. In cases in which the transfer of charge involves assumption of responsibility for cash, stores, etc., the following instructions should be observed:—

- (i) The cash book or imprest account should be closed on the date of transfer and a note recorded in it over the signature of both the relieved and the relieving officers, showing the cash and imprest balances, and the number of unused cheques, if any, made over and received by them respectively.
- (ii) The relieving officer in reporting that the transfer has been completed should bring to notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count the cash inspect the stores, count, weigh and measure certain selected articles in order to test the accuracy of the returns. He should also describe the state of the account records.
- (iii) In the case of any sudden casualty occurring or any emergent necessity arising for an officer to quit his charge, the next senior officer of the department present will take charge. When the person who takes charge is not a gazetted officer, he must at once report the circumstances to his nearest departmental superior, and obtain orders as to the cash in hand, if any.

Note 1.—The special procedure to be followed when there is a change in the incumbency of independent charge of a treasury is laid down in Rule 44 of the Treasury Rules.

Note 2.—The additional procedure to be followed by an Accountant General, etc., in making over charge of his function in connection with the Charitable Endowments and other Trust Accounts is laid down in Appendix 16.

DATE OF BIRTH.

116. Every person newly appointed to a service or a post under Government should at the time of the appointment declare the date of his by the Christian era with as far as possible confirmatory documentary evidence such as a matriculation certificate municipal birth certificate and so on. If the exact date is not known, an approximate date may be given. The actual date or the assumed date determined under para 117 should be kept in respect of the Government servant's service under Government and once recorded, it cannot be altered, except in the case of a clerical error, without the previous orders of the Local Administration.

Note 1.—Ministries Division of the Central Government exercise the powers of a Local Administration for the purpose of this rule.

Note 2.—Heads of departments are authorised to exercise this power in the case of non-gazetted Government servants under their control.

117. (1) If a Government servant is unable to state his exact date of birth but can state the year, or year and month of birth, the 1st July or the 16th of the month, respectively, may be treated as the date of his birth.

(2) If he is only able to state his approximate age, his date of birth may be assumed to be the corresponding date after deducting the number of years representing his age from his date of appointment.

(3) When a person who first entered Military employ is subsequently employed in a Civil department, the date of birth for the purpose of the Civil employment should be the date stated by him at the time of attestation, or if at the time of attestation he stated only his age, the date of birth should be deduced with reference to that age according to the method indicated in sub-para. (2) above.

Note.—Cases in which the date of birth has been deduced from the age at appointment or attestation by any other method, need not be reopened.

LEAVE APPLICATIONS

118. Subject to any special rules or orders issued by the competent authority, all applications for leave should be submitted to the sanctioning authority concerned on Form G. F. R. 13.

ANNUAL RETURNS OF NON-GAZETTED ESTABLISHMENTS.

119. Early in April each year, a detailed statement of the permanent establishment existing on the 1st April should be prepared by each head of office and transmitted to the Accountant General direct, as soon as possible not later than the 15th May. The directions given by the Auditor General with regard to the form, preparation and submission of these returns are contained in Appendix 7.

Note.—The detailed statement should be prepared in two parts, one for permanent establishment including permanent and officiating incumbents of permanent posts and the other covering all temporary posts in existence on the first of April.

SERVICE BOOKS

120. The detailed rules regarding the maintenance of Service Books are contained in the Supplementary Rules 197 to 203 and in Articles 188 and 189 of the Audit Code.

121. (1) At a fixed time early in the year the service books should be taken up for verification by the head of the office who, after satisfying himself that the services of the Government servant concerned are correctly recorded in each service book, should record in it a certificate in the following form over his signature :

“ service verified up to (date) from (the record from which the verification is made.)

Note.—The verification of service referred to above should be in respect of all service qualifying for pension whether permanent, temporary or officiating.

(2) The head of the office in recording the annual certificate of verification should, in the case of any portion of service that cannot be verified from office records, distinctly state that for the excepted periods (naming

them) a statement in writing by the Government servant, as well as a record of the evidence of his contemporaries, is attached to the book.

When, however, a non-Gazetted Government servant is transferred from one office to another, the head of the office under whom he was originally employed should record in the service book under his signature the result of the verification of service, with reference to pay bills and acquittance rolls, in respect of the whole period during which the Government servant was employed under him, before forwarding the service book to the office where the services are transferred.

(3) When non-gazetted Government servants are officiating in gazetted posts, their service books should be kept by the head of the office to which each such Government servant permanently belongs, but when they are confirmed in such posts, their service books should be forwarded to the Accountant General's office for record.

SERVICE ROLLS.

122. Service rolls for Government servants, when they are maintained under Supplementary Rules 204 and 205, should be taken up every year for verification of service and record of necessary certificate in the manner laid down in para. 121.

ARREAR CLAIMS.

123. Save as provided in rule 136 of the Treasury Rules, no claims to pay and allowances of a Government servant, which are not preferred within six months of their becoming due can be paid without an authority from the Accountant General.

Note.—For the purpose of this rule, 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 preferred.

124. Claims of Government servants to arrears of pay or allowances or to increments, or in respect of any underpayments, which have been allowed to remain in abeyance for a period exceeding one year may not be investigated by an Accountant General, except under the special orders of competent authority.

Note.—Ministries and Divisions of the Central Government exercise full power to sanction in vestigation of arrear claims, subject to the restrictions laid down in paras 125 and 126.

Subject to the restriction laid down in paras. 125 and 126. Heads of Local Administrations and heads of departments have been empowered to exercise this power in respect of claims not more than three years old, and to delegate it at their discretion to a subordinate authority which appoints the Government servant by whom the claim is made.

125. Claims against Government, which are barred by time under the provisions contained in Section 3 read with the First Schedule of the Limitation Act of 1908 or under any other provisions of law relating to limitation, should ordinarily be refused and no claim on account of such a time-barred item should be paid without the sanction of Government. The onus is upon the claimant to establish a claim to special treatment for a time-barred item, and it is the duty of the authority against which such a claim is made to refuse the claim until a case for other treatment is made out. All petty time-barred claims are to be rejected forthwith and only important claims of this nature considered.

It is the duty of the authority against which a claim is made to consider in the first instance the question of a time-bar before submitting it to the Accountant General for the issue of authority for payment. The Accountant General will refuse payment of all claims found to be time-barred until the sanction of Government has been obtained.

126. All petty claims of a Government servant more than three years old, other than those that affect his pension, and all such claims for whose delayed submission an adequate explanation is not forthcoming, should be rejected forthwith. In considering old claims recommended for sanction, the authority concerned will also take into account the fact that it is normally not possible owing to the limited period of preservation of records to audit claims more than six years old.

126-A. The authority competent to authorise the investigation of a belated claim should be told why the claim was not submitted when it became due.

In respect of non-gazetted Government servants whose pay and allowances are drawn on establishment bills by the Heads of Offices, the responsibility for making claims rests on the latter and they should invariably see that all claims are presented within six months of their falling due.

The time limits prescribed in these instructions should be calculated from the date on which the charge becomes payable. In the case of sanction accorded with retrospective effect, the charge does not become payable before it is sanctioned; the time limits should, therefore, be calculated from the date of sanction and not from the date from which the sanction takes effect.

CHAPTER 7. CONTINGENCIES.

I—INTRODUCTORY.

127. The rules in this Chapter are supplementary to the general rules of procedure prescribed in Chapter V of Part V of the Treasury Rules and have to be applied, where necessary in conjunction with them.

Special rules applicable to particular departments and administrations are contained in the Manuals, Codes, etc., of the departments or administrations concerned.

128. The different classes into which contingent charges incurred on the public service are divided, and the conditions governing them, are laid down in Chapter V of Part V of the Treasury Rules. The classification to be adopted in each department or office is regulated by general or special orders of Government.

Note.—Contingent charges are to be recorded and treated in the accounts and charges of the month in which they are actually disbursed from treasury.

129. Subject to any general or specific rules or orders, such as those contained in Annexure A to Appendix 8, restricting their general financial powers to sanction expenditure, Heads of Local Administrations are authorised to exercise full powers in respect of contingent charges of offices directly subordinate to them,

II POWERS OF SUBORDINATE AUTHORITIES TO SANCTION CONTINGENT CHARGES.

130. (1) The financial powers of subordinate authorities to sanction contingent expenditure are regulated generally by the orders embodied in Appendix 8 and such other general or special orders as may be issued by Government in this behalf.

Subject as aforesaid, the head of an office may incur or sanction expenditure on contingencies within the amount of appropriation placed at his disposal for the purpose, provided that

(i) In cases where any special rule, restriction, limit or scale has been prescribed by competent authority regarding any particular item or class of contingent expenditure, it should be strictly observed ;

Note.—Special rules, restrictions, etc., prescribed by Government regarding individual items of contingencies are laid down in Annexure A to Appendix 8.

(ii) Contingent expenditure of an unusual character or involving departure from any general or special rule or order made by Government should not be incurred, nor should any liability be undertaken in connection therewith, without the previous sanction of Government.

(2) In respect of contract contingent charges for which a lump sum is placed annually at the disposal of a disbursing officer, no formal sanction will be required for expenditure incurred within the annual allotment, except in so far as the authority fixing the contract allotment issues directions to the contrary.

(3) The head of an office may authorise any gazetted officers serving under him to incur expenditure under sub-para. (1) above, subject to the conditions specified in Treasury Rule 142.

131. In the case of non-recurring contingencies, the competent authority may, where this course is more convenient, accord sanction by signing or countersigning the bill or voucher, whether before or after the money is drawn, instead of by a separate sanction.

III—PERMANENT ADVANCES.

132. Permanent advances may be granted to officers who may have to make payments before they can place themselves in funds by drawing on the treasury. They are subject to the following rules:—

(i) The amount of the advance will be fixed by Government, or by the Heads of Local Administrations, as the case may be except in cases falling under clause (ii):

(ii) Heads of departments may, unless Government or the Head of a Local Administration otherwise directs, sanction the grant of permanent advances for offices subordinate to them, up to the amount advised as appropriate by the Accountant General concerned. Permanent advances for offices of heads of departments must, however, be sanctioned by the next superior administrative authority.

(iii) Applications for the grant or revision of a permanent advance must be submitted to the sanctioning authority through the Accountant

General concerned who will advise as to the appropriate amount of the advance. In cases falling under clause (ii) above, if there is any difference of opinion between the Accountant General and the sanctioning authority on this point, the matter should be referred for the orders of Government.

Note.—The applications for permanent advances should be accompanied by a statement showing month by month for the preceding twelve months the amounts of contingent bills cashed with classified details of items of expenditure.

(iv) As these advances involve the permanent retention of money outside the treasury, they must not be larger than is absolutely essential.

(v) These advances should not be multiplied unnecessarily. An officer's advance should meet the needs of every branch of his office. If he has subordinates who require petty sums, he should spare a small portion of his own advance for their use rather than apply for separate advances for them, taking acknowledgements from them in the same way as he himself furnishes acknowledgements to the Accountant General, and retaining them in his office.

(vi) The advance is intended to provide, on the responsibility of the officer entrusted with it, for emergent petty advances of all kinds, though it is seldom that they will be needed for other than contingent charges; thus, if a class IV servant is required to travel by rail, his fare must sometimes necessarily be advanced from his amount.

(vii) The holder of a permanent advance is responsible for the safe custody of the money placed in his hands and he must at all times be ready to account for the total amount of the money.

(viii) In the case of transfer of charges and yearly on the 15th April, each officer holding a permanent advance must send an acknowledgement to the Accountant General of the amount due from and accountable for by himself as on the 31st March preceding.

Note 1.—The cost of service books required for office establishment should be met, in the first instance, from the permanent advance of the office concerned; the permanent advance being subsequently recouped from the amount realised by the sale of the books to Government servants.

Note 2.—Advances may be made of the actual railway fare or land road mileage to all non-gazetted police officers, but such advances and their repayment need not appear in Government accounts. Travelling allowance bills may be made out for the full claims admissible as soon as the journeys are completed and any advances made out of the permanent advance may be recovered out of the amounts drawn from the treasury on such travelling allowance bills.

IV—CONTROL OF EXPENDITURE.

133. For purposes of control and audit, Government will issue orders specifying the nature or object of contingent charges of particular disbursing officers which should be classed as countersigned contingent charges to be drawn and accounted for in accordance with the procedure prescribed in Rules 308 *et seq* of the Treasury Rules.

Expenditure incurred by a disbursing officer on objects classed as countersigned contingencies must come under the direct supervision and scrutiny of the head of the department or the Controlling officer who will sign the detailed bills relating to them. Monthly detailed bills in respect of countersigned contingent charges incurred by each officer should be submitted to the Controlling authority concerned for detailed scrutiny and

transmission after countersignature to the Accountant General. Full details of such charges need not be entered in the abstract bills presented for payment at the treasury. A competent authority may in respect of specified items of countersigned contingent charges require the detailed contingent bills to be sent to the Controlling authority for scrutiny and countersignature before it is presented for payment at the treasury.

Note.—The provisions of this para. do not apply to contingent charges of heads of departments and other Controlling authorities, which will be drawn and accounted for in accordance with the procedure laid down in the following para.

134. No detailed bills need be submitted to a higher authority for contingent charges which are not classed as countersigned contingencies, each bill presented at a treasury should, therefore, contain full details of the expenditure, supported by necessary sub-vouchers for individual payments included in the bill.

135. The duties and responsibilities of disbursing and Controlling officers with regard to contingent expenditure incurred on the public service are defined in rules 295 and 296 of the Treasury Rules. The head of each department should issue such subsidiary instructions as may be necessary for the guidance of Controlling and disbursing officers subordinate to him.

136. Chapter 5 of these rules contains detailed instructions as to the general procedure for the control of expenditure against appropriation. The following special instructions are laid down for the control of contingent expenditure :—

(i) Where the appropriation for contingent charges covers expenditure on a number of distinct and individually important objects or class of expenditure, such appropriation should be distributed by the Controlling authority among the important items comprised in it. If some of the items are not important, those items taken as a whole may be treated as a single important item for this purpose. The expenditure on each important item should be watched and controlled separately against the allotment for it, especially when the charges are of a fluctuating nature. The contingent register prescribed in Treasury Rule 298 should be so designed that this can be done conveniently.

(ii) For non-countersigned contingencies, the Controlling authority should obtain the information required by the Controlling authority for checking the expenditure against the appropriation. If, in 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 special reasons for incurring the excess expenditure.

(iii) For non-countersigned contingencies, the Controlling authority should get periodical statements from each disbursing officer (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.

V—SPECIAL RULES RELATING TO PARTICULAR KINDS OF CONTINGENCIES.

CONTRACT CONTINGENCIES.

137. When under any special order of competent authority a lump sum is placed annually at the disposal of a disbursing officer for expenditure on specified items of contingencies without further restrictions, the officer incurring expenditure against the lump sum allotment should be held entirely responsible for the regularity of such expenditure, and for any expenditure in excess of such allotment until the excess is sanctioned by competent authority.

138. The Head of a Local Administration and the Central Board of Revenue may sanction an increase not exceeding Rs. 6,000 a year in a contract grant for contingent expenditure. They may sanction the substitution of a contract grant for varying budget allotments in respect of heads of contingent expenditure for which countersignature is required, on condition that the amount of the contract grant does not exceed by more than Rs. 6,000 the total sum provided under those heads in the budget estimates of the year in which the change is made.

CONTINGENCIES REGULATED BY SCALES.

139. Contingencies regulated by scales include such charges as liveries to class IV servants, rewards for destruction of wild animals, *bata* to witnesses and the like. The authority prescribing the scale should lay down the conditions precedent to the application of the scale, making it clear whether the bills must be countersigned before or after payment and what certificate should support the bills. It should be the duty of the Controlling officers to see that the charges incurred are in accordance with the prescribed scales and the conditions which given them.

VI.—EXPENDITURE FOR OTHER OFFICERS.

140. The conditions under which a department of Government may make charges for services rendered or articles supplied by it and the procedure to be observed in dealing with such charges are laid in the Account Code, Volume I and in rule 316 of the Treasury Rules. When a Government officers makes purchases or incurs expenditure through an officer in another district and the amount to be paid on account of contingent expenditure incurred in this way is not less than Rs. 50, payment may be made by Government Drafts, but otherwise every public officer who incurs expenditure in this way must treat it as expenditure of his own office, and not demand recoupment from the officer at whose request he, as an agent, incurs the expenditure. The charge must, however, be taken as expenditure of the department to which the officer requiring the expenditure is attached and therefore an officer should address his application for any service to the principal officer of his department in the district indented on, *e.g.*, a police officer should ask the District Superintendent, not the Magistrate, to purchase blankets for him. The Magistrate in such a case would pass on the indent, or the voucher if he has supplied any articles, to the police officer, would deal with the charge if it is less than Rs. 50 as a final one of his own office, applying to the proper authority for an extra appropriation if his own should fall short before the end of the year. The responsibility for obtaining proper sanction should always rest with the originating officer.

Note 1.—This rule is not applicable when purchases are effected in the capital town of a Province, the cost may then be sent by Government Drafts if it is not less than Rs. 25, and by Postal Money Order if it is less than Rs. 25.

Note 2.—The rule does not also apply to expenditure chargeable to local funds, which should always be recovered:

CHAPTER 8.—STORES.**INTRODUCTORY**

141. The chapter contains the general rules applicable to all departments, regarding stores required for use in the public service. Detailed rules and instructions relating to the various departments, e.g., the Defence, Railways, Posts and Telegraphs, Public Works, Directorate General of Supply and Development, Survey of Pakistan, Stationery and Printing, and other departments responsible for or concerned in large purchases, manufactures or consumption of stores, are contained in the departmental regulations relating to the departments concerned.

Note.—The term 'stores' used in this chapter applies generally to all articles and materials purchased or otherwise acquired for the use of Government, including not only expendable and issuable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant, machinery, instruments, furniture, equipment fixtures, etc.

142. Expenditure on stores incurred in the Civil departments is included under contingent expenditure (except where it is treated otherwise, e.g., stores relating to works), and subject to what is provided in the following rules, is governed generally by the rules which apply to such expenditure.

II.—PURCHASE AND ACQUISITION OF STORES.**AUTHORITIES COMPETENT TO PURCHASE STORES.**

143. Subject to any special rule or order applying to any particular department, an authority which is competent to incur contingent expenditure may sanction the purchase of stores required for use in the public service in accordance with the provisions contained in the following paras. Such purchases are also subject to the usual restrictions regarding the existence of necessary appropriation and to any monetary limits and other conditions prescribed generally or in regard to specific articles or classes of articles (Cf. Annexure A to Appendix 8). The powers of subordinate authorities in the matter of purchase of stores are laid down in Appendix 8 and Annexure B thereto.

Special powers delegated to purchasing officers of the Directorate General Supply and Development, Defence, Railways, Post and Telegraphs, Public Works, etc. department are laid down in the respective departmental regulations.

The powers of the Controller of Printing and Stationery and other officers to purchase stationery and printing stores, office machinery, appliances, etc., are specified in Appendix 10.

RULES AND INSTRUCTIONS GOVERNING THE PURCHASE OF STORES.

144. (1) Save as provided below, all purchases of stores for use in the public service should be regulated in strict conformity with the Store Rules and the subsidiary instructions which are respectively reproduced in Appendix 9 and Annexure A to this Chapter.

Special rules relating to the purchase of stationery and printing stores, including office machinery and appliances, etc., are contained in Appendix 10.

(2) The procurement of stores required on mobilisation or during the continuance of military operations will be regulated by special rules and orders issued by Government in this behalf.

145. Purchases must be made in the most economical manner in accordance with the definite requirements of the public service. Stores should not be purchased in small quantities. Periodical indents should be prepared and as many articles as possible obtained by means of such indents. At the same time, care should be taken not to purchase stores much in advance of actual requirements, if such purchase is likely to prove unprofitable to Government.

Where scales of consumption or limits of stores have been laid down by competent authority, the officer ordering a supply should certify on the purchase order that the prescribed scales or limits are not exceeded.

146. Purchase Orders should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

147. (1) All indents sent out to the (Heads of Pakistan Mission abroad) (whether by formal indent, letter or telegram), should state clearly and accurately the grant number and the head of account to which the cost of the stores is debitable, the amount of appropriation provided and an estimate of cost of each item.

The indents should be prepared in such form and in accordance with such general or special instructions as may be issued by Government in this behalf.

(2) Indents should not be sent out so late in the financial year that they cannot possibly be complied with and paid for within that year. If the (Heads of a Mission abroad) receives any indent which he cannot possibly comply with before the end of the financial year, he will carry it over to the following financial year under intimation to Government.

(3) If it is essential to send out an indent to foreign countries before the sanctioned appropriation has been communicated to the authority concerned, the consent of the Ministry of Finance should be obtained if the estimated amount exceeds such limit as may be prescribed by Government in this behalf. In such cases the words "The Ministry of Finance has agreed to indent being executed" should be written on the indent.

(4) The purchasing officer should distinguish very carefully between stores to be bought through the agency of the (Heads of Mission) abroad and stores merely to be delivered to them for despatch and shipment through their agency. See also Treasury Rule 383.

RECEIPT OF STORES

148. All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

ISSUE OF STORES

149, When materials are issued from stock for departmental use, manufacture, sale, etc., the officer incharge of the stores should see that an indent in the prescribed form has been made by a properly authorised person, examine it carefully with reference to the orders or instructions for the issue of stores and sign it, after making suitable alterations under his dated initials in the description and quality of material, if he is unable to comply with the requisition in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply actually made. The indent should be returned at once to the requisitioning officer for signature. When materials are issued, a written acknowledgment should be obtained from the person to whom they are ordered to be delivered or despatched, or from his duly authorised agent.

In case of stores issued to a contractor, the cost of which is recoverable from him, the acknowledgment should give full particulars of the materials issued, including the recovery rates and the total value chargeable to the contractor.

TRANSFER OF CHARGE OF STORES.

150, In cases of transfers, the officer in-charge of stores should see that the stores in his custody are made over correctly to his successor and a proper receipt taken from him.

Every departmental officer is bound to take over charge of departmental stores which from the death or departure of the person lately in charge or from any other cause, may be left at or near his station without adequate protection. For detailed instruction see para. 115.

III—CUSTODY AND ACCOUNTS OF STORES

GENERAL.

151 The head of an office or any other officer entrusted with stores of any kind should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, damage or deterioration. Suitable accommodation should be provided more particularly for valuable and combustible stores. He should maintain suitable accounts and inventories and prepare correct returns in respect of the stores in his charge with a view to preventing losses through theft, accident, fraud or otherwise and to making it possible at any time to check the actual balances with the book balances and the payment to suppliers, etc.

152 The form of stock accounts mentioned in the preceding para. should be determined with reference to the nature of the stores, the frequency of the transaction and the official requirements of each department or office in which they are used. The general and essential principles in accordance with which such accounts are to be kept are laid down in the following paras.

it is not, however, intended that these rules should replace the detailed store accounting rules prescribed in the departmental regulations of various departments or in any special orders which apply to any particular department, unless a competent authority has held that the existing rules are

defective and should be brought into harmony with the general principles laid down below. Where audit of the accounts of stores and stock has been under-taken by the Auditor General, the Accountant General concerned will bring to notice cases in which there is a hiatus to be filled in by the application of these rules and in which losses to Government could have been avoided by the use of these rules.

153. Separate accounts should be kept of—

- (i) "Dead Stock" such as plant, machinery, furniture, equipment, fixture; and
- (ii) Other stores.

DEAD STOCK

154. An inventory of the dead stock should be maintained in all Government offices in a form prescribed by competent authority, showing the number received, the number disposed of (by transfer, sale, loss etc.), and the balance in hand for each kind of article. The instructions given below should be carefully observed by all concerned.

(i) The inventory should be priced whenever the items have to enter into the block account maintained for a Government commercial undertaking or the value of the items is necessary in order to enable Government to calculate the charge to be levied upon private persons or bodies. As regards other items, a numerical inventory would suffice, except for articles costing above Rs. 25.

Note.—For the purpose of numerical inventory, articles of a similar description such as tables, durries, carpets, etc., should be put into separate categories, each category comprising articles of the same measurement and make and manufactured with the same metal or wood or other material.

(ii) The inventory should ordinarily be maintained at the site of the dead-stock. Whether it is desirable, in any particular case, to depart from this general principle or to maintain additional consolidated inventories elsewhere should be decided on the merits of each case.

(iii) The inventory should be checked by the competent administrative authority once a year and a certificate of the result of check recorded.

(iv) Articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be properly investigated and brought to account immediately so that the inventory may represent the true account.

(v) When articles of dead stock, e.g., tools and plant are lent to local bodies, contractors and others, the hire and other charges as determined under Rules prescribed by competent authority should be recovered regularly.

(vi) Government libraries and museums should maintain up to date catalogues as well as prescribed stock accounts and inventories.

OTHER STORES

155. A reliable list, inventory or account of all stores in the custody of Government officers should be maintained, in a form prescribed by competent authority, to enable a ready verification of stores and check of accounts at any time; and transactions must be recorded in it as they occur.

156. Priced lists, recording both quantities and values, should be maintained in cases where the stores are intended to be converted into money, or where it is desired to distribute their cost over the works, items or objects on which they are actually used.

In such cases, the expenditure on stores must be charged to a stores suspense head in the first instance.

157. Purely numerical inventories, i.e., recording quantities only, will suffice for articles costing up to Rs. 25 when the articles are intended solely for the service of the department keeping them and it is not desired to distribute their cost. In such cases the expenditure on stores must be charged off finally to the service concerned.

Note.—In some cases it may be found necessary to show prices and measurements, etc., *vide* not below para. 154 (i) against some articles, say, when for facility of identification or other reason, it is desirable to distinguish costly articles from cheap articles bearing the same general description otherwise.

158. The lists, inventories or accounts of stores should in all cases be subject to such internal check as may be prescribed by competent authority, whether or not they are subject to any check by the Accountant General.

159. A physical verification of all stores should be made at least once in every year under rules prescribed by competent authority, and subject to the condition that the verification is not entrusted to a person—

(i) who is the custodian, the ledger keeper, or the accountant of the stores to be verified, or who is a nominee of, or is employed under the custodian, the ledger keeper or the accountant ; or

(ii) who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.

The verification should never be left to low paid subordinates and in the case of large and important stores, it should be, as far as possible, entrusted to a responsible officer who is independent of the superior executive officer in charge of the stores.

160. A certificate of verification of stores with its results should be recorded on the list, inventory or account, as the case may be, where such a verification is carried out.

161. In making a physical verification, the following instructions should invariably be observed :—

(i) verification must always be made in the presence of the officer responsible for the custody of the stores or of a responsible person deputed by him ;

(ii) all discrepancies noticed should be brought to account immediately, so that the stores account may represent the true state of the stores ; and

(iii) shortages and damages, as well as unserviceable stores, should be reported immediately to the authority competent to write off the loss.

162. Balances of stores should not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection should be made by a responsible officer, who must submit a report of surplus and obsolete stores to the authority competent to issue orders for their disposal—(See para. 166). The inspection should, unless there be good reason to the contrary, be made six-monthly in the case of perishable stores and once a year in the case of other stores. Stores remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

163. Where a priced inventory is maintained, it is essential that the values recorded therein shall not be materially in excess of the market value of the stores. The head of the department concerned must issue instructions to govern—

- (i) the fixation of prices with reasonable accuracy
- (ii) the periodical review and revision of rates : and
- (iii) the agency to be employed in periodical revaluation.

Note. The 'market value' of an article, for this purpose, means the cost per unit at which the article, or an article of a similar description, can be procured at a given time at the Stores Godown, from some suitable public markets:

164. All profits and losses due to revaluation, stock-taking or other causes, should be duly recorded and adjusted where necessary. Formal sanction of competent authority should be obtained in respect of losses, even though no formal correction or adjustment in the accounts is involved.

165. (1) Losses due to depreciation should be analysed, and recorded under following heads, according as they are due to—

- (i) normal fluctuation of market prices :
- (ii) fair wear and tear :
- (iii) lack of foresight in regulating purchases
- (iv) neglect after purchase.

(2) Losses not due to depreciation should be grouped under the following heads—

- (i) losses due to theft or fraud ;
- (ii) losses due to neglect ;
- (iii) losses due to an act of God and other calamities such as fire, enemy action, etc. ;
- (iv) anticipated losses on account of surplusage of obsolete stores or of purchases in excess of requirements ;
- (v) other losses due to damage, etc.

SALE AND DISPOSALS OF STORES AND WRITES OFF OF STORES.

166. The previous sanction of competent authority should be obtained to the writing off of all losses, deficiencies or depreciation in the value of stores—(see Schedule V to the Book of Financial Powers).

167. Subject to any special rules or orders applicable to any particular department, stores which are reported to be obsolete, surplus or unserviceable may be disposed of by sale or otherwise under the orders of the authority competent to sanction the writing off of a loss caused by deficiencies and depreciation equivalent to their value (*Vide* Col. (4) of Schedule V to the Book of Financial Powers.)

Each order declaring stores as unserviceable should record the full reasons for condemning them and how the condemned stores are to be disposed of *i.e.*, whether by sale, public auction or otherwise. The head of the office should record full particulars regarding all condemned stores in suitable list from which their disposal can be watched.

Note. These instructions do not apply to the Defence, Railways, Posts and Telegraphs and other special departments whose procedure in this regard is regulated by separate orders contained in the departmental regulations:

168. Sales to private persons of stores other than those which are found to have become obsolete or unserviceable are regulated by special rules and orders applicable to particular departments. When stock materials are sold to the public or any other department, or authority at their full value, a suitable percentage as determined by competent authority should be added to the book value to cover charges on account of supervision, storage and contingencies. This addition may, however, be waived by the officer empowered to sanction the sale in the case of surplus stock which in his opinion would otherwise be unsaleable.

OPIMUM STOCK IN THE CUSTODY OF TREASURY OFFICERS

169. The opium in store must be kept in the treasury strong room and not elsewhere and all receipts into and issues from stock should be entered in a store register maintained for the purpose over the initials of the Treasury Officer. The Treasury Officer should give out opium to the Treasurer as required for sale to the public; an account of opium so issued to and sold by him being kept by the treasurer in a sub-register in suitable form to be determined by the treasury Officer. The Treasury Officer should see that all issues to the Treasurer are entered up in the register and the proceeds of opium sold are duly credited into the treasury account. The balance of opium in the hands of the Treasurer should be checked by the Treasury Officer at least once every month. No more opium should be issued to the Treasurer than is necessary to meet current demands.

IV—AUDIT OF STORES AND STOCK ACCOUNTS

170. When audit of the accounts of stores and stock kept in any office or department is undertaken by the Auditor General, it will be conducted in accordance with the regulations embodied in Appendix II.

V—MISCELLANEOUS.

DEPARTMENTAL AND OTHER CHARGES ON IMPORTED STORES.

171. A surcharge at the rate fixed by Government from time to time to cover departmental expenses and marine insurance is added by the Head of Mission abroad to the invoiced price including freight of all stores obtained through him by Provincial Governments, commercial departments (Railways, Irrigation Works, Post and Telegraphs, etc.) Government commercial undertakings, Local Funds, States which have

acceded to Pakistan, private individuals, etc., in calculating the cost debitable to, or recoverable from, the various sources.

Note 1. When under special arrangements a contractor undertakes to deliver stores at a port in Pakistan, the surcharge leviable will be for departmental charges only.

Note 2. The extra charge for marine insurance covers the risk of losses during the voyage to Pakistan and not losses between the ship's side and shore.

Note 3. The adjustment of the surcharge will be made by the Head of Mission concerned for Pakistan. A similar extra charge at the prescribed rates should be made in Pakistan for stores imported from foreign countries for the Central Government but eventually transferred to Provincial Government etc.

Note 4. In making recoveries from the agents of vessels on account of short delivery of stores, the surcharge should not be added to the invoiced value of the stores (including freight).

172. A charge at the rate fixed by the Government from time to time is levied by the Heads of Missions abroad to cover departmental expenses on the sales of stores made on behalf of Provincial Governments and Commercial Departments of the Central Government. An additional charge at the rate fixed by the Government from time to time is also levied to cover marine insurances etc., when freight is arranged for and paid by the Head of Mission concerned.

GENERAL AVERAGE.

173. (1) "General average" is the adjustment made among the owners of vessel and of cargo in the event of loss or damage 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 such circumstances, a ship declares a "General average".

(2) Claims for contribution to general average in respect of vessels carrying Government stores between the United Kingdom and Pakistan are to be referred to the High Commissioner for Pakistan in the United Kingdom for settlement. Such claims give no lien on the stores which are to be delivered in accordance with the conditions for freight notwithstanding any claims for contribution to average.

(3) Claims in respect of vessels carrying Government stores other than those covered by sub-para (2) will be dealt with in Pakistan by the Accountant General, Dacca, Lahore, or Pakistan Revenues as the case may be, or by such other officers as may be nominated by Government in this behalf, in accordance with the following instructions :—

- (i) When a Shipping Company declares a 'General average' with regard to the cargo on board a particular ship in accordance with the provisions on the bill of lading, it may, before, giving delivery of cargo consigned to Government require the appropriate officer referred to above, to sign a bond on behalf of Government agreeing to abide by the ultimate award in connection with 'General average', and also to make a deposit. This should be referred to the Government Solicitor for advice, where necessary, as to whether the case is, or is not one for a General average. If he so reports, the bond should be signed, and the payment

made to the shipping company, and a separate account kept of the payment.

- (ii) The adjustment will, after some time, be presented by the shipping company, Government in it will be credited (1) with the deposit, (2) for any special losses of its charge, (3) for any special expenditure incurred by it, and debited with share of any general losses of 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 circumstance 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 directions 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.

PURCHASE FOR LOCAL BODIES, STATES WHICH HAVE ACCEDED TO PAKISTAN.

174. In the absence of special orders to the contrary the cost of all stores, purchased for Local Bodies, States which have acceded to Pakistan etc., must be prepaid in cash. In the case of purchases made through the Heads of Missions abroad the rupee deposits made on account of stores specially imported for them should be converted at the rate of 2s. 1²⁹ d³² per rupee and the cost in sterling of the stores supplied (including sea freight payable outside Pakistan), together with the extra charges mentioned in para 172, should be adjusted month by month against the deposit.

175.-Deleted.

ANNEXURE A

Instructions for the guidance of officers who are required to make purchases of stores required for the Public Service.

(see para 144)

PREAMBLE TO THE RULES IN PART I OF APPENDIX 9

The policy of Government is to make their purchases of stores for the public service in such a way as to encourage the development of the industries of the country to the utmost possible extent consistent with

economy and efficiency and the following rules, which are applicable to the purchase of stores (other than printing and stationery stores) for the Central Government are prescribed in accordance with this policy. These rules supersede all previous orders on the subject.

In order to give effect to the above policy preference in making purchases will be given in the following order:—

First, to articles which are produced in Pakistan in the form of raw materials, or are manufactured in Pakistan from raw materials produced in Pakistan provided that the quality is sufficiently good for the purpose ;

Secondly, to articles wholly or partially manufactured in Pakistan from imported materials provided that the quality is sufficiently good for the purpose ;

Thirdly, to articles of foreign manufacture held in stock in Pakistan provided that they are of suitable type and requisite quality ;

Fourthly, to articles manufactured abroad which need to be specially imported.

Ministries and Divisions of the Central Government, or officers specially authorised in this behalf, may, when they are satisfied that such a measure is justified, allow a limited degree of preference in respect of price to articles produced or manufactured in Pakistan either wholly or in part.

The rules express a definite preference for articles which are produced in Pakistan in the form of raw materials or are manufactured in Pakistan from raw materials produced in Pakistan and also for articles wholly or partially manufactured in Pakistan from imported materials. They also extend a preference (but not in price) to articles of foreign manufacture stocked in Pakistan over those which have to be specially imported.

2. The difference in the character of the preference which may be given should be carefully noted. In the case of the first two categories mentioned in the preamble the condition is that the quality is sufficiently good for the purpose, and for the third category that the articles are of suitable type and requisite quality. This means that articles coming under the first two categories should be accepted unless it is considered that the quality is definitely not up to the standard required even though imported articles may be considered to be of better quality.

3. The other kind of preference referred to in these rules is a price preference, and it is enjoined that a limited price preference may be given to articles produced or manufactured in Pakistan either wholly or in part by officers especially authorised. It should be noted that no price preference should be given to articles falling in the third category over those which come within the last category.

4. A strict comparison with prices prevailing abroad is not required, but the underlying principle is that the preference to be accorded to Pakistan products or to imported stocks is to be tempered by the consideration of economy.

5. The degree of price preference that may be allowed to Pakistan products has not been specially provided for in the rules because Government intend to retain entirely in their own hands, for the present, the

power to grant such a preference. Ordinarily a limited degree of price preference in favour of articles produced or manufactured in Pakistan will be justified for one or other of the following reasons

(a) when the industry in question is expected to fill a vital gap in the economic life of the country and is likely to take a firm root in the soil in the near future ;

(b) strategical necessity;

(c) to prevent any sudden dislocation of the labour market on a large scale ;

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

6. Every proposal for the grant of a price preference should be referred by the purchasing officer concerned through the proper channel, to the Central Government in the Administrative Department concerned. The latter will, before passing final orders, consult the Ministry of Industry. It will devolve on the latter to co-ordinate the action to be taken under this head by the different Ministries and Divisions of the Central Government.

Rule 1 in Appendix 9. (PART I)- Save as provided in Rules 7, 7A and 8 all articles required to be purchased for the public service shall be purchased on the condition that delivery shall be made in Pakistan for payment in rupees in Pakistan.

7. It should be carefully noted by all purchasing officers that the purchase in Pakistan of all articles (with the exception of the classes of stores specified in Rules 7, 7A and 8) required for the Public Service is obligatory.

8. Indents for stores, other than the classes of stores specified in Rules 7, 7A and 8, should not be sent to the Heads of Mission abroad but the stores should be obtained by calling for tenders in Pakistan in accordance with the rules.

9. It should be clearly stated in all invitations to tender, issued by purchasing officers in Pakistan, that tenderers must provide in their tenders for delivery in Pakistan, and that payment for the articles will be made in rupees in Pakistan.

10. With reference to the principles of preference mentioned in the preamble, tenderers should be requested to furnish information in regard to the country of manufacture and or origin of the material used in the manufacture of the articles.

11. Purchasing officers may exercise full discretion regarding the point or place of delivery to be specified in their invitations to tender. They may specify C. I. F. or F. O. R., Pakistan Port, F.-O. R. place of despatch, in Pakistan or Free Delivery receiving station in Pakistan. Where tenders are invited for plant and equipment, in which the erection of the plant at site is to be under-taken by the successful tenderer, appropriate terms in regard to delivery at site should be included in the invitation to tender or in the general specification.

12. When specifying the point or place of delivery, purchasing officers should endeavour to lay down terms which will give all tenderers equal opportunities to put forward their lowest prices. For instance, in many cases tenderers abroad may be unable to tender for delivery F. O. R. Pakistan port or free delivery receiving station in Pakistan and may only be able to tender on the basis of delivery C. I. F. Pakistan port with payment in rupees in Pakistan against shipping documents. Such tenders should be considered as coming within the meaning of Rule 1 and should be accepted if satisfactory in other respects.

13. Except in special cases fullpayment for the stores should not be made against shipping documents but only after delivery of stores has been taken by the receiving officer and they are found to be satisfactory in every respect,

Rule 2 in Appendix 9 (PART I).- Tenders shall be invited in Pakistan and abroad also when considered desirable, for the supply of all articles which are purchased under Rules 1 to 4, unless the value of the order to be placed is small or sufficient reasons to be recorded, exist which indicate that it is not in the public interest to call for tenders. No tender which fails to comply with the condition as to delivery and payment prescribed in Rule 1 shall be accepted.

14. The rule authorises the issue of invitations to tender to firms abroad "when considered desirable." The discretion to invite such tenders will vest in the head of the department concerned, e.g., Directorate General of Supply and Development, the General Manager of the Railway concerned in the case of all State Railways, and the Master General of Ordnance in the case of the Ministry of Defence.

15. Tenders should be invited abroad as well as in Pakistan whenever it is considered necessary or desirable to do so in order to obtain adequate publicity and so ensure economical purchase. These considerations will apply mainly to the categories of stores which have to be obtained by indent on the Head of Mission abroad and when dealing with the purchase of such classes of stores it is essential that tenders should be invited abroad in order to obtain wide competition and utilise all possible sources of supply,

16. If the response to any invitation to tender indicates that, owing to inadequate publicity or some other reason, favourable tenders have not been received, then fresh tenders should be invited and measures taken to bring the invitation to tender to the notice of all possible tenderers.

17. When the circumstances of a particular case indicate the desirability of obtaining tenders from firms established abroad, who have no branches or agencies in Pakistan, a sufficient supply of tender forms with the relevant documents specifications and drawings should be sent as soon as possible to the High Commissioner for Pakistan in U. K. The latter will give such publicity to the demand as he may consider to be the most suitable for the purpose, by advertisement in the newspapers or otherwise. Demands estimated to cost Rs. 20,000 or over will, as a rule, be advertised by him.

Intending tenderers established abroad will be instructed by the High Commissioner for Pakistan in U. K. to apply to him for the tender forms, copies of which will be supplied by him on payment in sterling of the

charges (if any) to be fixed by him in each case. The tenderers will at the same time be instructed to submit their tenders direct to the purchasing officer concerned in Pakistan and not to the High Commissioner for Pakistan in U. K. and the order will be placed by the former direct with the successful tenderer.

18. When it is desired to have the recommendations of the technical advisers of the Head of Mission abroad e. g., the Consulting Engineers, Naval Architects' etc., on the tenders, before a decision is reached as to the placing of the order, it should be stipulated in the invitation to tender that a complete duplicate of the tender should be delivered to the Head of Mission abroad on the same date as that fixed for the submission of the tenders in Pakistan. The Head of Mission will arrange for the examination of the tenders by the appropriate technical authority and will telegraph his recommendations to the purchasing officer concerned in Pakistan. For the work connected with this examination of tenders, the Head of Mission will make a fixed charge against all commercial and other Departments who are not entitled to utilise the services of the Head of Mission free of cost.

19. It should be made clear on every tender form that the stores must be delivered in Pakistan, that payment will be made in Pakistan 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 Pakistan through whom delivery will be arranged and payment received, and who when so required, will arrange for erection at site and for the carrying out of such tests on completion as may be specified in the contract.

20. No account adjustments will be made between the Head of Mission's office and the Purchasing Department in Pakistan for the value of tender forms sent to London and issued on behalf of the Purchasing authorities in Pakistan and the expenditure on advertisements, postage charges, etc., in the Head of Mission's Office.

21. When considering the desirability of calling for tenders abroad it is important that purchasing officers in Pakistan should bear in mind the necessity of 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 Pakistan.

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

Time required for sending the forms from Pakistan to London.

By ordinary Mail.....about 30 days.

By Parcel Mail.....about 30 days.

By Air Mail.....about 5 days.

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

Time required by tenderers to prepare and despatch tenders average, says, 14 days.

Time required for forwarding the tenders to Pakistan.

By ordinary Mail.....about 30 days.

By Parcel Mail.....about 30 days.

By Air Mail.....about 5 days.

If American tenders have to be awaited about three weeks will require to be added to the above figures and in cases of complicated engineering schemes it will be necessary to allow a longer time to tenderers for the preparation of their tenders.

23. Rule 2 does not preclude the use of limited or single tenders nor does it require that tenders should be called for where it is clearly not in the public interests to do so. The following procedure for obtaining tenders should be followed as far as practicable.

Tenders should be obtained :--

(1) By advertisement (open tender).

(2) By direct invitation to a limited number of firms (limited tender).

(3) By invitation to one firm only (single tender or private purchase),

24. The 'open tender' system i.e., invitation to tender by public advertisement should be used as a general rule and must be adopted subject to the exception noted below in all cases in which the estimated value of the tenders to be received is Rs. 5,000 or over.

25. Deleted.

26. When in the circumstances stated in paragraph 15 it is decided to invite tenders from abroad the procedure described in paragraphs 17 and 18 should be followed.

27. The 'limited tender' system should ordinarily be adopted in the case of all orders the estimated value of which is less than Rs. 5,000.

28. For the purposes of the limited tender and single tender procedure, the purchasing officers will maintain a list of firms, both Pakistan and foreign, of known reliability who have been able to satisfy them that they possess the necessary equipment and facilities for the supply of stores which they offer. The list should be subjected periodically to examination and revision, and any application from a firm for inclusion in the list should be considered on its receipt. Before the name of a firm is added to the list such enquiries as may be considered necessary should be made by the purchasing officer to ascertain the ability of the firm to execute contracts satisfactorily. From this list the names of firms to be invited to tender should be selected.

29. Such a list is already maintained by the Directorate General of Supply and Development and that department will, on receipt of a request, furnish purchasing officers with such information as he may possess regarding the capability and standing of any firm approved by him.

30. The 'single tender' system may be adopted in the case of small orders, or when the articles required are of a proprietary character and

competition is not considered necessary. A 'small order' shall be interpreted to mean for this purpose an order the total value of which does not exceed Rs. 100. In all such cases, however, the purchasing office should consider whether it is not feasible to enter into a rate or running contract for the articles in question or to utilise the rate or running contracts entered into by the Directorate General of Supply and Development.

31. The 'limited tender' system may, however, be adopted instead of the 'open tender' system even when the estimated value of the tenders to be received is not less than Rs. 5,000 in the following cases.

(a) When sufficient reasons exist which indicate that it is not in the public interests to call for tenders by advertisement. In every such case the reason must be recorded by the purchasing officer and communicated to the Accounts and/or Audit Officer concerned confidentially, if necessary ;

(b) When the indenting officer certifies that the demand is urgent and any additional expenditure involved by the elimination of open competition must be incurred. In all such cases the indenting officer must place on record the nature of the urgency and why the demand could not be anticipated.

32. 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 advertised requirements. When a tender which appears to be satisfactory has been 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 a portion thereof is satisfactorily executed the name of the firm should be added to the list of approved contractors.

Rule 3 in Appendix 9 (Part I).—All articles, whether manufactured in Pakistan or abroad, shall be subject to inspection before acceptance, and articles for which specifications and for tests have been prescribed by competent authority shall be required to conform to such specifications and/or to satisfy the prescribed test or tests which may be carried out during manufacture or before or after despatch from the suppliers' premises.

Rule 5 in Appendix 9 (Part I).—In the case of important construction works let out on contract, articles required for the construction of such works may be supplied by the contracting firm provided that when specifications and/or tests have been prescribed for such articles they shall conform to such specifications and/or shall satisfy such tests.

33. The object of Rules 3 and 5 is to emphasize the importance of ensuring that articles purchased for the public service conform to the specifications which may be prescribed by competent authority, and the necessity for careful 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 contract that the articles supplied will be subject to inspection and/or tests prescribed in the specifications before acceptance.

34. When tenders for important construction works are invited the officer concerned should also stipulate in the invitations to tender that the articles required for the construction of such works must comply with the specifications prescribed for such articles. The articles should be inspected and/or tested in accordance with the provisions of the specifications before acceptance.

35. All purchasing officers should pay special attention to these points, and should take steps to ensure that adequate inspection arrangements are made in each case.

36. When articles are obtained from abroad which require inspection and/or test during manufacture and before shipment, arrangements should be made by the purchasing officer concerned for such inspection and/or tests to be carried out by the Head of Mission concerned. Any further inspection and test considered necessary or desirable after receipt of the articles in Pakistan should be arranged for by the Purchasing Department. The services of the Director General of Supply and Development can be utilised in connection with such inspection and tests.

37. 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 contract and all other relevant documents, should be sent to the Head of Mission concerned with complete instructions for inspection and the full address of the manufacturers. The contractors should be informed that inspection during manufacture or before shipment will be carried out by the Head of Mission concerned and he should be asked to instruct his representatives in the country of manufacture to communicate direct with the mission concerned.

38. With regard to the inspection of articles obtained or manufactured in Pakistan all purchasing officers can, if they so desire, utilise the services of the Supply and Development Department for the inspection and/or test during manufacture and before despatch.

39. In the case of orders for plant and machinery, whether purchased in Pakistan or obtained from abroad which include erection and test at site of work, arrangements for inspection and test after erection at site can also be made through the Department of Supply and Development.

Rule 4 in Appendix 9 (Part I)—Important plant, machinery and iron and steel work shall be obtained only from firms approved by the Director General of Supply and Development and specified in the lists issued by him from time to time.

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

41. The lists referred to in this Rule will be maintained and issued from time to time to all purchasing Departments by Department of Supply and Development. They will include the names of firms in Pakistan and abroad which have been approved for the supply of important plant, machinery, and iron and steel work.

42. Applications for inclusion in the lists mentioned in this Rule should be made to Department of Supply and Development direct by the firms with a full statement of the reasons which in their opinion justify such inclusions.

43. Cases may arise in which tenders may be received from firms whose names do not appear in the lists of approved firms. If the tenders are prima facie satisfactory, they should not be summarily rejected, but a reference should be made to Director General of Supply and Development who will if considered necessary make enquiries in regard to the capabilities and standing of the tendering firms and will intimate the result of the enquiries to the purchasing officer concerned.

Rule 6 in Appendix 9 (Part I)—Nothing in these rules shall be deemed to prohibit the purchase of articles by one Department or Railway from another.

(No instructions)

Rule 7 in Appendix 9 (Part I)—The articles enumerated in Schedule A, or any other articles of a 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) Where the value of the purchase exceeds Rs. 5,000 the purchasing officer shall place on 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 Head of Missions abroad, or purchase it direct from manufacturer or dealers abroad. Where resort is had to direct purchase from manufacturers or dealers abroad, tenders shall, whenever practicable, be first obtained.

(c) When articles are purchased abroad under this rule through the agency of the Heads of Missions abroad 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 ;
- (ii) in Great Britain and Northern Ireland, through the High Commissioner for Pakistan in U.K.

44. This and the following Rules are in the nature of exceptions to the principle enunciated in Rule 1. Before availing himself of the discretion given by this Rule it will be incumbent on every purchasing officer to take all possible steps to assure himself that the stores of the requisite qualities cannot be obtained in Pakistan at suitable prices in accordance with the provisions of Rule 1. In order to ensure that the underlying principles of the Rules are not violated, a copy of all orders for stores placed abroad, whether on the Head of Mission or directly on the suppliers, under this Rule, should be forwarded to Department of Supply and Development for scrutiny, and also for the purpose of compilation and publication of a list every two months of all such orders placed abroad.

45. It will be noted that under this Rule "articles of a special or unusual character" may be obtained by indent on the Head of Mission or purchased direct from manufacturers or dealers abroad. It should be clearly understood that the expression "articles of a special or unusual character" is not to be taken as covering generally the case of articles not produced or manufactured in Pakistan, such as, locomotives, boilers, plant and machinery, etc., etc.. The expression "articles of a special or unusual character" is intended to give purchasing officers liberty to obtain direct from manufacturers or through the Head of Mission concerned articles such as spare or replace 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 replace part for a machine tool of a particular type and make. The manufacturer may not be represented in Pakistan and he may be unable to tender for delivery and payment in Pakistan. Again, a special type of machine may be invented and produced by a manufacturer who is not represented in Pakistan and who will only agree to supply his machine on his own conditions of sale.

46. It should be noted that the inclusion of "Scientific Instruments" in item (VIII) of schedule A under this Rule is not intended to permit the purchase of drawing, surveying, and other Mathematical Instruments, either from manufacturers or dealers direct or through the Head of Mission. Indents for such instruments should be placed with the Mathematical Instruments office of the Director General Survey of Pakistan.

Rule 7-A in Appendix 9 (Part I)—The purchasing officer shall obtain by indent on the Head of Mission, all articles not produced in Pakistan and required to be purchased for the public service, stocks of which are not available in the country or could not be made available within the time such articles are required to be brought into service.

In all such cases the purchasing officer shall, before forwarding the indent, place on record his reasons for not effecting the purchase in accordance with the preceding rules and also sign on the indent a certificate in the following form :

"I certify that from enquiries made I am satisfied that the article/articles included in this indent is/are not at present available in stock in Pakistan and cannot be made available within the time such articles are required to be brought into service.

Dated.....

Purchasing Officer."

(No Instructions.)

Rule 8 in Appendix 9 (Part I)—Lethal weapons, munitions of war, technical apparatus and equipment, and any other stores required by the Naval, Military or Air Forces of Pakistan for which drawings patterns, specifications or designs have been issued, prescribed or announced by the Pakistan Government or Commander-in-Chief in Pakistan, shall be obtained by indent on the Head of Mission unless they are available in Pakistan in accordance with the prescribed drawing, pattern, specification or design. Any departure from the rule, requires sanction of Government.

47. To ensure that indents on the Head of Mission will be issued under this Rule only when stores of the categories mentioned are not available

in Pakistan the Ministry of Defence will issue instructions to all stores purchasing officers under them that a copy of all orders placed abroad should be sent to the Director General of Supply and Development for scrutiny; in all cases of doubt, the indent should be sent to that Department for prior scrutiny. Purchases made from abroad under this Rule (Except of special classes of military stores) will also be included in the monthly publication referred to in paragraph 44.

48. The purchase of military stores not falling under the categories mentioned in this Rule is regulated by the same rules as apply to purchases made by Civil Department. Purchases can therefore, be made for delivery outside Pakistan and for payment in non Pakistani currency only to the extent provided for in Rule 7.

SCHEDULE A

(See Rule 7)

- (i) Seeds.
- (ii) Cinchona Bark.
- (iii) Articles for experimental purposes.
- (iv) China, glass, cutlery, plate, crockery and perishable fabrics including linen for residences which are furnished by Government.
- (v) Copper, Zinc and other non-ferrous metals produced in Australia or America.
- (vi) Timber produced in Australia and North America.
- (vii) Such articles as the Superintendents of Vaccine Depots may require for the preparation of vaccine lymph.
- (viii) Chemicals and scientific instruments.
- (ix) Preserved and tinned foodstuffs.
- (x) Articles required for Governor General's residence.

CHAPTER 9—WORKS

Introductory

176. For purposes of administration and control, Central buildings and other works are divided broadly into the following classes.—

(i) Military works—*i.e.*, buildings, defence works and ancillary services intended for different branches of the Defence Services, which are carried out by or on behalf of the Military Engineer Services; and

(ii) Public works—*i.e.*, Civil Works and Irrigation, Navigation, Embankment and Drainage Works under the administrative control of the Public Works Department; and

(iii) Buildings and other works under the administrative control of departments using or requiring them. These comprise *Inter alia*—

- (1) all works pertaining to the Railways, Posts and Telegraphs, Forest, Salt, Lighthouse, Broadcasting and other quasi-commercial departments and undertakings ;
- (2) Works pertaining to the Mints ;
- (3) Archaeological works in connection with conservation of ancient monuments ;
- (4) works relating to construction and maintenance of civil aerodromes ;
- (5) any other works or class of works allotted under orders of Government to the department using or requiring them.

Note. Subject to any general or special rule or order of Government to the contrary the term, 'administrative control' as applied to works implies *inter alia* the assumption of full responsibility for the construction, maintenance and upkeep of buildings and other works and the provision of funds for the execution of those functions. (See Article 33 of the account Code, Vol. I.)

177. Subject to the observance of the following general rules, the initiation, authorisation and execution of works allotted to particular departments should be regulated by detailed rules and orders contained in the respective departmental regulations and by other special orders applicable to them.

GENERAL RULES

178. Except in cases covered by any special rules or orders of Government, no work should be commenced or liability incurred in connection with it until—

- (i) administrative approval has been obtained from the authority appropriate in each case ;
- (ii) sanction, either special or general, of competent authority has been obtained authorising the expenditure ;
- (iii) a properly detailed design and estimate has been sanctioned ; and
- (iv) funds to cover the charge during the year have been provided by competent authority, (see also para. 93).

If, in any case, whether on grounds of urgency or otherwise, an executive officer is required by superior authority to carry out a work or incur a liability which involves an infringement of these fundamental rules, the orders of such authority should be conveyed in writing. On receipt of such written orders or, in cases of emergency, on his own responsibility, the officer may proceed to carry out the necessary work, subject to the condition that he immediately intimates to the Accountant General concerned that he is incurring an unauthorised liability and states approximately the amount of the liability which he is likely to incur.

179. (1) The powers delegated to various subordinate authorities to accord administrative approval and sanction to expenditure upon, and to appropriate and re-appropriate funds for, works are regulated by the

orders contained in the Book of Financial Powers and other special orders contained in the respective departmental regulations.

(2) For purposes of approval and sanctions, a group of works which forms one project should be considered as one work, and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost each particular work in the project is within the powers of approval or sanction of any authority subordinate thereto.

Note.—While no officer may sanction any estimate for a work which cannot be fully efficient unless other works are also sanctioned if the cost of all such works collectively exceeds his powers of sanction, it is not the intention that two or more works should be regarded as forming part of a group of work merely because they are of the same nature, if they are otherwise mutually independent.

180. The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

181. Any development of project thought necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, should be covered by a supplementary estimate.

182. To facilitate the preparation of estimates, as also to serve as a guide in settling rates in connection with contract agreements, a schedule of rates for each kind of work commonly executed should be maintained in each locality and kept up to date. The rates entered in the estimates should generally agree with the scheduled rates but where, from any cause, these are considered insufficient, or in excess, a detailed statement must be given in the report accompanying the estimate, showing the manner in which the rates used in the estimate are arrived at.

183. When the works are given out on contract, the general principles laid down in paras. 18 and 19 should be carefully borne in mind.

WORKS UNDER THE ADMINISTRATIVE CONTROL OF THE PUBLIC WORKS DEPARTMENT

184. Subject as provided in para. 176, provision for expenditure on all buildings, communications and other works required by civil departments, which Government has not specifically allotted to such departments, should be included in the Grant for "Civil Works", to be administered and accounted for by the Public Works Department. No such work may be financed partly from funds provided in a departmental budget and partly from the budget for civil works.

The term 'Civil Works' used in this rule embraces all works chargeable to the heads "50—Civil Works" and "81—Capital Account of Civil Works outside the Revenue Account.

Note. Separate grants are obtained for expenditure on Irrigation, Navigation, Embankment and Drainage works in charge of the Public Works Department.

185. The rules and instructions contained in Appendix 6 to the Central Public Works Account Code should be strictly observed by all authorities responsible for the preparation of budget estimates and administration of funds allotted for Central Public Works.

186. The financial powers of different authorities responsible for or concerned in the execution of Central Public Works and of appropriating and re-appropriating funds allotted for expenditure upon such works are laid down in the Central Public Works Department Code, the Central Public Works Account Code and other special rules made by Government for application to special classes of works. The general rules contained in these codes, which govern the accord of administrative approval and sanction to and allotment of funds for Central Public Works, will apply *mutatis mutandis* when such works are executed by the Public Works Department of a Governor's province on behalf of the Central Government. But, subject to any general or special order of the Provincial Government, officers employed on such works will exercise in respect of them the same powers of technical sanction as they exercise in respect of provincial works and carry out the works under rules and procedure prescribed by the Provincial Government concerned.

187. Similarly, when Central Public Works are entrusted to the agency of the Military Engineer Service for execution or maintenance, administrative approval and expenditure sanction will be accorded and funds allotted, by the authority concerned under the rules contained in the Central Public Works Department Code; the Military Engineer Services will then be responsible for design, specification and execution in accordance with the rules and procedure prescribed in the Regulations for those services. (See Appendix C to the Regulations for the Military Engineer Services).

188. In provinces and areas in which the Pakistan Public Works Department operates, namely in East Bengal, Punjab, Sind, and Karachi all Central Public Works will be executed by the Pakistan Public Works Department unless in any particular case such works have been entrusted under special orders of Government to the Provincial Government or to any other agency

Provided that where for administrative or economic reasons the maintenance of any Central building in charge of the Public Works Department is entrusted to any other civil department, original works and special repairs costing Rs. 2,500 or less and all ordinary repairs irrespective of cost, in respect of such buildings may be carried out by the head of the department concerned in accordance with such special instructions as may be issued to him by the Public Works Department. Provision for expenditure on such works should be made in the Budget for '50—Civil Works' under a special sub-head "Petty construction and repairs by Civil Departments", subdivided into two secondary units (i) works and (ii) repairs, from which allotments will be made by the Public Works Department to heads of civil departments carrying out the works and while full budgetary and financial control in respect of such works will remain with the Public Works Department, the charges incurred by the civil departments may be drawn under the rules and procedure governing contingent expenditure. (See also para. 310 of the Central Public Works Account Code.)

189. In provinces and areas where the Pakistan Public Works Department does not operate, a competent authority may, subject to such restrictions as it may think necessary to impose, assign to heads of civil departments, the execution of petty works and repairs costing Rs. 2,500 or less relating to buildings under the administrative control of the Public Works Department, provided that such works do not form part a bigger programme. When such assignment has been made, the charges incurred by the civil department may be drawn and accounted for as contingent expenditure of the department concerned.

190. In all other cases in which a civil department is entrusted with the execution of Central Public Works, the departmental officer carrying out the work should act as a Public Works disburser and be guided generally by the rules and procedure which apply when works are carried out by the Public Works Department.

WORKS UNDER THE ADMINISTRATIVE CONTROL OF OTHER CIVIL DEPARTMENTS

191. (1) Save where any particular departments (e.g., Salt, Forest, Archaeology, Broadcasting, Light-house, etc.), has been authorised by Government to execute all or specified classes of departmental works without reference to the Public Works Department or the Military Engineer Services, and subject to any special rule or order issued by Government to apply to special classes of works, all original works and special repairs costing more than Rs. 2,500 relating to buildings and other works, the administrative control of which vests in other civil departments, should be executed through the agency of the Public Works Department, Central or Provincial, as the case may be, or through the Military Engineer Services where it is not convenient for the Public Works Department to undertake the work. In exceptional cases in which the Public Works Department or the Military Engineer Services is not employed for the execution of such works or repairs, the Accountant General should invariably be consulted at the initial stage, i.e., prior to an agreement being entered into with an architect or contractor, so that suitable provision may be made as far as possible for normal audit and financial control.

(2) The provisions of paras. 186 and 187 will apply *mutatis mutandis*, when such works are executed through the Public Works Department or any other department or authority.

Note. The rules and instructions laid down in Appendix 6 to the Central Public Works Account Code are applicable *mutatis mutandis* to works expenditure on works chargeable to the major heads '34-Tribal Areas'.

When such works are executed through the Military Engineer Services the rules contained in Appendix C to the Regulations for the Military Engineer Services will apply.

192. When works allotted to a civil department other than the Public Works Department are executed departmentally, whether direct or through contractors, the form and procedure relating to expenditure on such works should be prescribed by departmental regulations framed in consultation with the Accountant General generally on the principles underlying the financial and accounting rules prescribed for similar works carried out by the Public Works Department. The guiding principles laid down by the Accountant General, Pakistan Revenues are reproduced in Annexure A to this chapter.

Note.—Expenditure on works of petty constructions and repairs costing Rs. 2,500 or less relating to buildings under the administrative control of a civil department, other than the Public Works Department, may be drawn and charged as contingent expenditure of the department concerned, provided that where any individual item of such petty works costing Rs. 2,500 or less forms part of a bigger programme, the expenditure should be treated as 'Works expenditure' of the department carrying out the work.

SPECIAL RULES FOR SANITARY, WATER SUPPLY AND ELECTRIC INSTALLATION TO GOVERNMENT BUILDINGS ETC.

193. (1) Subject as hereinafter provided, all works and repairs in connection with sanitary, water supply and electric installations to Government buildings, where such buildings are not in charge of the Military Engineer Services or of Railways, should be carried out by or through the agency of the Public Works Department, except in special cases under the orders of Government.

In the case of the Posts and Telegraphs Department, the Divisional Engineers, Telegraphs are authorised to execute departmentally all works and repairs connected with sanitary and water supply installations to Posts and Telegraphs buildings up to a limit of Rs. 500 in each case, provided that the estimates for each work so executed have received the sanction of the competent authority.

Note. The rules relating to the provision of these installations in Government buildings occupied as residences are laid down in Rules 45-A and 45-B of the Fundamental Rules and the Supplementary Rules issued thereunder.

(2) As a general exception to this rule, the Posts and Telegraphs Department is authorised to execute works and repairs in connection with electric installations in P. and T. buildings.

(3) The electric installations in Government buildings, etc. (including ground lighting arrangements) under the administrative control of the Director of Civil Aviation in Pakistan constitute another exception to this rule. In their case, the Directorate is left free either to execute such works and repairs departmentally or to employ the agency of the Public Works Department or the Military Engineer Services at their discretion.

(4) At places where the Pakistan Public Works Department operates (See para. 188), and where there is no staff of that department, the procedure for the execution of works and repairs in connection with sanitary, water supply and electric installations in Government buildings under the administrative control of Central civil department should be as follows :—

(i) all works and repairs costing up to Rs. 300 in the case of electric installations and Rs. 1000 in the case of sanitary and water-supply installations should be executed departmentally;

(ii) all estimates for such works and repairs to be carried out locally should be submitted for prior scrutiny to the Chief Engineer, Pakistan Public Works Department, and

(iii) all installations costing over Rs. 2,500 should be inspected annually and the remainder biennially by an officer of the Pakistan Public Works Department.

(5) deleted.

194. The provision and maintenance of sanitary, water-supply and electric installations in Military and Railway buildings and other works and such provisions in civil buildings in charge of the Military Engineer Services are governed by special rules prescribed in the departmental regulations.

195. Expenditure incurred by civil departments in connection with these installations, where it does not exceed Rs. 2,500 may be charged as contingent expenditure of the department carrying out the work.

MISCELLANEOUS RULES

196. No authority lower than the Head of a Local Administration is competent to authorise the acquisition of a building by purchase, even though the purchase of the required accommodation may have been sanctioned by competent authority. In all such cases, a survey and valuation report by the Public Works Divisional Officer should be submitted to the Head of the Local Administration.

197. No public building, which is not a purely temporary structure, may be sold or dismantled without the sanction, previously obtained, of Government if its book value exceeds Rs. 10,000 or, in other cases, of the Head of the Local Administration or Chief Engineer, Pakistan Public Works Department, as the case may be.

198. In respect of buildings available for occupation as residences, capital and revenue accounts are prepared periodically by the Accountant General in accordance with the directions given in the Account Code, Volume IV and any further orders that Government may issue in this behalf. All officers concerned should furnish the Accountant General annually with the necessary data in respect of such buildings in such form as may be prescribed by the Accountant General.

199. Local Administrations may sanction expenditure on ceremonies connected with the inauguration of important public works, e.g., the laying of foundation stones of public buildings, the opening of canals, the opening of bridges, other than those constructed from railway funds, etc., up to the limit of Rs. 2,500 in each case.

Note.—The expenditure on such functions should be limited to the *minimum* absolutely necessary and the (Ministry of) Finance should be afforded full justification for any such contemplated outlay before any commitments are entered into with regard to it.

200. The preparatory stages of a major work may take anything from three months to a year and attempts to expedite the execution of works contrary to Code rules lead to bad estimating and computing and, to actual losses of money. These unfortunate results have been commented upon adversely by the Public Accounts Committee on various occasions, and it is desirable that the tendency to rush the preparatory stages for works should be checked. The Chief Engineer and his subordinate officers, should accordingly take, in all cases, such time as is considered necessary for the preparation of proper estimates, the grant of technical sanction, and the invitation and examination of tenders and refrain from entertaining requests from administrative departments for special treatment. In emergent cases, however, where circumstances warrant a departure from methods laid down by the Codes, the Public Works Department may issue special instructions on a reference received from the administrative department concerned.

ANNEXURE A

(See Para. 192.)

General Principles laid down by the Accountant General, Pakistan Revenues regarding the Accounting of expenditure on 'works' executed by Civil Officers.

For every work there should be a duly sanctioned detailed estimate. Copies of sanctions to estimates are to be communicated to the Accountant General by the sanctioning authority as soon as a sanction is accorded. If, however, the number of works sanctioned is large such sanctions may conveniently be communicated through a monthly statement in P. W. D. Form No. 34. Copies of sanctions to contracts, establishment charged to works or any other financial sanctions should be communicated to the Accountant General individually.

2. Payments for all works done by contract of materials purchased should be made on the basis of measurements recorded in Measurement Books (C. P. W. A. Form 23). A muster roll in C. P. W. A. Form 21 should be prepared for works done by daily labour. It is desirable that C. P. W. A. Form 24 or 27 should be used for payment to contractors. If any establishment is entertained on monthly wages whose pay is chargeable to a work, C. P. W. A. Form 29 may be used for payment of their wages. The rules regarding the preparation and check of these documents will be found in Chapter X of the Central Public Works Account Code.

3. Separate contingent bills should be prepared for expenditure relating to 'Works' duly supported by sub-vouchers in forms referred to in paragraph 2 above. The name of work as given on the sanctioned estimate should be noted conspicuously on each sub-voucher as well as in the bill itself.

4. At the end of a month every disbursing officer will render to the Accountant General the following monthly accounts so as to reach him by the 8th of the next month :—

(i) *Schedule of works expenditure (C. P. W. A. Form 64).*—Showing expenditure incurred during the month and total charges up to date in respect of every work in progress. All payments pertaining to a work during a month will be posted in column 5 of the form quoting voucher number and date in column 7 and all works in progress will be shown in this schedule.

(ii) *Contractors' ledger in C. P. W. A. Form 43.*—This account need only be prepared in accordance with Section G of Chapter X of the Central Public Works Account Code, if any intermediate payment on running account is made to a contractor. It is not required in cases where every payment to contractors is final.

(iii) *Accounts of receipts and issues of Tools and Plant purchased by or belonging to the departmental office in C. P. W. A. Forms 13 and 14.*—To be prepared in accordance with paragraphs 145 and 146, Central Public Works Account Code.

5. In respect of articles of Tools and Plant purchased in connection with 'work' and annual Register to show receipts, issue and balances will

have to be maintained in C. P. W. A. Form 15 in accordance with paragraphs 147 *et seq.* of the Central Public Works Account Code. The register may be annually closed as soon after the month of September as possible, the book balance being physically verified and certified and sent to the Accountant General by the officer concerned so as to reach him on or before the 15th of November every year.

6. A copy of the Register of buildings in charge of every disbursing officer should be sent to the Accountant General in P. W. D. Form No. 25.

CHAPTER 10.—MISCELLANEOUS EXPENDITURE

I—GENERAL

201. The term 'miscellaneous expenditure' applies generally to all expenditure in the civil departments, which does not fall under the category of pay and allowances of Government servants, pensions, contingencies, grants-in-aid, contributions, stores or works.

The powers delegated to subordinate authorities to sanction items of miscellaneous expenditure as defined above, for which no special power, scale or limit has been prescribed by any Act, rule, code or order are specified in Schedule IV to the Book of Financial Powers.

Note.—Grants-in-aid and contributions have however, been dealt with in this chapter for the sake of convenience.

202. Miscellaneous expenditure is subject generally to the rules of procedure which apply to contingent expenditure, except in so far as it may be governed by any special rules or orders made by competent authority.

II.—REFUNDS OF REVENUE

203. Refunds of revenue are broadly classified as—

- (i) refunds to which the claimants are legally entitled, and
- (ii) refunds which are made *ex gratia*, Government being under no legal obligation to make them.

Note 1.—Refunds of revenues are not regarded as expenditure for purposes of grants or appropriations.

Note 2.—Remissions of revenue allowed before collection are to be treated as reduction of demands and not as refunds.

204. Subject to the provisions of the relevant Acts and rules made thereunder, the sanction necessary for refunds of revenue will be regulated by the orders of the Local Administrations and by departmental rules and orders contained in the departmental manuals, etc.

The sanction may either be given on the voucher itself or quoted in it, a certified copy being attached when such orders are not separately communicated to the Accountant General.

205. Before a refund of any kind, otherwise in order, is allowed, the original demand or realisation as the case may be, must be traced and a reference to the refund should be so recorded against the original entry in the cash book or other documents as to make the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should, if possible, be taken back and destroyed and a note of the repayment recorded on the counterfoil of the receipt.

Note.—The instructions contained in this para. do not apply to the refunds of revenue on tobacco and industrial salt *vide* Treasury Rule 401.

III—GRANTS-IN-AID, CONTRIBUTIONS, ETC.

GRANTS TO PUBLIC BODIES, INSTITUTIONS, ETC.

206. 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 para. 13 of the Book of Financial Powers and detailed rules made by Local Administrations under the powers vested in them. The following instructions are issued for the guidance of sanctioning authorities in the matter of according sanctions for grants-in-aid.

207. (1) 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 order should also specify the time limit within which the grant or each instalment of it is to be spent.

(2) 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 Treasury Rule 406 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.

(3) 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 the 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 Pakistan Audit Department and it will be sufficient therefor 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 institution from the submission of accounts audited in this fashion.

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 statement.

Note.—This order applies both to non-official institutions and to semi-official ones, such as Public Clubs, etc.

208. In cases 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 counter-signature the grant-in-aid bill was drawn should be primarily responsible for certifying to the Accountant General, where necessary, the fulfilment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. The certificate should be furnished in such form and at such

intervals as may be agreed between the Accountant General and the 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 conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.

209. 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.

EXPENDITURE FROM DISCRETIONARY GRANTS

210. When under orders of competent authority, an allotment for discretionary grants is placed at the disposal of a particular officer, the expenditure from such grants will be regulated by general or special orders of the Local Administration, specifying the objects for which the grants can be made and any other condition that should apply to them. Such grants must be non-recurring, i.e., not involving any future commitments.

OTHER GRANTS

211. Grants, Subventions, etc., other than those dealt with in the foregoing paras, can be made only under special orders of Government.

IV—COMPENSATION TO CIVIL OFFICERS FOR LOSS OF PROPERTY

212. (1) All cases in which it is proposed to grant compensation to any civil officers for the accidental loss of his property should be referred to Government for orders through the Administrative Department concerned.

(2) Compensation will not ordinarily be granted to a Government servant for any loss to his property, which is caused by an act of God as, earthquake, floods, etc., or which is due to ordinary accident, which may occur to any citizen, e.g., loss by theft, or as the result of 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 forced to reside for the performance of his duties will not be considered as a sufficient ground for the grant of compensation. These points should be borne in mind while submitting proposals to Government.

V—SPECIAL POLITICAL EXPENDITURE

213. The following rules have been prescribed for the regulation of expenditure incurred in connection with special political missions and, subject to such special orders as may be issued by Government in particular cases, these rules should be observed by all officers placed in charge of such missions.

(1) For the purposes of account and audit the expenditure should be broadly divided into two classes:—

Class I.—Charges requiring the sanction of Government, either specific or general—

PAY AND ALLOWANCES

1. Pay of gazetted Government servants.
2. Pay of fixed establishment (both permanent and temporary).
3. Sumptuary allowance.
4. Outfit allowance.
5. Travelling allowance (if different from that admissible under the prescribed rules).
6. Free rations.
7. Compensation for dearness of provisions.
8. Other special allowances, if any.

Class II.—Charges which may be incurred by the officer-in-charge at at his discretion within the amount of the sanctioned appropriation—

Initial Charges

1. Purchase of tents.
2. Purchase of camp furniture and equipment.
3. Purchase of transport equipment.
4. Purchase of Toshakhana articles.
5. Purchase of mess equipment.
6. Purchase of transport animals.
7. Supply of warm clothes.

Recurring Charges

8. Transport charges i.e., camel, mule and cooly-hire.
9. Purchase of stationery.
10. Compensation—
 - (i) to camp followers for loss of transport animals.
 - (ii) to villagers for damage to crops, etc.
11. Rewards and Khilaas.
12. Secret Service expenditure.
13. Dak arrangements.
14. Mehmani to tribesmen and chiefs.
15. Payments to guides.
16. Improvement of roads.
17. Service telegrams and postage.
18. Fees and keep of transport animals.
19. Construction of boundary pillars.
20. Miscellaneous expenses.

(2) (i) Officers interested with such expenditure are required to submit, as early as possible, detailed estimates of probable expenditure classified as above. Under "Pay and Allowances" present emoluments and the special pay and other allowances proposed should be clearly indicated. If the grant of travelling allowances, other than those authorised under rule is in any case recommended, the precise nature (*e. g.*, exemption from the ten day's halt rule, increased daily or mileage allowance, etc.), of the concession should be specified and when free carriage is allowed it should be explained to what extent the ordinary or special travelling allowance should be reduced. The classes of officers entitled to rations, either free of charge or on payment, should be specified. A scale should be proposed for the issue of rations on payment as also, if necessary, for "compensation for dearness of provisions". No expenditure should be incurred under Class I in excess of the amounts sanctioned.

(ii) As regards expenditure under Class II, a fairly approximate estimate of the initial charges 1 to 7 can be prepared. The estimates for "Recurring charges" can, in the first instance, be a rough forecast only, but as soon as the officer is in a position to do so, a revised estimate should be submitted. Expenditures under Class II may be incurred up to the limit of the estimates under each head when these have been approved and under "Recurring charges" appropriations may be transferred from one head to another, provided the total allotment is not exceeded.

Note.—The classes of servants to whom warm clothing is to be granted and the maximum amount per head should be laid down in addition to the total grant for the purpose.

(3) An officer-in-charge of a special political mission should supply himself with funds by cheques drawn on treasuries against letters of credit as laid down in clause (i) of Treasury Rule 418 and accounts of expenditure incurred by him should be rendered to the Accountant General in accordance with the procedure laid down in clauses (ii) to (iv) of that rule.

(4) A supply of stationery as well as of Pay, Travelling Allowance and Contingent Bill forms should be obtained from the Controller of Printing and Stationery Karachi, and all charges should be drawn on the regular forms.

(5) Advances made for public expenditure will be held under objection until a detailed account duly supported by vouchers is furnished in adjustment of them.

(6) A store Account in Form G. F. R. 14 should be kept of the articles purchased for the Toshakhana, which at the close of mission should be submitted through Government to the Accountant General.

CHAPTER 11.—DEBT AND MISCELLANEOUS OBLIGATIONS OF GOVERNMENT

RUPEE DEBT

214. The management of Public debt in Pakistan and the maintenance of accounts relating thereto are vested in the State Bank of Pakistan. A substantial part of the work falls, however, on treasuries and sub-treasuries including those of certain States which have acceded to Pakistan.

215. The procedure to be followed in treasuries and other Government offices in dealing with securities of rupee loans issued by Government and in making payment of interest in respect thereof is regulated by the provisions of the Securities Act (Act X of 1920), as amended from time to time, and the statutory rules (Securities Rules) issued thereunder. Detailed rules, based mostly on the statutory rules referred to above, and the supplementary orders issued by Government from time to time are to be found in the Government Securities Manual issued under the authority of Government.

Note.—Unless there be anything repugnant in the subject or context, and without prejudice to the provisions of the law and the statutory rules mentioned above, the rules in the Government Securities Manual in so far as they deal with the procedure relating to disbursement of money from, and payment of money into, the Public Account are to be regarded as rules framed under Section 151(1) of the Government of India Act, 1935 as adapted by the Pakistan Provisional Constitution order 1947. Likewise, the rules in the Manual which prescribe the form of initial accounts to be kept at treasuries in respect of payment of interest of Government Securities, repayment of principal of terminable loans, receipt of subscriptions to new loans and of other allied transactions and the form in which the account of such transactions are to be rendered to the Accountant General, should be regarded as directions given by the Auditor General which the approval of the Governor General and will be subject to any directions contained in this behalf in Volume II of the Account Code.

216. Treasury Bills, National Savings Certificates and Post Office cash Certificates are special forms of Government Securities, which are issued and repaid under special rules and orders made by Government in this behalf. (See also rules 593, 594 and 598 of the Treasury Rules).

PROVIDENT FUNDS

217. The term 'Provident Funds' is strictly applicable to all 'Provident Funds, within the meaning of the Provident Funds Act, 1925 (XIX of 1925), as amended, which have been constituted for the benefit of Government servants including servants of State Railways under the administration of the Central Government. The procedure relating to the recovery of subscriptions to, and withdrawals from, such funds will be regulated strictly in accordance with the provisions of the respective Provident Fund Rules and the subsidiary instructions contained in Section III of Part VIII of the Treasury Rules.

The legal aspect of the provisions in the Provident Funds Rules has been dealt with in the "Memorandum explanatory of Government Provident Fund Rules *vis-a-vis* the law on the subject" which has been prepared by Government in consultation with its legal advisers (Appendix 12). The Memorandum, as stated in the preface thereto, is not exhaustive and exceptional cases may arise which are not covered by the instructions in the Memorandum but it will be found useful in dealing with the generality of cases arising under the various Provident Fund Rules.

218. The following instructions should be carefully observed by heads of offices with a view to the correct preparation of the Fund Schedules referred to in Treasury Rule 604 :—

(i) A complete list of subscribers to each fund should be maintained in each disbursing office in the form of the schedule.

(ii) Each new subscriber should be brought on this list and any subsequent changes resulting from his transfer or in the rate of subscription, etc., clearly indicated.

(iii) Except where it is otherwise provided in the rules of the fund concerned, changes in the monthly rates of subscription will be permissible only from the first of April each year, i. e., with effect from the pay for March drawn in April.

(iv) When a subscriber dies, quits the service or is transferred to another office, full particulars should be duly recorded in the list.

(v) In the case of the transfer of a subscriber to another office, the necessary note of transfer should be made in the list of both the offices.

(vi) From this list the monthly schedule to be appended to the pay bill should be prepared and agreed with the recoveries made before the submission of the bill to the treasury for payment.

SERVICE AND OTHER FUNDS

Indian Civil Service Family Pension Fund.

Superior Services (India) Family Pension Fund.

Indian Military Service Family Pension Fund.

Indian Military Widows' and Orphans' Fund.

Indian Civil Service (Non-European Members) Provident Fund.

Postal Insurance Fund.

219. Contributions, donations, etc., recoverable, and pensions and other benefits payable, in respect of the funds specified above will be regulated in accordance with the Rules of the respective funds and the subsidiary instructions contained in Treasury Rules 602 and 611.

220. Subscriptions to Family Pensions or other funds not under Government management may not be received in cash or by deduction from pay or pension bills except under special orders of Government (see Treasury Rule 603).

Note.—It must be distinctly understood that in the case of the General Family Pension Fund, the Hindu Family Annuity Fund and the Bengal Christian Family Pension Fund, Government exercises no supervision over the management of the Funds and is no way responsible for their solvency.

221. A detailed list of the subscriptions realised in cash on behalf of each fund showing the date and amount of each receipt and the name of the person on whose behalf it is paid in, should be submitted by the Treasury Officer to the Accountant General with the cash account of each month. This list will be a copy of a register maintained in the treasury.

222. The deposit accounts of these funds on the Government book will be credited with interest at such rates and at such intervals as may be prescribed by Government in each case.

Note.—Except in the case of the Bengal Uncovenanted Service Family Pension Fund, an important difference with regard to interest is made between subscriptions paid by deduction from pay-bills and subscriptions paid in cash, no interest being allowed for the month of payment on cash subscriptions received after the 4th of the month, whereas subscriptions deducted from a bill bear interest as though they had been received on the first of the month.

CHAPTER 12.—LOCAL FUNDS

INTRODUCTORY

223. (1) The transactions of local funds (as defined in Treasury Rule 652) are not included as such in the Public Account, except in so far as their cash balances may be deposited with Government under Treasury Rule 653 and accounted for under the deposit head "Deposits of Local Funds". The function of Government in regard to such deposits is that of a bank (see Treasury Rule 654).

(2) The main classes of local funds are :—

- (i) District Funds ;
- (ii) Municipal Funds ;
- (iii) Cantonment Funds ;
- (iv) Port and Marine Funds ;
- (v) Other miscellaneous.

Note.—The expression 'local body' as used in this Chapter means the authority legally entitled, or specially empowered by Government, to administer a local fund.

224. The financial transactions between Government and local bodies will be regulated by the following rules and by such other general and special orders as may be issued by Government in this behalf.

GRANTS TO LOCAL BODIES

225. The payment of the various classes of grants to local bodies will be governed by general instructions contained in paras. 206 to 209 and by such special orders as may be issued by Government in regard to each class of grant.

LOANS TO LOCAL BODIES

226. The detailed procedure to be followed in connection with the grant of loans to local bodies will be regulated by the provisions of the Local Authorities' Loans Act and other special Acts and by rules made thereunder (see also para. 237).

CHARGES RECOVERABLE FROM LOCAL BODIES

227. Unless any of the following arrangements have been authorised by Government, a local fund should be required to pay in advance the estimated amount of charges to be incurred or cost of services to be rendered by Government on account of the Fund :—

- (i) payments as made by Government may be debited to the balances of the deposits of the local fund in Government books ;
- (ii) recovery from the local fund may be postponed till the time when Government has to make payment for the charges ;
- (iii) payments may be made as advances from Government funds in the first instance, pending recovery from the local fund.

Note.—In case where a local fund has to pay for medicines supplied, but its liability cannot be accurately known within the year owing to the account of supplies not being available from the Defence Department by the 31st March, the local fund concerned should be required to pay during March a sum roughly estimated as the value of the medicines, any short or excess recovery being re-adjusted in the following year.

228 Any amount due to Government by a local body, including any amount overdue for payment in respect of loan, is subject to recovery by adjustment from any non-statutory grant sanctioned for payment to it. The authority signing or countersigning a bill for such a grant should see that this rule is observed as far as practicable.

REVENUE COLLECTED ON BEHALF OF LOCAL BODIES

229. Unless it be expressly authorised by law, proceeds of taxes, fines or other revenues levied or collected by Government may not be appropriated direct to a local fund without passing them through the general revenue account of Government, whether or not such taxes, fines, etc., are earmarked from the start for the purposes of the fund.

230. Subject to the provisions of relevant Acts and rules made thereunder, adjustments with local bodies in respect of revenue and other moneys raised or received by Government on their behalf will be made in such manner and on such dates as may be authorised by general or special orders of Government.

USE OF SERVICE POSTAGE STAMPS

231. Service Postage stamps may not be used by a local fund officer or any Government officer acting in a capacity connected with a local fund (such as, President or Secretary of a local fund committee), but they may be used on the correspondence of a public officer acting as such, even though the correspondence relates to the affairs of a local body.

Note.—Telegraphic messages, the charges for which are to be borne by local funds, should be classified as 'Private' and not as 'State'.

AUDIT OF ACCOUNTS

232. Subject to the provisions of any law or rule having the force of law, the accounts of local bodies will be audited by the Pakistan Audit Department under general agreement reached between Government and the Auditor General. The agreement extends also to the accounts of other non-Government bodies or institutions which, under any general or special order of Government have to be audited through Government agency.

233. Audit fees on the basis of daily rates prescribed by Government from time to time will be charged for the audit by the Pakistan Audit Department of the accounts of local and other non-Government funds, excluding Port Trusts and other funds for the audit of which the rates of fees recoverable are prescribed by law or by rules having the force of law.

Nothing contained in this para. shall be held to override any special instructions of Government exempting any particular local body or institution wholly or partially from the payment of audit fees.

ELIMINATION OF PIES

234. Except in respect of dues fixed by or under any law or under any special order of Government, financial transactions between Government and local bodies should be rounded off to the nearest anna, six pies and over being treated as one whole anna and amounts less than six pies being omitted.

(iv) No advance shall exceed 18 months' pay of Government servant, to whom it is made; not more than one advance shall be made for the same house; and no officer may receive a second advance while any portion of a previous advance with interest accrued thereon in accordance with para 251, is outstanding against him.

Note 1.—The full advance will be admissible only to those who are less than 49 years of age on the date of the repayment of the first instalment of the advance. In the case of those who are above the age of 49 years, the amount of the advance should be reduced so much as would enable the recovery at the rate of not more than one fourth of the Government servant's pay in any one month of the total amount advanced, including interest possible before the retirement of the Government servant. For instance, a Government servant, who is 50 years of age on the date on which recovery of the advance is to commence, should get a house building advance equal to his 15 months pay, ($\frac{1}{4} \times 60$; i.e. the number of months for which the Government servant has still to serve).

Note 2.—In a case where a Government servant draws a part of the house building advance from his Provident Fund balance, the total of the house building advance and advance from the Provident fund should be limited to 18 months' pay of the Government servant concerned.

(v) Advances will be recovered by the deduction of monthly instalments, of not less than 15% of the pay of the Government servant concerned from his pay bills. In the case of those who at the time of the repayment of the first instalment of the advance are more than 45 years of age, the rate of recovery will be such higher rate than 15% of pay as would enable the recovery of the principal together with interest possible before the retirement of the officer. The authority sanctioning an advance may permit recovery to be made in a smaller number of instalments, if the officer receiving the advance so desires. The amount of interest calculated in accordance with para 251 will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

Note 1.—The amount of the advance to be recovered monthly should be fixed in whole rupees except in the case of the last instalment when the remaining balance, including any fraction of a rupee, should be recovered.

Note 2.—The instalments should be recovered in cash during the periods of leave without pay. If the Government servant fails to pay any such instalments in cash, the arrears of instalments falling due during period of leave without pay should be recovered in lump sum from the first payment of pay or allowances which may become due to the Government servant at the end of that leave.

(vi) In order to secure Government from loss consequent on a Government servant dying or quitting the service before complete repayment of the advance with interest accrued thereon in accordance with para 251, the house so built together with the land it stands upon must be mortgaged to Government, by whom the mortgage will be released on liquidation of the full amount due.

Note.—The mortgage bond will be prepared in form G.F.R. 23 and the reconveyance in form G.F.R. 24.

(vii) The officer must satisfy the sanctioning authority regarding his title to the land upon which the house is or is proposed to be built.

Note 1.—This rule does not preclude the grant of an advance to a person who does not possess full proprietary rights in the land upon which he intends to build, provided the sanctioning authority is satisfied that the applicant has a lease of which the unexpired portion is of a term and value sufficient to justify the grant of the advance and that there is no danger of the lease lapsing or of Government being unable to dispose of it, should it become necessary to foreclose the mortgage. In examining the mortgagor's title care should be taken to see that the lease does not prevent any subdemise by the lessee (the mortgagor.). The mortgage bond in such cases will be prepared in form G. F. R. 25

In cases in which ground rent, municipal taxes and similar dues are payable to local authorities on account of land taken on lease, the sanctioning authority may, at its discretion ask the Government servant taking the advance to produce for inspection receipts for these payments within fifteen days of their falling due. If the sanctioning authority finds that such dues have not been paid by the borrower steps may be taken to recover the said dues including interest thereon, if any, from the pay of the Government servant concerned for payment to the parties concerned.

Note 2—The applicant's title to the property should be examined by the sanctioning authority before the advance is actually paid, and in cases where there is any doubt as to the validity of that title, the Revenue and Registration authorities or if technical legal advice is necessary, the Law Officers of Government, should be consulted. It should be seen that he has undisputed title to the land on which it is proposed to build and that there will be no legal obstacle to the property being mortgaged to Government; and that Government will have the right of foreclosing on the conditions mentioned in the mortgage bond.

Note 3—This rule does not also preclude the grant of advances for the purpose of building houses on plots of land taken on lease from Government in Nazimabad, Karachi. The grant of an advance in such cases is, however, subject to the condition that the applicant executes an agreement in form G. F. R. 26. Advances sanctioned under this note will be made in instalments.

Note 4—The Head of the Office in the case of a non-gazetted Government servant and the Controlling Officer in the case of a gazetted Government Servant should when asking for the authority for payment, send to the principal Auditor concerned a certificate either in the bill in which the advance is drawn, or separately, to the effect that the mortgage bond in form G. F. R. 23/25 has been executed by the Government servant taking the advance and that it has been duly registered.

Note 5—This rule does not preclude the grant of advances for the purpose of building houses on plots of land acquired in Karachi through the co-operative housing societies registered under the Bombay Co-operative Societies Act, 1925 even though in such cases the Government servant concerned becomes entitled to a lease of 99 or 50 years only on the completion of the house, on the plot allotted. The grant of the advance will be subject to the condition that the Government servant shall not acquire land from the societies concerned on such terms and conditions as will prevent him from alienating the land.

Advances on account of development charges will be allowed when the societies demand these charges from the Government servant concerned. At the time of the drawal of such advances the Government servant must sign an agreement in Form G.F.R. 27. He should be required, as soon as it is possible for the societies to allot the land to him, to produce original documents showing that the land has actually been allotted to him. When he has been allotted land and wishes to draw further advances from the construction of a house, advances will be allowed up to a maximum of 25% of the total house building advance sanctioned in his case. At the time of drawal of this instalment he must be called upon to execute an agreement in Form G.F.R. 31. This instalment is intended to enable him to start building the house and to complete at least the plinth. As soon as practicable and in any case, not later than three months from the date of the drawal of this instalment, he must produce a certificate from the Executive Engineer appointed by the Government for the purpose to the effect that the plinth has been finished. Thereafter, he should be asked to execute a mortgage deed in Form G.F.R. 25. Further instalments, based on the progress of the work, will be allowed on the fulfilment of the above conditions.

Note 6—Advances may also be given where considered necessary for the purchase of land or for leasing land on which to construct a house, if the other conditions laid down in this paragraph are satisfied and the total amount of the advance for the purchase or leasing of the land and the construction of the house does not exceed 18 months' pay of the officer concerned.

CHAPTER 13—LOANS AND ADVANCES

I—INTRODUCTORY

235. Loans and advances made by Government fall under the following main heads:—

A. Loans and advances bearing interest—

- (i) Loans to Provincial Governments.
- (ii) Loans to States which have acceded to Pakistan.
- (iii) Loans to Local Funds, Private individuals, etc. These comprise—

- (1) Loans to Major Port Trusts ;
- (2) Loans to Municipalities ;
- (3) Loans to District and other Local Fund Committees ;
- (4) Loans to Land-holders and other Notabilities ;
- (5) Advances to cultivators under various Acts ;
- (6) Advances under special laws ;
- (7) Miscellaneous loans and advances.

(iv) Advances to Government servants for building houses and for purchase of conveyances, etc.

B.—Interest-free Advances.

(i) Advances repayable—comprising mostly miscellaneous advances to Government servants for various public purposes.

(ii) Permanent advances.

Note.—Although the advances to Government servants for journeys on tour and for other miscellaneous purposes specified at items (ii) to (iv) of para. 270 are debited to the service heads concerned, (vide Note below para. 270) they have been dealt with in this chapter for the sake of convenience.

236. The rules in this chapter should be observed generally by all departments, etc., in making loans and advances of public money, unless there be any special rule or order of Government to the contrary.

II—GENERAL RULES

SANCTION

237. (1) The grant of loans and advances in cases mentioned in clauses (i), (ii) and (iii) under "A—Loans and advances bearing interest" in para. 235 will require the sanction of Government.

Note.—The powers delegated to Heads of Local Administrations and other subordinate authorities to sanction loans and advances to local bodies, etc., in particular cases are embodied in the Manuals of the Accountant General concerned.

(2) The powers delegated to subordinate authorities to sanction loans and advances to Government servants are regulated by the orders contained in paras. 256 *et seq.* Detailed rules relating to Permanent advances are contained in para. 132.

ESTIMATES

238. Provision should be made in the Budget for all loans and advances which can be foreseen. Heads of Local Administrations and other estimating authorities should, therefore, make a timely estimate both of the gross advances and recoveries of the coming year and should communicate it to the Accountant General for inclusion in his estimates.

CONDITION OF REPAYMENTS

239. Recoveries of loans granted to Provincial Governments and States which have acceded to Pakistan are governed by special orders of Government which must specify the terms and conditions under which loans are to be granted and repaid in each case.

Recovery of the amounts advanced to Government servants is governed by the detailed instructions laid down in paras. 252 and 256, *et seq.*

240. The following general instructions apply to all loans and advances to local bodies, etc., other than advances to cultivators, etc., which are governed by special rules, and subject to the provisions of relevant Acts or rules made thereunder, the conditions under which the loans are granted should be regulated accordingly :—

(i) A specific term should be fixed which should be as short as possible within which each loan or advance should be fully repaid with interest due. The term may in very special cases extend to 30 years.

(ii) The term is to be calculated from the date on which the loan is completely taken up or declared by competent authority to be closed.

(iii) The repayment of loan should be effected by instalments, which should ordinarily be fixed on a half-yearly basis, due dates for payment being specially prescribed.

(iv) Instalments paid before the due date will be taken entirely to principal unless, of course, any interest for a preceding period is overdue.

241. When a loan of public money is taken out in instalments, the first half-yearly repayment should not be demanded until six months after the last instalment is taken; meanwhile simple interest only should be realised. But should it appear that there is an undue delay on the part of the debtor in taking out the last instalment of a loan, the authority sanctioning the loan may at any time declare the loan closed, and order repayment of capital to begin. The Accountant General will bring to notice any delay that appears to him to require this remedy and he will take this step whether there are any dates fixed for taking of instalments or not.

Note 1. If, in any case particular dates have been fixed for the payment of interest or the repayment of instalments of a loan, then such repayments should not, begin until the second of the half-yearly dates so fixed, after the loan has been completely taken up simple interest only being recovered on the first half-yearly date after the completion of

the loan. For example, supposing a loan the interest on which is recoverable half-yearly to be completely taken up on 31st March and the interest to be payable on 30th June and 31st December, the first half-yearly instalment in repayment of principal will not be due until 31st December following simple interest only will be due on the intermediate 30th June.

Note 2. These instructions are applicable *mutatis mutandis*, to loans the repayments of which are made by other than half-yearly instalments.

Note 3.—It must be remembered that the calculation fixing the amount of equal periodical instalments, by which an advance is repaid with interest, presupposes punctual payment of the instalments, and that, if any instalment is not punctually repaid, the fixed instalment will not in the end discharge the loan.

242. Borrowers should be required to adhere strictly to the terms settled for the loans made to them. Modifications of these terms in their favour can be made subsequently only for very special reasons.

INTEREST

243. (1) Interest should be charged at the rate prescribed by Government for any particular loan or for the class of loans concerned.

(2) A loan bears interest for the day of advance, but not for the day of repayment. Interest for any shorter period than complete half-year should be calculated as $\frac{\text{number of days yearly rate of interest}}{365}$ unless any other method of calculation is prescribed in any particular case or class of cases.

DEFAULTS IN PAYMENT

244. (1) Any default in the payment of interest upon a loan or advance, or in the repayment of the principal, will be promptly reported by Accountant General to the authority which sanctioned the loan or the advance. On receipt of such report, the authority concerned should immediately take steps to get the default remedied.

Note.—The responsibility of the Accountant General under this rule refers only to the loans the detailed accounts for which are kept up by him. (See para. 247).

(2) The authority which sanctions a loan may in so far as the law allows enforce a penal rate of compound interest upon all overdue instalment of interest or principal and interest. If a penal rate is enforced it should not, except under special orders of Government, be less than 8 per cent per annum.

IRRECOVERABLE LOANS AND ADVANCES

245. A competent authority may remit or write off any loans or advances owing to their irrecoverability or otherwise. (See para. 47.)

246. In respect of Revenue and other advances, for the detailed control, accounting and supervision of which departmental officers are responsible, it is the duty of the departmental authorities concerned, as soon as any such advance is ascertained to be irrecoverable, to take the necessary steps to get it written off the accounts under the sanction of competent authority, and to advise the Accountant General, in order that he may make the necessary adjustment in the accounts. Irrecoverable advances written off should nevertheless be registered by the Departmental authorities in a separate account or record, in order that any possible eventual recovery may be made.

ACCOUNTS AND CONTROL

247. Subject to such general or specific directions as may be given by the Auditor General in this behalf, detailed accounts of individual loans and advances other than those mentioned below will be maintained by the Accountant General who will watch their recovery and see that the conditions attached to each loan or advance are fulfilled.

In the case of Revenue and other advances mentioned in Rules 664 and 668 of the Treasury Rules, the responsibility for supervision, accounting and control devolves upon the departmental authorities and detailed rules and instructions governing them are contained in the departmental regulations.

ANNUAL RETURNS

248. Each Accountant General will submit to Government an annual statement showing the details of outstanding loans and advances borne on his books under the head "Loans and Advances by the Central Government other than loans to State which have acceded to Pakistan. The statement will be submitted in Form G. F. R. 15 not later than the 30th September of the following year.

III—LOANS AND ADVANCES TO GOVERNMENT SERVANTS.

GENERAL.

249. Subject to the provisions of Rule XI in para 253—A, the rules in paras 253—A to 271 do not ordinarily apply to Government servants who are not in permanent Government employ. As the pay of such persons does not constitute adequate security for a loan, advances should not ordinarily be granted to them. In special cases, however if the circumstances admit of the provision of adequate security, advances may be granted in accordance with the terms of these rules to officiating or temporary Government servants without substantive appointment under general or special sanction of the Ministry of Finance.

250. It is not permissible to sanction a loan or advance to a Government servant which involves a breach of any of the basic principles laid down in para 10. In any case in which a cash grant would be within the powers of sanction of a particular authority, the grant of an advance not exceeding the cash grant will not require the sanction of a higher authority.

251. Simple interest at the rate fixed by Government for the purpose should be charged on advances granted to Government servants for buildings houses and for the purchase of conveyances under paras 253—A and 256 to 263 and for passages the grant of which is regulated by the rules in para 264. The interest should be calculated on balances outstanding on the last day of each month.

Note. 1. In cases, where pay bills for a month are disbursed before the end of the month, an instalment in repayment of an advance received through the pay bill will be taken as having been refunded on the first of the following month, the normal date for the disbursement of pay.

Note. 2. If in any particular case any advance is drawn in more than one instalment, the rate of interest recoverable should be determined with reference to the date on which the first instalment is drawn.

252. All advances are subject to adjustment by the Government servants receiving them in accordance with the rules applicable to each case. When an advance is adjustable by recovery, the amount to be recovered Monthly should not be affected by the fact of the borrowing Government servant going on leave of any kind with leave salary or his drawing "subsistence grant. The sanctioning authority may in exceptional cases order a reduction in the amount of the monthly instalment, provided that in the case of interest-bearing advances to Government servants, the whole amount due should be completely recovered within the period originally fixed.

253. In the case of interest-bearing advances to Government servants, an authority empowered to deal with an application for an advance should not issue an order of sanction until the Accountant General has certified that funds are available in the year in which the payment of the advance will be made,

INTEREST-BEARING ADVANCES

HOUSE-BUILDING ADVANCES.

253—A. Advances to Government servants for the construction of houses are regulated by the following rules:—

1—Advances may be made under the sanction of Ministries of the Government of Pakistan, Heads of Departments, and Heads of Circles in the Pakistan Posts and Telegraphs Department, to Government servants, who desire to build houses, for occupation by themselves, at Karachi, Rawalpindi, Lahore, Dacca, Chittagong and Saidpur. The advances will be given only to those who are actually serving at these places. No advance is ordinarily permissible to a Government servant who is likely to be transferred or to retire before complete recovery can be effected.

Note (1)—Class IV Government servants are not entitled to house building advances.

Note 2.—Advances will be granted only for the construction of new houses. No advance will be granted for the purchase or repairs of an existing house.

Government of Pakistans' Decision

(1) As no transferable officer can ordinarily be expected to be kept on in any one station for a very long period, it has been decided that the officers, who are liable to transfer, should not be excluded as a Class from the scope of the orders regarding house building advances. The advances should be refused only in cases where it is definitely known to the sanctioning authority that the officer concerned is likely to be transferred within a short period.

(Government of Pakistan, Ministry of Finance, Office Memorandum No. F. 43 (4)-RI-49 dated 8th October, 1949).

(2) If an officer has drawn a part of the advance and is transferred to a station where house-building advances are not available, and if he has entered into commitments for the construction of the house at the original place of his duty and the revocation of these commitments

would put him to loss, he will be allowed to draw the remaining portion of the advance.

(ii) All such advances must be *bona fide* required for the purpose of building suitable houses for the personal residence of the officers concerned, and if more is advanced than shall be actually expended for the purpose, the surplus shall be refunded to Government.

(iii) The advances should be drawn by instalments, the amount of each instalment being such as is likely to be required for expenditure in the next three months. Satisfactory evidence should be produced to show that the amount of the instalment has been actually utilized for the purpose for which it was drawn before the next instalment is paid. The repayment shall commence from the fourth issue of pay after the first instalment is taken and be completed in 10 years in the case of Government servants who at the time of the repayment of the first instalment are below the age of 45 years. In the case of those, who would at the time of such repayment be attaining the age of 45 years, but would not be attaining the age of 49 years, the number of instalments by which recovery is effected, shall be so regulated as to enable the recovery of the total amount advanced, including interest, possible before the date on which the officer would be reaching the age of 55 years.

Note 1.—The bills for the drawal of the advances when presented to audit should be accompanied by a certificate in the following form from the Controlling Officer in the case of gazetted officers and the drawing officer in respect of non-gazetted Government servants.

“Certified that the amount (Rs.....) being the..... instalment to words the house building advance granted to Mr..... is likely to be required for expenditure in the next three months*, and that I am satisfied that the amount previously advanced has actually been utilized for the purpose for which it was drawn*.

Signature of Controlling/Drawing Officer.

Note 2.—It is possible to carry out construction work in Karachi more speedily than at other places. Government servants applying for advances for the construction of houses in Karachi may be allowed to draw up to 70% of the advance at the time of starting construction.

The balance may be allowed when the shell of the house is completed. For calculating these instalments the advance drawn by the Government servant concerned to meet the development cost will not be taken into account.

The following illustration will make the intention clear :—

	Rs.
Total advance admissible	10,200
Amount drawn to meet development cost	200
Amount to allowed at the time of construction @ 70% ..	7,000
Amount to be sanctioned when shell is completed. ..	3,000

*This portion may be deleted if the bill is drawn for the first instalment.

The Government servant should sign an agreement in form G.F.R. 28 at the time of taking an advance for the purchase of land and the amount should not exceed what is required for the purpose. A mortgage deed in Form G.F.R. 29 should be executed before any further advance is drawn for the purpose of constructing the house. The mortgage deed must be registered within 4 months of its execution.

The Government servants who acquire land on lease, should sign an agreement in form G.F.R. 27 at the time of taking an advance for the leasing of the land and the amount should not exceed what is required for the purpose. A mortgage deed in form G.F.R. 25 should be executed before any further advance is drawn for the purpose of constructing the house.

The mortgage deed must be registered within 4 months of its execution.

In order to save Government from loss, the applicant's title to the property should be carefully examined by the sanctioning authority and the instructions laid down in appendix 20 should be followed.

VIII. An officer quitting or removed from the station where he has built a house, before the whole amount due has been liquidated, will continue liable to the deduction of his monthly instalment until the advance with interest accrued thereon in accordance with para 251 has been repaid; but with the special sanction of the local Government, he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due; or to transfer it to any officer of his own or higher rank, the future deductions being made from the pay of such officer.

IX. Applications for advances must be made through the applicant's departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the house is completed, they will be at once refunded to Government.

X. The last-pay certificate granted to Government servants under advances must specify the original amount of such advance, the amount repaid and the balance together with interest accrued in accordance with para 251 remaining due.

XI. Advances may be granted to temporary Government servants, who have had at least 4 years continuous Government service, subject to the provisions of this paragraph and the following conditions:—

(1) The applicant must produce :

(a) A certificate from the Head of his Department that he is employed against a regular post and not against a post sanctioned for a specified period and that he has been declared fit for permanent retention in the post :

(b) A certificate from the Head of the Department that he is eligible for permanent retention in the post in accordance with orders of Government applicable to his post.

(c) Security of two permanent government servants, who can be released when the house has been built and mortgaged to Government. The sureties should be such as would not retire before the house is built and mortgaged. The surety bond should be furnished by the temporary Government servants in form G. F. R. 30. The bond should be stamped as required under the Stamp Act. of the Province in which it is executed.

(ii) In cases where the applicant is not a member of any co-operative house-building society registered under Co-operative Societies Act, 1912, the land for the house should be acquired and mortgaged to Government before the first installment of the advance is paid to him.

ADVANCE FOR THE PURCHASE OF CONVEYANCES GENERAL RESTRICTIONS

254. Government servants may be granted advances under the provisions of the following rules to purchase conveyances (including animals) when it is in the interest of the public service that they should use conveyances provided that in the case of the purchase of bicycles, an advance may be granted if in the opinion of the sanctioning authority the possession of a bicycle will add to the efficiency of the Government servant concerned.

255. The powers of competent authority under rules in paras 256 to 263 may be exercised by Heads of Local Administrations, Ministries and Divisions of the Central Government and heads of departments in the case of officers serving under them.

ADVANCE FOR THE PURCHASE OF A MOTOR CAR OR A MOTOR BOAT

256. Subject to the general provisions of para 254 above and the orders of the Government of Pakistan issued from time to time, a competent authority may sanction an advance to a Government servant for the purchase of a motor car or a motor boat, provided that the following conditions are fulfilled:—

(i). The total amount to be advanced to a Government servant should not exceed Rs. 7,500 or four months' pay, or the anticipated price of the car or boat, whichever is less. If the actual price paid is less than the advance taken, the balance must be forthwith refunded to Government.

Note 1.—For the purpose of an advance drawn in England in respect of a motor car, "actual price" may also include, in cases in which the advance drawn include estimates of these charges, the amount of freight actually paid on the car up to a Pakistani port, the cost of its insurance during the voyage and the customs duty paid in Pakistan.

Note 2.—The grant of an advance under this rule to a Government servant who proceeds on deputation out of Pakistan and desires a motor car for the use during the deputation is not admissible.

(ii) A Government servant who is on leave or is about to proceed on leave and for whom an advance has been approved will not be allowed to draw the advance earlier than a week before the expiry of the leave; but a Government servant who is on leave elsewhere than in Pakistan, Burma,

Nepal, Ceylon and Aden or is about to proceed on such leave, may be allowed to take it from the High Commissioner for Pakistan in U.K. six weeks before his departure for Pakistan.

(iii) A Government servant taking on advance from the High Commissioner for Pakistan in U.K. for the purchase of a motor car under sub-clauses (ii), may include in the amount of the advance required charges separately estimated on account of freight on the motor car to a Pakistani port and of the customs duty thereon payable in Pakistan as also the cost of its insurance during voyage. In the case of a Government servant who purchases a car in Europe prior to six weeks of his departure back to Pakistan no advance will be allowed to be drawn in England but on bringing the car into Pakistan such Government servant may apply for an advance to cover the price of the car as valued on landing in Pakistan for customs purposes (which will include the freight) and the cost of insurance, plus the customs duty paid on the car. The customs receipt should be produced in both cases.

Notes.—An officer, who purchases a car in Europe prior to six weeks of his departure back to Pakistan and who does not hold a post for which a motor car has been definitely recognized by Government to be necessary, should if he proposes to, apply for an advance on return to Pakistan inform the sanctioning authority concerned of his intention and obtain his consent before he brings the car to Pakistan.

(iv) Recovery will be made by deducting monthly instalments equal to one-thirty sixth part of the advance from the payable of the Government servant, concerned. It will commence with first issue of pay after the advance is drawn. The authority sanctioning an advance may, however, permit recovery to be made in a smaller number of instalments if the Government servant receiving the advance so desires. The amount of interest calculated in accordance with para 251 will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal was recovered. The recovery of interest will commence from the month following that in which the repayment of the principal has been completed,

Note.—The amount of the advance to be recovered monthly should be fixed in whole rupees, except in the case of the last instalment when the remaining balance including any fraction of a rupee should be recovered.

(v) Except when a Government servant proceeds on leave not being leave on average pay not exceeding four months (or privilege leave, earned leave not exceeding 90 days or any other leave which is treated as equivalent to 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 rendered the possession of a motor car or motor boat necessary, previous sanction of competent authority is necessary to the sale by him of a car or a boat purchased with the aid of an advance which with interest accrued has not been fully repaid. If a Government servant wishes to transfer such a car or boat to another Government servant who performs the duties of a kind that render the possession of the conveyance necessary, he may be permitted under order of competent authority to transfer the liability attaching to the car or boat to the latter Government servant, provided that he records a declaration that he is aware that the conveyance transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.

(vi) In all cases in which a car or a boat is sold before the advance received for its purchase from Government with interest has been fully

repaid, the sale proceeds must be applied, so far as may be necessary, towards the repayments of such outstanding balance, provided that when the car or is sold only in order that another car or boat may be purchased, the authority sanctioning the sale may permit a Government servant to apply the sale proceed towards such purchase, subject to the following conditions :—

- (1) the amount outstanding shall not be permitted to exceed the cost of the new car or boat ;
- (2) the amount outstanding shall continue to be repaid at the rate previously fixed : and
- (3) the new car or boat must be insured and mortgaged to Government as required by these rules.

Note 1.—An officer may be allowed advances to purchase more than one car or boat at a time if it can be shown that such action is clearly desirable in the public interest and provided that the total amount outstanding at any one time by way of such advances against a particular officer does not exceed the limit within which advances may be given.

Note 2.—Advances for purchase of motor cars may also be allowed to Ministers of the Government of Pakistan and to the Ministers of State on the same terms as they are allowed to Government servants. The Minister or the Minister of state should refund the entire amount outstanding against him if he demits office before the full amount of the advance has been repaid.

257. A Government servant who draws an advance in Pakistan for the purchase of a motor car or a motor boat is expected to complete his negotiations for the purchase of, and pay finally for the car or boat, within one month of the date on which he draws the advance ; failing such completion and payment, the full amount of the advance drawn, with interest thereon for one month, must be refunded to Government. This condition should always be mentioned in letters sanctioning such advances.

258. (1) At the time of drawing the advance the Government servant should be required to execute an agreement in Form G.F.R. 16 and, on completing the purchase, he should further be required to execute a mortgage bond in form G.F.R. 17 hypothecating the car or the boat to the Governor-General as security for the advance. The cost price of the car or the boat should be entered in the schedule of specifications attached to the mortgage bond.

(2) In the case of advances drawn in England, a similar agreement and a personal security bond in the prescribed form will be executed at the time of drawing the advance and at the time purchase respectively.

259. When an advance is drawn, the sanctioning authority should furnish to the Accountant General a certificate that the Agreement in form G.F.R. 16 has been signed by the Government servant drawing the advance and that it has been examined and found to be in order. The sanctioning authority should see that the conveyance is purchased within one month from the date on which the advance is drawn and should submit every mortgage bond promptly to the Accountant General for examination before final record.

The mortgage bonds should be kept in the safe custody of the sanctioning authority. When the advance has been fully repaid, the bond should

- (iv) The security from a permanent Government servant should be obtained before an advance is sanctioned to a temporary Govt. servant.
- (v) The sanctioning authority should satisfy himself that the Government servant is likely to continue in service till such time as the advance is completely recovered.
- (vi) If the Government servant concerned is to be discharged before complete recovery of the advance, the amount outstanding against him shall be recovered in lump sum before his services are dispensed with.
- (vii) The Head of the office concerned should satisfy himself that the advance is actually utilized for the purchase of a cycle.

Note.—These orders will not be applicable to Class IV Government servants.

SSAGE ADVANCES

264. Special rules for the grant of advances of pay for passages overseas of certain Government servants of non-Asiatic domicile and their families are laid down in Appendix 13.

Note.—Special passage advances made in England by the High Commissioner for Pakistan in U. K. at his discretion to enable Government servants to return to duty should be recovered in 36 monthly instalments and bear interest at the rate fixed by Government (See para. 251).

INTEREST-FREE ADVANCES

ADVANCES TO GOVERNMENT SERVANTS ON TRANSFER, TOUR, ETC.

Advances on Transfer

265. Advances may be made to a Government servant under orders of transfer, up to an amount not exceeding one month's substantive pay plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer. Such advances may be sanctioned by the head of the office or by any other subordinate officer to whom the power may be delegated.

The advances should be recorded on the Government servant's last pay certificate. The advance of pay should be recovered from the pay of the Government servant in not more than three monthly instalments, the recovery commencing from the month in which the Government servant concerned draws a full month's pay or/and leave salary on joining his new appointment. The advance of travelling allowance should be recovered in full on submission of the Government servant's travelling allowance bill.

Note 1.—Authorities competent to sanction advances under this rule may sanction such advances for themselves also.

Note 2.—An advance under this rule is also admissible to a Government servant who receives orders of transfer during leave.

Note 3.—This rule does not preclude the grant of a second advance to a Government servant to cover the travelling expenses of any member of his family who follows him within six months from the date of his transfer and in respect of whom an advance of travelling allowance has not already been drawn.

Note 4. When a single lump sum advance is drawn to cover the travelling expenses both of the Government servant himself and of his family, it may be adjusted by the submission of more than one bill if it so happens that the members of the Government servants' family do not actually make or complete the journey with him. In such a case the Government servant should certify on each adjustment bill submitted by him, that a further bill in respect of travelling allowance of the members of his family (to be specified) who have not yet completed the journey will be submitted in due course and is expected to include an amount not less than the balance of the advance left unadjusted in this bill.

Note 5—The advance of pay under this rule may be allowed to be drawn at the new station soon after the arrival of the Government servant there on production of the last-pay certificate showing that no advance was drawn at the old station.

Note 6.—The amount of the advance to be recovered monthly should be fixed in whole rupees, the balance being recovered in the last instalment.

ADVANCES ON ARRIVAL IN PAKISTAN ON FIRST APPOINTMENT OR ON RETURN FROM LEAVE OR DEPUTATION OUT OF PAKISTAN

266. Advances may be granted to a Government servant not subject to Military rules—

(i) on arrival in Pakistan on first appointment of an amount not exceeding two months' substantive pay less the amount of any advance made in England.

Note.—When a Government servant on arrival in Pakistan asks for an advance and produces no last-pay certificate, an advance may be granted by the Accountant General concerned, on the Government servant furnishing a declaration that he has not received any advance in England.

(ii) On return from leave or deputation elsewhere than in Pakistan, India, Ceylon, Nepal, Burma and Aden of an amount not exceeding two months' substantive pay or Rs. 1,000, whichever is less, in addition to any advance made in England; provided that the leave was not leave on average pay not exceeding four months or any other leave equivalent thereto [See para. 256 (v)] and that no advance has been drawn under para. 265.

267. These advances may be drawn on the authority of the Accountant General from any treasury specified by him. Such advances, as well as similar advances made in England, are recoverable by monthly instalments of one-third of pay fixed in whole rupees.

Note 1.—The recovery of an advance made under the Military Leave Rules to a Military officer in Civil employ subject to the Military Leave Rules is regulated by these rules.

Note 2—Advances made to covenanted Mechanics, Boiler-makers, etc., of the State Railway Establishments, should be recovered in monthly instalments of one-sixth of pay fixed in whole rupees. In the case of covenanted Engine Drivers of the State Railway Establishment, the recovery should be made in such a manner as will ensure their receiving in any month not less than Rs. 25 exclusive of overtime or other allowances.

ADVANCES TO SURVEY OFFICERS TO JOIN FIRST APPOINTMENT

268. Advances may be made to a Survey Officer to enable him to join his first appointment, on the requisition of the Director General Survey of Pakistan. The requisition and the Government servant's receipt must be submitted in support of the charge.

ADVANCES FOR JOURNEYS ON TOUR

269. Advances may be made under the rules specified below :—

(i) To a Government servant, other than an inspecting officer, for himself or an Assistant or Deputy, proceeding on tour, up to an amount sufficient to cover for a month his contingent charges, such as those for the hire of conveyances or animals for the carriage of records, tents or other Government property, subject to adjustment upon the Government servant's return to headquarters or 31st March, whichever is earlier.

Note.—Advances under this sub-clause may be granted by heads of offices but they should not be applied to the expenditure of any Gazetted Government servant, except that of a Government servant of the Forest Department, which is meant to be covered by his travelling allowance.

(ii) To non-gazetted Government servants or class IV servants accompanying officers on tour or proceeding on inspection or other special work, by the head of their office, of an amount sufficient to cover their personal travelling expenses for a month, subject to adjustment on return to headquarters or 31st March, whichever is earlier.

(iii) To Gazetted Government servants, when proceeding on long and expensive tours, of an amount sufficient to cover their personal travelling expenses for a month, subject to adjustment on completion of their tours or on 31st March, whichever is earlier. Such advances are not to be granted as a matter of course, but only on occasions when the cost of travelling is so heavy as to be a serious tax on a Government servant's private resources.

Note.—Advances under this sub-clause may be granted by heads of departments who may exercise the power for sanctioning advances for themselves as well.

(iv) To Government servants of the Archaeological Departments by the head of an office of that Department subject to the conditions prescribed in sub-clause (iii) above. In cases of urgency such advances may be paid from the permanent advance of the head of the office.

Note 1.—A second advance cannot be made to a Government servant under this rule until an account has been given of the first.

A Government servant who has taken an advance under this rule for any particular journey may not take payment in travelling allowance or other bills drawn in respect of the same journey while the advance or any portion of it still remains unadjusted.

Note 2.—Subject to the restrictions specified above advances under this rule may be granted in all cases of journeys in respect of which travelling allowance is admissible as for a journey on tour.

OTHER ADVANCES

270. Advances may be granted—

(i) by the Collector to a Treasury Officer or District Superintendent of Police for expenses connected with a remittance of treasure, to be adjusted when the duty is completed ;

(ii) by the head of an office, for law-suits to which Government is a party ;

(iii) by the Director General of Archaeology of officers of the Archaeological Survey for the purchase of antiquities up to a maximum of Rs. 500 in one case ; and

(iv) by the Director General to Government servants of the Provincial and Upper Subordinate services of the Survey of Pakistan, of an amount not exceeding Rs. 300 towards the cost of purchasing riding horses or riding camels, on condition that the advances are refunded in the pay bills of the Government servants in three monthly instalments in the case of those belonging to the provincial Service and in six monthly instalments in the case of Upper Subordinates.

Notes.—The advances mentioned in para. 269 and clauses (ii) to (iv) of this para. are treated as final charges, not as advances recoverable, and are to be drawn and accounted for as travelling expenses or contingent charges of establishments.

ADVANCES FOR ANTI-RABIC TREATMENT

271. Advances to Government servants and others proceeding to a Pasteur Institute or Centre for anti-rabic treatment should be regulated by the rules contained in Appendix 14.

SPECIAL ADVANCES

272. Interests-free advances to Government officers and others for special departmental purposes will be regulated by special orders issued by Government or by the Heads of Local Administrations, as the case may be, in each case.

Notes.—Superintending Engineers may sanction advances to Engineering subordinates for the purchase of a tent on the first occasion of their requiring one. Such an advance should be limited to a reasonable amount and recovered in twelve equal monthly deductions from pay commencing three months after the date of the advance.

CHAPTER 14.—MISCELLANEOUS SUBJECTS

I.—SECURITY DEPOSITS

273. Rules regarding the security of Treasurers in district treasuries and the form of security bond to be executed by Treasurers are given in Treasury Rules 55 and 56. The following instructions apply generally to securities to be taken from other officials entrusted with the custody of cash or stores.

274. Subject to any special rule or order made by Government in this behalf every cashier, storekeeper and other subordinate who is entrusted with the custody of cash or stores should be required to furnish security, the amount being regulated according to circumstances and to local conditions in each case under the sanction of competent authority, and to execute a security bond setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

275. When an officer who has furnished security takes regular leave or is deputed to other duty, the officer 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 authorised a relaxation of the rules regarding security applicable to his case.

276. Whenever a private person or a firm contracts with 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 fulfilment of the contract and suitable provisions regarding the security should be incorporated in the agreement.

be returned to the Government servant concerned, duly cancelled, after obtaining a certificate from the Accountant General as to the complete repayment of the advance and interest.

260. (1) The car or boat must be insured against full loss by fire, theft or accident. Insurance on ownerdriven or other similar qualified terms is not sufficient for the purpose of this rule. Insurance policies at a reduced rate of premium may, however, be accepted as adequate in the case of motor cars where—

(i) the owner of the car undertakes to meet the first Rs. 50 or so of a claim preferred against an Insurance company in the event of an accident, or (ii) the car is not insured against accident for any season of the year during which it is not in the use but is stored in a garage.

(2) Such insurance should be effected within one month from the date of purchase of the conveyance. A Government servant drawing a similar advance in England should be required to effect insurance within one month of his arrival in Pakistan unless an insurance policy is already in existence.

(3) On receipt of the certificate prescribed in para 259, the Accountant General will obtain from the Government servant drawing the advance, a letter in form G. F. R. 18 to the Motor Insurance Company with which the motor car or boat is insured to notify to them the fact that Government is interested in the insurance policy secured. He will himself forward the latter to the Company and obtain their acknowledgement. In the case of insurances effected on annual basis, this process should be repeated every year until the advance has been fully repaid to Government.

(4) Contravention of these orders will render the Government servant liable to refund the whole of the amount advanced with interest accrued, unless good reason is shown to the contrary. The amount for which the conveyance is insured during any period should not be less than the outstanding balance of the advance with interest 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 and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance, including interest already accrued, the Government servant should refund the difference to Government. The amount to be refunded must be recovered in not more than three monthly instalments.

261. Advances to Government servants in foreign employ should be granted from the funds of the foreign employer, and when the latter desires to make such an advance, he should apply to Government for the necessary sanction. If the sanction is accorded, it will be subject to the proviso that the advance by the foreign employer shall be regulated by the same conditions as would apply if the Government servant were serving directly under Government. In special cases, however, where a Government servant's services have been lent to a Municipality whose financial position will not permit of the advance, the advance may under special orders of Government, be met from Government funds provided the Government servant's duties are such as to render the possession of a motor car or a motor boat practically a necessity.

ADVANCES FOR THE PURCHASE OF MOTOR CYCLES.

262. A competent authority may sanction an advance to a Government servant whose substantive pay does not exceed Rs. 1,200 a month, for the purchase of a motor cycle subject *mutatis mutandis* to the conditions laid down in paras 256 to 261, provided that the amount of the advance does not exceed Rs. 2,000 or the anticipated price of the cycle, whichever is less.

ADVANCES FOR OTHER CONVEYANCES.

263. Subject as provided in para 254, a competent authority may sanction an advance to a Government servant not holding a post which would ordinarily be held by a member of an All-Pakistan Service or Central Service, Class I, for the purchase of means of conveyance other than a motor car, a motor boat or a motor cycle provided that the following conditions are fulfilled:—

(i) The total amount to be advanced to a Government servant should not exceed two months' pay or Rs. 250, whichever is greater, and should be limited to the anticipated price of the conveyance to be purchased. If the actual price paid is less than the advance taken, the balance should forthwith be refunded to Government.

(ii) A Government servant who takes an advance under this rule should, within one month after drawing the advance, furnish the head of the office with a certificate giving full particulars of the conveyance purchased with the advance and the cash receipt obtained for the amount actually paid for it,

(iii) Recovery will be made, unless the sanctioning authority otherwise specially directs, by deducting monthly instalments equal to one-twelfth part of the advance from the pay bill of the Government servant concerned. It will commence with the first issue of pay after the advance is drawn. The amount of interest calculated in accordance with para 251 will be recovered as laid down in clause (iv) of para 256.

The provisions of the Note below Clause (iv) of para 256 apply *mutatis mutandis* to the recovery of advances granted under this rule,

(iv) The conveyance purchased with the advance will be considered to be the property of Government until the advance with interest accrued thereon has been fully repaid.

263-A. Advances for the purchase of bicycles may be allowed to Government servants who are temporary or permanent, whose pay does not exceed Rs. 200 per mensem, subject to the following conditions:—

- (i) The advances will be given only to those Central Government servants who are stationed at Karachi, Lahore, Peshwar, Rawalpindi and Quetta, Dacca and Chittagong and who reside at a distance exceeding one mile from their place of duty.
- (ii) The amount of advance will not exceed Rs. 125
- (iii) The number of instalments for the recovery of the advances shall not exceed twelve.

277. The security taken from a Government officer or a contractor should be in one of the following forms subject to the conditions noted against each, or partly in one and partly in another of these forms when this is specially permitted by the departmental authority authorised to accept the security :—

Forms	Conditions
(i) Cash : : : : : :	Government will not pay any interest on any deposit held in the form of cash.
(ii) Government promissory notes, Municipal debentures or Port Trust bonds.	These securities should be accepted at 5 per cent. below the market price, or at the face value, <i>whichever is less</i> , and should be dealt with in accordance with the rules in Chapter IX of the Government Securities Manual.
(iii) Post Office Savings Bank Pass Books :	A pass book for a deposit made under 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 those rules.
(iv) Post office Cash Certificates Pakistan Defence Savings Certificates and Pakistan Savings Certificates.	The certificates should be formally transferred to the departmental authority which takes the deposit with the sanction of the Head Postmaster and should be accepted at their surrender value at the time of tender.
(v) Deposit receipts of recognised banks approved by Government for the purpose.	<p>(1) The deposit receipt should be made out in the name of the pledgee 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 pledgee.</p> <p>(2) The depositor should agree in writing to undertake any risks involved in the investment:</p> <p>(3) The bank should agree that on receiving a signed treasury chalan and a withdrawal order from the pledgee in respect of the deposit or any part thereof, it will at once remit the amount specified into the nearest treasury along with the chalan and send the treasury receipt to the pledgee.</p> <p>(4) 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>
(vi) Fidelity bonds from Insurance Companies of reasonable financial standing in forms prescribed by Government.	A fidelity bond may be accepted as security from a Government officer but not from a private party.
(vii) Other forms of security specifically approved by Government for acceptance in any particular department, e.g., mortgages on real property, personal security, etc.	Security in any such form may be accepted only in accordance with the rules and conditions laid down in the relevant departmental regulations or by special orders of Government:

278. Security furnished in cash by a Government officer or a contractor may be converted, at the cost of the depositor, into any of the interest bearing forms of security mentioned in items (ii) to (v) of the preceding para., provided—

(i) that the depositor has expressly requested in writing that this be done, and

(ii) that the acceptance of the new form or forms of security is permissible under the rules and under the terms of the agreement or bond.

Note 1.—Cash actually received or recovered may be converted into an interest-bearing form of security even when it forms a part of a deposit which is being paid in instalments and has not yet been realised in full.

Note 2.—Percentage deductions made from a contractor's bills held as security for the due fulfilment of a contract should not be converted into any other form of security unless there is special rule or order for such conversion.

279. 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 and continues to do so until a period of six months has elapsed since he vacated his office. 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.

280. Subject to any rule or order made by Government in this behalf the form of the security bond to be executed at the time of furnishing security should be determined under orders of the head of the department according to the kind of security furnished. When a Government officer is specially permitted to furnish security partly in one and partly in another of the forms of security specified in para. 277, he should execute separate bonds for the different kinds of security.

Note.—The model form of security bond to be taken from Treasurers in district treasuries is given in Form T.R. 2.

281. (1) Post Office Savings Bank pass books, deposit receipts of banks, fidelity bonds and security bonds or agreements should be kept in the safe custody of the departmental authority which takes the security.

Note 1.—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.

In the case of deposit receipts of banks, the depositor should receive the interest, when due, direct from the bank on a letter from the pledgee authorising the bank to pay it to him.

Note 2.—The security bonds of Government officers employed in treasuries should be kept in a locked box in the double-lock strong room of the district treasury. The Treasury Officer will be responsible for the safe custody of the bonds and should keep the key of the box in his personal custody.

(2) Government promissory notes, Post Office Cash Certificates and Pakistan Defence Savings or Pakistan savings Certificates, Municipal debentures and Port Trust bonds deposited as security should be lodged for safe custody with the Manager of the State Bank of Pakistan

at places where there are offices of that Bank and with the district treasury in other places in accordance with the rules in Chapter IX of the Government Securities Manual.

282. A security deposit taken from a Government officer 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.

283. Without the special orders of the competent authority no security deposit should be repaid or re-transferred to the depositor, or otherwise disposed of, except in accordance with the terms of his security bond or agreement. A departmental authority on returning any security to the depositor should invariably obtain his acknowledgment duly signed and witnessed. When an interestbearing security is returned or re-transferred, the acknowledgment should set forth full particulars of the security.

284. The percentage deductions from bills held as security in connection with contracts to execute works should not be refunded till the final bill has been prepared and passed.

285. Subject to any special rule or order made by Government in this behalf, Heads of Local Administrations are authorised to exercise full powers under the provisions of paras. 274 to 283 as regards security deposits of Government officers and others employed under them.

II TRANSFER OF GOVERNMENT LAND AND BUILDINGS

286. Except as expressly provided otherwise in any rule or order made by Government, no land belonging to Government may be sold or made over to a local authority, private party or institution for public, religious, educational or any other purpose, except with the previous sanction of Government.

287. (I) When any land or building is transferred from one department of Government to another, the transfer should be free of all charge. When, however, the property is transferred to or from a commercial department (other than the Railway Department) or the Defence Department, the transfer will be effected on the following basis :—

(A) In the case of transfers to or from a commercial department (other than the Railway Department):

(i) no charge where the property is borne in the books at no value and

(ii) book value or market value, whichever is less, where the property is valued in the books.

(B) In the case of transfers to or from the Defence Department:—

(i) half market value where the property is borne on the books at no value, and

(ii) book value or market value, whichever is less, subject to a minimum of half market value, where the property is valued in the books.

(2) In the case of transfers to and from the Railway Department, the full market value will be charged in each case.

Note.—For the definition of the term 'Market Value', see para. 2 of Appendix 15.

(3) In the case of transfer of landing grounds in Army or Royal Pakistan Air Force charge to the Civil Aviation Department, the arrangement stated in sub-para (1) will be the basis of settlement but every case will be treated on its merits and the amount of compensation to be paid to the Defence Department will be settled by negotiation between the two departments, and in no case will the compensation to be paid exceed that which should be payable under the arrangement prescribed in sub-para (1).

(4) If any dispute arises in the application of this rule, the matter should be referred to the Ministry of Finance.

(5) The transfer of land and buildings between the Central and Provincial Governments is regulated by the provisions of sec. 127, 172 and 175 of the Act and subsidiary instructions issued by the Central Government which are reproduced as Appendix 15.

III. SURANCE OF GOVERNMENT PROPERTY

288. The normal policy of Government is not to insure its properties and no expenditure should be incurred without the prior consent of the Ministry of Finance on the insurance of any Government property.

I CHARITABLE ENDOWMENTS AND OTHER TRUSTS

289. Detailed instructions relating to Charitable Endowment and Other Trusts are embodied in Appendix 16.

V.—CONTRIBUTIONS UNDER THE BRITISH NATIONAL HEALTH INSURANCE AND WIDOWS', ORPHANS' AND OLD AGE CONTRIBUTORY PENSIONS ACTS, ETC.

National Health Insurance Contributions

Para. 290 to 298—Not Printed. (See First Edition published by the Late Government of India in 1947).

VI.—MISCELLANEOUS

Payment of Arrear Claims to Persons not in Government Service

299. (1) The provisions of paras. 123 *et seq* apply *mutatis mutandis* to old claims preferred against Government by persons not in Government service.

(2) Claims of Government against Railways for overcharges and claims of Railways against Government for undercharges will be recognised and admitted if they are preferred within six months—

(i) in the case of cash payment—from the date of payment ;

(ii) in the case of warrant and credit notes—from the date of presentation of bill by the Railway Administration'

Explanation—The terms 'overcharges' and 'undercharges' mean overcharges and undercharges of railway freight and fares only. They refer to shortages and excesses in the items included in a bill which has already been rendered. The omission of an item in a bill is not an 'undercharge' nor is the erroneous inclusion of an item an 'overcharge'.

SUPPLY OF FORMS

300. The Deputy Controllers of Printing and Stationery, Karachi and Dacca maintain stocks of the standard forms which are prescribed for use by the Government offices, and which are to be printed and other supplied by Government. Heads of offices and other Government officer should send their indents to him, subject to the observance of the procedure prescribed by him.

DESTRUCTION OF OFFICIAL RECORDS CONNECTED WITH ACCOUNTS

301. The general rules on the subject are contained in Appendix 17. Special rules applicable to particular departments are prescribed in the respective departmental manuals.

SUPPLY OF FURNITURE IN RESIDENCES OF HIGH OFFICIALS

202. The General rules on the subject are incorporated in Appendix 18.

MAINTENANCE OF WAR GRAVES

303. Not Printed (See First Edition Published by the late Government of India in 1947.

CHAPTER 15—GOVERNMENT ACCOUNTS

1—GENERAL

FORM OF ACCOUNTS

304. The form in which and the general principles and methods according to which the accounts of Government should be kept have been prescribed by the Auditor General with the approval of the Governor General and the main directions in respect thereof are contained in Volume I of the account Code. Volumes II and III of that Code embody the directions of the Auditor General regarding the form of initial and subsidiary accounts to be kept in treasuries and by officers of the public Works and the Forest Departments. Detailed rules and instructions relating to the forms of the initial and subsidiary accounts to be kept and rendered by officers of the Defence, Railways, Posts and Telegraphs and

other technical departments whose accounts are not finally settled through the treasury accounts, are laid down in the local Accounts Manuals or in the departmental regulations relating to the departments concerned.

MAJOR, MINOR AND OTHER HEADS OF ACCOUNT

305. The structure of the accounts consists mainly of the following divisions ;—

- (a) Major heads.
- (b) Minor heads.
- (c) Sub-heads and other units of appropriation (for heads of expenditure only)-
- (d) Detailed heads.

Intermediate heads of account known as sub-major heads are sometimes introduced between a major head and a minor head under it when the minor heads are numerous and can conveniently be grouped together under such intermediate heads. In similar circumstances minor heads are divided into sub-heads (group heads).

306. A list of authorised major and minor heads of accounts is given in Appendix 2 to the Account Code. Vol. I. The introduction of any new major or minor head as well as the abolition or change of nomenclature of any of the existing heads requires the approval of the Auditor General, who will obtain the approval of the Governor-General, where necessary.

The opening of a new sub-head or a detailed head in the Demand for grants will be sanctioned by the Ministry of Finance according to administrative requirements after consultation, if necessary with the Auditor General. As regards heads of expenditure, the sub-divisions of minor heads will follow as far as possible the sub-heads and other units of appropriation selected by the Ministry of Finance for Demands for grants and Appropriation Accounts.

307. In the matter of accounting and for control of expenditure, the nomenclature of the budget *cum* accounts heads should be strictly followed by departmental officers. Whenever provision made in the budget estimates or in any order of appropriation does not conform to the prescribed head or unit, the corresponding receipt or expenditure should be accounted for against the particular head or unit under which the provision has been made or the appropriation has been communicated by competent authority, unless there be strong reasons for a contrary course, *e.g.*, when such accounting would be contrary to law. All such cases should be brought to the notice of the Ministry of Finance, so that in the estimates of the following year the error may be rectified, unless the Ministry of Finance agrees to give effect to the correct classification in the accounts of the current year because of the magnitude of the amounts involved, or because the misclassification affects the accounts of commercial departments or allocation between Capital and Revenue heads.

Note.—This rule does not, however, apply to Railways, in which case correct classification should be followed in accounts, irrespective of whether the provision in the budget has been made under the correct head or not.

308. Changes in nomenclature of account or budget heads or in the classification of receipts or expenditure will not be introduced in the course of a financial year except under special order of Government.

RESPONSIBILITY OF DEPARTMENTAL OFFICERS

309. Every officer responsible for the collection of Government dues or expenditure of Government money should see that proper accounts are maintained in such form as may have been prescribed for all financial transactions of Government with which he is concerned and render accurately all such accounts and returns relating to them as may be required by Government, the Accountant General or the Controlling authority concerned. It is essential that all accounts should be so kept and the details so fully recorded and that the initial records of payments measurement and transactions in general are so clear, explicit and self-contained as to be produceable where necessary as satisfactory and convincing evidence of facts.

Note 1.—The classification on bills should be recorded by the drawing officers. Similarly, the classification on chalangis should be recorded by the officers responsible for the collection of Government dues and making the remittance to the treasuries. In case of doubt, the classification in the accounts may at the outset follow the budget, but the matter should be referred to Government for orders in any case of doubt.

Note 2.—The responsibilities of disbursing officers, Controlling officers, and heads of departments in regard to the control over expenditure incurred against the grants allotted to them are laid down in paras. 88 et seq. (See also Appendix 6 to the Central Public Works Account Code.)

II.—CAPITAL AND REVENUE ACCOUNTS

GENERAL RULES

310. Expenditure of a capital nature is broadly defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character, or of extinguishing or reducing recurring liabilities, such as those for future pensions by payment of commuted value. Expenditure on a temporary asset cannot ordinarily be considered as expenditure of a capital nature.

311. Expenditure of a capital nature as defined above, incurred upon a scheme or project may not, however, be classed as capital expenditure in the Government account unless the classification has been expressly authorised by general or special orders of Government. Ordinarily, such classification will not be permitted unless—

(i) it is essential for the exhibition of financial results of any special service or undertaking on the basis of generally accepted commercial principles, or in some other conventional manner, either that the cost of the service or under-taking may be ascertained or that the full implications of any policy may be clearly demonstrated; or

(ii) the expenditure involved is so large that it cannot reasonably be met from ordinary revenues.

Note.—The term 'ordinary revenues' is applied to revenues derived from taxes, duties, fees, fines and similar items of current Government income including extraordinary receipts, if any, as distinct from receipts that are of a capital, or debt, deposits and banking character.

312. When it has been decided by Government that the expenditure on a scheme for the creation of a new or additional asset should be classed

as capital expenditure, and that separate capital and revenue accounts should be kept of such a scheme, the allocation of expenditure to capital and revenue should be determined in accordance with such detailed rules as may be prescribed by Government according to the circumstances of the department or undertaking in which the expenditure is incurred. The following are the main principles applicable to the treatment of the expenditure in the estimates and accounts :—

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

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

(iii) In the case of works of renewal and replacement, which partake both of a capital and revenue, nature, the allocation of expenditure should be regulated by the broad principle that Revenue should pay or provide a fund for the adequate replacement of all wastage or depreciation of property originally provided out of capital grants and that only the cost of genuine improvements, whether determined by prescribed rules or formulae, or under special orders of Government, may be debited to Capital. Where under special orders of Government a Depreciation or Renewals Reserve Fund is established for renewing assets of any commercial department or undertaking, the distribution of expenditure on renewals and replacements between Capital and the Fund should be so regulated as to guard against overcapitalisation on the one hand and excessive withdrawals from the Fund on the other.

Expenditure on account of reparation of damage caused by extraordinary calamities, such as flood, fire, earthquake, enemy action, etc., should be charged to Capital, or to Revenue, or divided between them, in such way as may be determined by Government according to the circumstances of each case.

(iv) Capital receipts in so far as they relate to expenditure previously debited to Capital, accruing during the process of construction of a project should be utilised in reduction of capital expenditure. Thereafter their treatment in the accounts will depend on circumstances, but except under special rule or order of Government they should never be credited to the ordinary revenue account of the department or undertaking.

313 Expenditure debitable to Capital will be booked under the appropriate capital head of accounts prescribed within or outside the revenue account, according as the funds required to meet such expenditure are provided from ordinary revenues or from other sources including borrowed money. As a general rule, the capital cost of all comparatively small schemes will be met from ordinary revenues. Borrowed money and other resources outside the revenue account will not ordinarily be spent for unproductive purposes unless the following conditions are fulfilled, *viz* :— firstly that the objects for which the money is wanted are so urgent and vital that the expenditure can be neither avoided, postponed nor

distributed over a series of years, and secondly that the amount is too great to be met from ordinary revenues.

Except under special orders of Government, no expenditure previously met from ordinary revenue may be transferred to a capital head outside the revenue account.

Note.—A productive work is one which produces sufficient revenue to afford a surplus over the charges relevant to its functioning—See Appendix 2 to the Central Public Works Account Code

INTEREST ON CAPITAL

314. Except in special cases regulated by special orders of Government, interest at the rates specified below should be charged in the accounts of all commercial departments or undertakings for which separate capital and revenue accounts are maintained within the Government accounts. The charge 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 ordinary revenues or from other sources.

(i) For capital outlay met out of specific loans raised by Government, at such rate of interest as may be prescribed by Government, having regard to the rate of interest actually paid and such loans and the incidental charges incurred in raising and managing them.

Note.—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 intimation is given at the time of the raising of the loans that for the purpose of accounts they are to be regarded as specific loans.

(ii) For capital outlay provided otherwise—

(1) in the case of outlay up to and including 1916-17, at the rate of 3'3252 per cent.

(2) in the case of outlay incurred after 1916-17, at the average rate of interest to be determined each year by the Auditor General with the approval of Government.

315. When under any special order of Government, charges for interest during the process of construction of a project are temporary 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 opened for working.

III.—ADJUSTMENTS WITH OTHER GOVERNMENTS, DEPARTMENTS, ETC.

ADJUSTMENTS WITH PROVINCIAL GOVERNMENTS

316. (1) Subject to the relevant provisions of the Act and of the Orders issued thereunder, adjustments in respect of financial transactions with Provincial Governments will, unless otherwise provided for, be made in such manner and to such extent as may be mutually agreed upon between the Central Government and the Provincial Government concerned.

(2) Adjustments should, however, always be made, unless otherwise agreed upon—

(i) if a commercial department or undertaking or a regularly organised store department or store section of a department is concerned, or.

(ii) if, under the operation of any rule or order, an adjustment would have been made if the particular transaction with a Provincial Government were a transaction between two departments of the Central Government.

Note.—The procedure for the settlement of these adjustments will be regulated by the directions contained in Chapter 4 of the Account Code, Volume I.

(3). Adjustments with Provincial Government in respect of the matters mentioned below will be regulated by the rules contained in Appendix 3 to the Account Code Volume I. The rules are based on reciprocal arrangements made with the Provincial Governments and are therefore binding on all of them.

I. Pay and Allowances, other than Leave Salaries.

II. Leave Salaries.

III. Cost of Passages.

IV. Pensions.

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

VI. Government contribution to Indian Civil Service Family Pensions.

VII. Government contribution to the Indian Civil Service (Non-European Members) Provident Fund.

VIII. Expenditure involved in Audit and keeping Accounts.

IX. Grants of Land and Alienations.

X. Cost of Police functions on Railways including the cost of protecting Railway Bridges.

XI. Cost of (1) Forest Surveys carried out by the Director General Survey of Pakistan and (2) Forest maps prepared by that Department.

XII. Cost of Maintenance and Demarcation of Boundaries and of Settlement of Boundary Disputes.

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

317. A period of three years has been accepted by the Central Government and the Provincial Governments for the reaudit of past transactions involving errors in classification.

This limitation should be regarded as a convention rather than a rigid accounting rule.

318. Payments to Provincial Governments on account of the cost of agency functions entrusted to them under section 124 of the Act will be treated as contributions from the Central to the Provincial Government concerned, irrespective of whether such charges appear in the Central

budget as lump sum payments or in detail under the appropriate sub-heads and other units. In dealing with claims preferred by Provincial Governments under sub-section (4) of that section, the following principles should be generally observed :—

(i) If the agency work involved the employment of a Provincial commercial department it would be open to that department to charge its normal commercial costs.

(ii) Public Works Department agency costs should be represented by such percentage charges on the cost of Central works executed by the Province as may be agreed between the Central and the Provincial Government concerned, the works outlay being treated as an amount placed at the disposal of the Provincial Government for actual expenditure on the execution of the work.

(iii) The cost of regular joint establishments should be shared as far as practicable on the basis of fixed annual sums settled in agreement with the Province concerned.

(iv) In other cases, the following procedure should be adopted unless there are special orders to the contrary :—

(1) Details of claims preferred by Provinces should be ascertained. (They may include pay, leave salary and pension contributions, contingencies, etc.)

(2) If the work has been performed by the Province in the past, the charges should be compared with those charged in the past. It is not necessary to be meticulous in the matter. The Ministry of Finance will assist in taking a fairly general view.

(3) If the charges are found to be reasonable and do not exceed Rs. 20,000 per annum for any individual item (or connected group of items), a five-years contract should be offered to the Province during which the Central Government would pay the fixed sum per annum for the work. The amount will be subjected to review at the end of each period of five-years.

(4) If the amount agreed upon exceeds Rs. 20,000, it may be necessary to have an annual statement of proposed charges from the Province at the time of preparation of the Budget, unless in any individual case, the charges are obviously static, when the contract system may be adopted in these cases also.

(v) In exceptional cases in which arbitration has to be resorted to, the requisite arrangement in the matter will be made by the Ministry of Finance.

(vi) The Ministry of Finance should be consulted on all matters arising under Section 124(4) of the Act.

319. No inter-Governmental adjustments can be carried out after the 15th of April on which date the books of the Bank are closed for the month of March. Every endeavour must, therefore, be made to settle as far as possible all transactions with Provinces before the close of the year.

ADJUSTMENTS WITH FOREIGN GOVERNMENTS, OUTSIDE BODIES ETC.

320. Payment must be required in all cases in respect of services rendered to any Foreign Government, or non-Government body or institution, or to a separate fund constituted as such either inside the Public Account, unless Government by general or special order gives directions to the contrary. Relief in respect of payment for services rendered or supplies made to any outside body or fund should ordinarily be given through a grant-in-aid rather than by remission of dues.

INTER-DEPARTMENTAL ADJUSTMENTS

321. (1) The conditions under which a department of Government may make charge for services rendered or articles supplied by it and the procedure to be observed for the settlement of such charges are regulated by the directions referred to in the Note below sub-para. (2) of para. 316.

(2) Except in regard to transactions affecting the accounts of commercial departments and undertakings or allocation to capital heads, adjustments between different departments of Government should be restricted to the narrowest limits. Such adjustments, when they are essential, should as far as possible, be based on lump sum figures fixed for a period of years with reference to some suitable formula easy of application and maintained for a series of years. Elaborate or meticulous calculations should be avoided as a general rule.

Note 1.—deleted.

Note 2.—The provisions of para. 317 apply mutatis mutandis to transactions between commercial and non-commercial departments as they apply to transactions between the Central and Provincial Governments.

Note 3.—Under the directions contained in the Account Code, Vol. IV, inter-departmental and other adjustments are not to be made in the accounts of the past year, if they could not have been reasonably anticipated in times for funds being obtained from the proper authority. In all cases, where the adjustment could have reasonably been anticipated as, for example, recurring payments to another Government or department, and payments which, though not of fixed amount, are of a fixed character, etc., the Accountant General will automatically make the adjustment in the accounts before they are finally closed. The onus of proving that the adjustments could not have been reasonably anticipated should lie with the Controlling officer.

ADJUSTMENT OF PENSIONARY CHARGES OF CERTAIN COMMERCIAL DEPARTMENTS

322. The pensionary charges of the Irrigation, the Central Excises and Salt, (manufacturing branch), and the Light House departments are adjusted on a liability basis, i.e., at a percentage based on establishment charges, the actual payments of pensions being booked under the appropriate head for such charges.

Note.—In the case of irrigation major heads, the pensionary charge should ordinarily be calculated at a percentage of the total pay and leave salary of the pensionable establishment including such portion of the temporary staff as may be estimated to have the likelihood of ultimately being made permanent. The percentage which should be adopted should be based upon the cost of borrowing of the Central Government for the particular year in which the pensionary charge is adjusted in the accounts.

The percentages corresponding to the several rates of interest are as follows:—

(i) 12.500 per cent. of the total pay and leave salary of the pensionable establishment on a basis of 3 per cent. rate of interest;

(ii) 11.890 per cent. of the total pay and leave salary of the pensionable establishment on a basis $3\frac{1}{2}$ per cent. rate of interest;

(iii) 11.236 per cent. of the total pay and leave salary of the pensionable establishment on a basis of $3\frac{1}{2}$ per cent. rate of interest;

(iv) 9.427 per cent. of the total pay and leave salary of the pensionable establishment on a basis of $4\frac{1}{2}$ per cent. rate of interest;

(v) 8.899 per cent. of the total and leave salary of the pensionable establishment on a basis of $4\frac{1}{2}$ per cent. rate of interest;

(vi) 7.893 per cent. of the total pay and leave salary of the pensionable establishment on a basis of 5 per cent. rate of interest.

323 The pensionary liability of commercial departments and undertakings, for which *pro forma* commercial accounts are maintained outside the regular Government accounts, is assessed on a contribution basis at rates fixed by Government, the actual method of adjustment in the regular Government accounts being determined in consultation with the Auditor General. As regards other departments and undertakings, for which no regular commercial accounts are maintained either within or outside the regular Government accounts but which are allowed to charge for their products or services rendered, the pensionary liability is taken into account in the estimate of overhead charges and manufacturing costs for the purpose of calculating the issue price of goods manufactured or fees for services rendered, the calculation being made at rates prescribed for the purpose by Government.

IV.—PRO-FORMA ACCOUNTS

SUBSIDIARY ACCOUNTS OF GOVERNMENT COMMERCIAL UNDERTAKINGS

324. When the operations of a department include undertakings of a commercial or *quasi*-commercial character, and the nature and scope of the activities of the undertaking are such as cannot suitably be brought within the normal system of Government account the head of the undertaking should be required to maintain such subsidiary and *pro-forma* accounts in commercial form as may be agreed between Government and the Auditor General. The methods and principles in accordance with which such accounts are to be kept, including *inter alia* the basis to be adopted for valuation of assets and for allocation of expenditure between capital and revenue accounts and the extent to which provision should be made in those accounts for bad debts, depreciation and other forms of indirect charges, e.g., cost of management and supervision, audit charges, interest on capital expenditure, etc., will be regulated by orders and instructions issued by Government in each case. Where the commercial accounts are maintained for the purpose of assessment of the cost of an article or service, the head of the undertaking should see that adequate regulations are framed with the approval of Government in order to ensure that the cost deduced from the accounts is the accurate and true cost. He should also arrange to obtain the orders of Government regarding the nature and form of subsidiary account and statements, if any, which should be appended to the Appropriation Accounts of each year, and submits such accounts and statements to the Accountant General on such date as may be required by him.

OTHER PRO-FORMA ACCOUNTS

325. Pro-forma accounts of regular Government Workshops and Factories will be kept in accordance with the detailed rules and procedure prescribed in the departmental regulations. Pro-forma accounts of Irrigation, Navigation, Embankment and Drainage works and of Government residential buildings will be prepared by the Accountant General in accordance with the instructions contained in Chapter 21 of the Account Code, Vol. IV.

V.—ANNUAL ACCOUNT

326. The annual accounts of receipts and disbursements of the Central Government are submitted to Government by the Auditor General in the form of the Finance Accounts and Report thereon. These, together with the Appropriation Accounts and Reports thereon, constitute the published accounts of Government.

The Finance accounts and Report thereon deal with the accounts of Government as a whole, including transactions relating to debt, deposits, advances, suspense and remittance accounts which do not strictly fall within the scope of the Appropriation Accounts.

327. The comments or recommendations of the Legislature or of the Public Accounts Committee, if any, arising out of the Audit Report on the Finance Accounts, and the orders of Government thereon, will be communicated by the Ministry of Finance to the Auditor General and other authorities concerned. The general responsibility for watching the action taken on the Audit Report will under directions of the Auditor General devolve on the Accountant General Pakistan Revenues.

MEMORANDUM I

Memorandum Explanatory of each Rule in the General Financial Rules of the Central Government

Note 1.—This Memorandum has been compiled solely for purposes of assisting reference and no expression used in it should be considered as in any way interpreting the rules.

Note 2.—The following abbreviations have been used in this Memorandum :—

" *C.A.C.*—stands for the Civil Account Code, Eighth Edition, Second Reprint 1935.

B.F.P.—stands for the Book of Financial Powers.

Audit Code—stands for the Audit Code.

Account Code—stands for the Account Code Volume IV.

CHAPTER I

Para. 1. No remarks.

Para. 2. Clauses (i), (ii), (iv), (vi), (vii), (ix), (x), (xi), (xv), and (xx) are new and indicate the sense in which the respective terms have been used in the Compilation Clauses (iii), (xiii), (xiv), (xvi), (xvii), (xviii) and (xix) reproduce the provisions of clauses (a) and (e) to (j) of rule 1 in B. F. P.,

while clauses (v), (viii) and (xii) are respectively based on clause (a) of rule 2 in Appendix 8-c, Note below Article 230(c), and para. 3(b) of the Introductory Notes to C. A. C.

Para. 3. Reproduces the provisions of para. 4 of the Introductory Notes to C.A.C.

CHAPTER 2

Paras. 4 and 5 are based on Article 1 of C.A.C.

Para. 6 is based on Article 1-A of C.A.C., The provision requiring non-Government funds being subjected to Audit check is new.

Para. 7 is a new rule designed to prevent the withdrawal of moneys from the Public Account for investments or deposits elsewhere.

Para. 8 is based on Article 7 of C.A.C.,

Para. 9 prescribes important safeguards in the matter of incurring expenditure from public funds.

Para. 10 embodies the principle which were known as the canons of financial propriety and are contained in para. 85 Audit Code.

Paras. 11 to 13 specify the important responsibilities of heads of departments and controlling officers in the matter of control of expenditure and check against irregularities, etc. These are new rules.

Para. 14 is based on Note 4 below Article 8(c) of C.A.C.

Paras. 15 to 17 indicate the responsibilities of departmental officers in regard to maintenance of accounts, and other matters connected with or ancillary thereto. They are new rules.

Para. 18 is new.

Para. 19 reproduces the substance of the provisions of clauses (1) to (9) of Appendix 8-H to C.A.C., clause (x) of this para. being based on separate order issued by Government.

Para. 20 Sub-para. (1) and Exceptions 1 and 2 to this para. are based on Article 29 of C.A.C. and Exceptions 1 and 2 thereto, Sub-para. (2) is new.

Paras. 21 to 23 are new rules setting out the procedure for dealing with cases of loss of Government property.

Paras. 24 and 25 No remarks.

CHAPTER 3

Para. 26 is generally based on Article 34 of C.A.C. and the Note at the top of Chapter 2, *ibid.*

Paras. 27 to 31 are new rules.

Paras. 32 and 33 are based on Article 35 of C.A.C., suitably modified to conform to the procedure obtaining in the Central sphere.

Paras. 34 and 35 are respectively based on Article 37 and 36 of C.A.C.

Para. 36. No remarks.

Para. 37. The first sub-para. and Notes below this para. are based on Article 29-A, of C.A.C. and Notes 2 to 4 thereunder, the second sub-para. being based on an existing order.

Para. 38 and Annexure A. No remarks.

CHAPTER 4

Para. 39 is new and is based on existing orders.

Para. 40 is based on Article 225 of C.A.C.

Para. 41. No remarks.

Para. 42 is based on the first sentence of Article 230(a) of C.A.C.

Para. 43 is new.

Para. 44. The functions and financial powers exercised by the High Commissioner for Pakistan have been revised and inserted in Appendices 5 and 3-A respectively of the Compilation.

Para. 45 is based on the orders contained in Appendix 8-F to C.A.C.

Para. 46 is new.

Paras. 47 and 48 are based on Article 227 of C.A.C.

Para. 49 is based on Article 228 of C.A.C., modified with reference to subsidiary order issued by Government.

Para. 50. No remarks.

Para. 51. Clauses (iii) to (v) of this para. generally based on Article 230 of C.A.C., the rest of the para being newly introduced.

Paras. 52 to 54 are respectively based on Articles 230-A, 231 and 231-A of C.A.C.

Para. 55 reproduces the provisions of Article 192 of C.A.C.

Para. 56 is new.

Para. 57 is based on Article 232 of C.A.C., the Note below the para. reproducing an existing order of Government.

Paras. 58 is based on an existing order of Government.

Paras. 59 reproduce the provisions of Articles 233 of C.A.C.

Para. 61 and Annexures A and B. No remarks.

CHAPTER 5

Paras. 62 to 64 are based on the existing practice.

Para. 65 is based on Article 185 of C.A.C.

Para. 66 to 71 are new rules formulated in accordance with present practice.

Para. 72 is based on rule 1 below Article 186 of C.A.C.

Para. 73 is based on Articles 186-A, 187 of C.A.C. and existing order of Government.

Paras. 74 to 80 have been newly introduced and they generally provide for the procedure to be followed in the preparation and disposal of new item statements for purposes of the Budget.

Paras. 81 and 82 replace the provisions in clause (i) of Article 187 of the C.A.C. and incorporate the procedure for framing the estimates of expenditure in England.

Para. 83 is based on existing order of Government.

Para. 84 is based on Article 188 of C.A.C.

Para 85 reproduces the provisions of Article 54 of Audit Code.

Para. 86 is new.

Para. 87 provides for an important safeguard not distinctly laid down in the C.A.C.

Paras. 88 to 90 are based on existing orders of Government which had not been codified previously.

Para. 91 reproduces the provisions of Article 55 of Audit Code.

Para. 92 is new.

Paras 93 to 96 are based on existing orders of Government.

Para. 97 reproduces the provisions of Article 190 of C.A.C.

Paras. 98 to 104 are new and collect in one place the orders issued by Government from time to time in the matter of re-appropriation of funds and of obtaining Supplementary Grants.

Para. 105 is based on Article 194 of C. A. C., the Note below this para. reproducing the provisions of the 2nd sub-para. of Article 191 *ibid.*

Para. 106 is based on Article 193 of C.A.C.

Para. 107 is new.

Annexures A and B No remarks.

CHAPTER 6

Para. 108 is new.

Paras. 109 to 112 are based on Article 63 of C.A.C.

Para. 113 contains the substance of Article 71 of C.A.C.

Para. 114 is based on Article 52 of C.A.C.

Para. 115 lays down important safeguards not provided for in the C.A.C.

Para. 116 and 117 contain the substance of clause (b) of Article 62(1) of C.A.C. and the Notes thereunder and the existing order of Government.

Para. 118 reproduces the provisions of Article 59-A, of C.A.C.

Para. 119 is based on Article 62(1) of C.A.C., omitting the detailed instructions regarding the method of preparation of the Annual Establishment Returns which have been included in Appendix 7.

Paras. 120 to 122 are based on Articles 73, 74 and 74-A of C.A.C.

Para. 123 to 126 contain the provisions of clauses (b) and (c) of Article 8 of C.A.C. and other orders issued by Government regarding payment of arrear claims.

CHAPTER 7

Paras. 127 to 131 are new. They are intended to dispense with the existing distinction between "ordinary" and "special" contingencies for the purpose of sanction, and indicate clearly the powers which may be exercised by subordinate authorities in incurring expenditure on different items of contingencies.

Para. 132 is based on Article 93 of C.A.C., Note 2 below this para. reproducing the provisions of Article 93-A, *abid*

Paras. 133 to 136 are new.

Para. 137 is based on Article 199 of Audit Code.

Para. 138 is based on rules and orders embodied in appendix 8 of G.F.R Vol. II.

Para. 139 is based on rules and orders embodied in appendix 8 of G.F.R. Vol. II.

140. is based on Article 112 of C. A. C.

CHAPTER 8

Paras. 141 to 170 are new and are designed to lay down in one place the various orders issued from time to time in the matter of purchase, custody, verification, sale, etc. of stores required for the public service.

Paras. 171 and 172 are respectively based on Articles 177 and 177-A of Account Code.

Para. 173 is based on Article 182 of Account Code.

Paras. 174 and 175 based on Article 182 of Account Code and the Notes thereunder.

Annexure A No remarks.

CHAPTER 9

Paras. 176 to 200 and Annexure A These rules are new and collect in one place the miscellaneous orders and instructions issued by competent authority in regard to incurring expenditure on "works".

CHAPTER 10

Paras. 201 to 203 are new.

Paras. 204 and 205 are respectively based on Articles 114 and 113 of C.A.C.

Paras. 206 to 212 are new and are generally based on the existing orders of Government.

Para. 213 is based on Article 124 of C.A.C.

CHAPTER 11

Para. 214 is adopted from the Government Securities Manual.

Para. 215 is a new rule and is intended to bring the receipts and payments in connection with the Public Debt within the scope of the Treasury Rules and the instructions issued by the Auditor General regarding the accounting procedure.

Para. 216 No remarks.

Paras. 217 to 220 contain subsidiary instructions regarding the recovery of contributions to various Provident Funds which had not been previously condifed.

Paras. 221 and Note below Para. 222 are generally based on Article 246 of C.A.C. and the Note thereunder the rule in *Para. 222*, being new.

CHAPTER 12

Paras. 223 to 226 are new.

Para. 227 is based on Article 223-A of C.A.C.

Paras. 228 to 230 are new.

Para. 231 is based on Article 221 of C.A.C.

Paras. 232 to 234 are new.

CHAPTER 13

Paras. 235 to 237 are new.

Para. 238 reproduces the provisions of Article 135 of C.A.C.

Paras. 239 is new

Paras. 240 and 241 are based on Article 140 of C.A.C. and the Rules thereunder, Note 3 below *Para. 241* reproducing the provisions of Rule 1 under Article 143 of C.A.C.,

Para. 242 reproduces the provisions of Article of 146 of C.A.C.

Paras. 243 and 244 are based on Articles 144 and 145 of C.A.C. respectively

Paras. 245 and 246 are respectively based on Articles 151 and 152 of C.A.C.

Para. 247 is new.

Para. 248 is based on Note 2 below Article 145 (a) of C.A.C.

Para. 249 is based on Article 154-A of C.A.C.

Para. 250 reproduces the provision of note 1 below Article 154 of C.A.C.

Para. 251 is based on Note 4 below Article 154 of C.A.C., and Rule I there under Note I below this para. being new.

Para. 252 reproduces the provisions of Article 160 of C.A.C.

Para. 253 is new and based on the existing practice.

Para. 254 contains the existing orders of Government regarding grant of advance for the purchase of conveyance as also the provisions of clause (1) of Article 158 of C.A.C.

Para. 255 is based on Note 4 below Article 156, Note 1 below Article 157 and Note 2 below Article 158 of C.A.C.

Para. 256 to 261 are based on article 156 of C.A.C. and the notes thereunder.

Para. 262 and 263 are based on Articles 157 and 158 of C.A.C. respectively.

Para. 264 is based on clause (i) and Exception 3 to clause (b) (ii) of Article 159 of C.A.C.

Para. 265 is based on clause (a) of Article 159 of C.A.C. and the Notes thereunder.

Para. 266 and 267 reproduce the provision of clause (b) of Article 159 of C.A.C. and the notes and Exceptions 1 and 2 thereto.

Para. 268 reproduces the provision of clause (c) of Article 159 of C.A.C.

Para. 269 is based on sub-clause (i) to (iii), (v) and (vi) of clause (d) of Article 159 of C.A.C. and the Notes thereunder.

Para. 270 is based on clauses (e), (g), and (k) and sub-clause (iv) of clause (d) of Article 159 of C.A.C.

Para. 271 is based on clause (h) of Article 159 of C.A.C.

Para. 272 is new, the Note below this para. being based on clause (i) of Article 150 of C.A.C.

CHAPTER 14

Paras. 273 to 285 The rules prescribed the procedure to be followed in obtaining security deposits and granting refund, etc., for which no provision were contained in the C.A.C.

Paras. 286 to 288 contain the existing orders of Government regarding transfer of Government lands and buildings and insurance of Government property.

Para. 289 No remarks. The provisions of Chapter 19 of Account Code with suitable modifications have been incorporated in Appendix 16.

Paras. 290 to 298 are based on Articles 255 to 258, 259-B, 259-C, 259-D and 259-DD of C.A.C. and paras 336 and 337 of the Pay and Allowance Regulations for the Army in India, Volumes II.

Para. 299 is based on Note below Article 8(b) of C.A.C.

Para. 300 is new.

Para. 301 is based on Article 33-B, of C.A.C.

Para. 302 No remarks.

Para. 303 embodies an existing under of Government.

CHAPTER 15

The rules contained in this Chapter are Generally based on the directions contained in the new Account Code, Vol. I, the Audit Code and subsidiary instructions issued by the Government or the Auditor General.

MEMORUNDUM II

Memorandum indicating how the different rules contained in the Civil Account Code, the resource Manual, the Book of financial Powers and the Forest Account Code, have been treated in the new publications, namely, the Central Treasury, Rules, the General Financial Rules, the revised Book of Financial Powers and Volumes II and III of the Account Code.

Note 1 :—This memorandum has been compiled solely for the purpose of assisting references and to expression used in it should be considered as in any way interpreting the rules.

Note 2 :—The following abbreviations have been used in this Memorandum I—

"C.A.C. I—stands for Civil Account Code: Volume I Eighth Edition, Second Reprint:

C.A.C. II—stands for Civil Account Code, Volume II—Eighth Edition Second Reprint.

R. M.—stands for Resource Manual, First Edition: Second Reprint:

B.F.P. (*old*)—stands for the Book of Financial Powers, First Edition.

B.F.P. (*new*)—stands for the Book of Financial Powers.

F.A.C.—stands for Forest Account Code, First Edition, 1921.

T.R.—stands for Central Treasury Rules, First Edition.

G.F.R.—stands for General Financial Rules, First Edition.

A/c. Code II—stands for Account Code, Volume II, First Edition.

A/c. Code III—stands for Account Code, Volume III, First Edition.

Art—stands for Article:

(1) CIVIL ACCOUNT CODE, VOLUME I

Introductory Notes

Paras. 1 and 2 have been left out as they merely quote the authority under which Treasury orders (which formed the basis of the Civil Account Code) had been framed and give a description of the matters dealt with in the two Volumes of that Code.

Para. 3.—Clause (a) given a definition of the expression “local Government” has been omitted as the expression has not been used in the new publications.

Clause (b) has been reproduced in para. 2(xii) of the G.F.R.

The definitions of ‘The Bank’ and Treasury’ in clauses (c) and (d) of this para. have been inserted in clauses (e) and (m) of rule 2 of the T.R. and in clauses (2) and (5) of Art. 3 of A/c. C II.

The expression “the Bank” has also been defined in para. 2(v) of the G.F.R.

Para. 4 has been reproduced in para. 3 of the G.F.R.

CHAPTER I

Art. 1 The substance of this Article has been incorporated in paras. 4 and 5 of the G.F.R.

Art. 1-A has been suitably amplified and incorporated in para. 6 of the G.F.R.

Art. 1-B A revised and exhaustive list of cases in which a Government officer receiving moneys on behalf of the Central Government can use such moneys for meeting expenses of his office has been appended to sub-rule (2) of rule 7 of the T.R.

Art. 2 The substance of this Article and Rule 1 thereunder has been incorporated in rules 78 and 79 of the T.R.

Art. 3 has been reproduced in the first sentence of sub-rule (1) of rule 82 of the T.R.

Art. 4 The requirement of this Article and the rules and Note below it will be served by rules 72 and 73 of the T.R. and the concluding sentence of sub-rule (1) of rule 7 *ibid.*

Art. 5 The substance of this Article has been incorporated in rule 92, 100 and 103 of the T.R.

The requirements of the Note below this Article will be fulfilled by rule 106 of the T.R.

Rules 1 to 4 below this Article have respectively been provided in rules 93, 94, 95 and 96 of the T.R.

Art. 6 relates to the acceptance of cheques in payment of Government dues. A comprehensive rule on the subject covering the provisions of this Article and Rules 1 and 2 thereunder has been set out in rule 79 of the T.R.

Art. 7 has been amplified and inserted in para. 8 of the G.F.R.

Art. 8 Clause (a) of this Article has been reproduced in rule 17 of the T.R., while the provisions of Rules 1 and 2 below it have respectively been incorporated in rules 404 and 405 of the T.R.

The main provisions of the Note below this clause have been incorporated in clause (vii) of rule 138 of T.R.

The general provisions of clause (b) of this Article have been incorporated in rule 136 of the T.R. The Note below this clause and the 'Explanation thereunder, have been reproduce in para. 299 of the G.F.R. (*vide* also the remarks against Annexure A to this chapter).

The provisions of clause (c) of this Article and Notes 1 to 3 thereunder have been revised with reference to subsequent orders issued by Government and incorporated in paras. 123 to 126 of the G.F.R.

Note 4 below this clause has been reproduced in para. 14 of the G.F.R.

Clause (d) of this Article and the Note below it have been omitted.

Art. 9 The instructions contained in this Article and Rules 2 to 4 thereunder have generally been provided in rules 131 and 132 of the T.R., those in Rule 2 relating to cheques in final payment of General Provident Fund Deposit being included in rule 608 of the T.R.

Rule 1 below this Article has been suitably amplified and inserted in rule 171 of the T.R.

The Note below Rule 2 and the 'Exception' to Rule 3 have respectively been reproduced in rules 430 and the Note below rule 204 of the T.R.

Art. 10 The provisions of this Article and the Note thereunder with suitable modifications have been reproduced in rules 133 and 187 of the T.R. and the Notes below them.

Art. 10-A has been reproduced in rule 789 of the T.R.

Art. 11 The substantive rule in this Article has been incorporated in rule 146 while a revised and detailed list of authorised exemptions of receipts from stamp duty has been embodied in Appendix 2 to the T.R.

Art. 12 The list of documents given in this Article has been inserted in Note 2 at the end of Appendix 2 to the T. R.

Art. 13 The instructions contained in clauses (a) to (i) and (k) to (o) of this Article with suitable modifications have been reproduced in rules 138, 141 to 143, 171, 178, 180, 181 and 198 of the T.R., those in clause (j) being omitted.

Art. 14 has been reproduced in rules 18 and 186 of the T.R.

Art. 15 The general provisions of this Article have been included in rules 22 and 23 of the T.R., while Rules 2 and 3 thereunder have respectively been reproduced in rule 196 and Note I below rule 195 of the T.R.

The requirements of Rule 1 under this Article will be fulfilled by the Note below rule 602 of the T.R.

Art. 16 has been suitably amplified and incorporated in rules 86 and 145 of the T.R.

Art. 17 general instructions contained in this Article have been incorporated in rule 212, while those in the Note below this Article have been suitably amplified and provided in rule 183 of the T.R.

Art. 18 has been omitted as it lays down instructions to audit offices, with which the Ministry of Finance is not concerned.

Art. 18-A has been reproduced in rule 213 of the T.R.

Art. 19 has been omitted as its purpose will be served by rule 52 of the T.R.

Art. 20 Except for the last sentence, which concerns an Accountant General and with which the Ministry of Finance is not concerned, the provisions of this Article and Rules 1 to 3 thereunder have been embodied in rule 214 of the T.R., while Rules 4 to 6 below the Article have been reproduced in rules 215, 216 and 224 of the T. R. respectively.

Arts. 21 to 27 relating to issue of cheques have been suitably revised on the basis of existing rules and orders and incorporated in rules 148 to 165 of the T.R., the provisions of Rule 2 below Art. 26 being incorporated in rule 90 of the T.R.

Art 28 has been reproduced in rules 80 and 166 of the T.R.

Art 29 The provisions of this Article and the 'Exceptions' thereto have been suitably modified and embodied in rule 40 of the T.R. and para. 20 of the G.F.R., those contained in the Notes 1 and 2 below this Article being omitted.

Art. 29-A together with the Notes below it has been included in para. 37 of the G.F.R. and the Notes thereunder.

Art. 30 The substance of this Article has been inserted in clause (vi) of rule 77 and rule 181 of the T.R., *vide* also rules 62 and 138 (iv) *ibid.*

Arts. 31 and 32 have been omitted as their requirements are served by rules 540 and 553 of the T.R.

Art. 33-A The General provisions of this Article have been incorporated in Chapter 4 of the Account Code, Volume I and in para. 316 of the G.F.R.

Art. 33-B has been reproduced in para. 301 of the G.F.R.

Art. 33-C and the connected Annexure B have been suitably modified and incorporated in rules 77, 82, 83 and 109 of the T.R.

Annexure A has been omitted as all the Railways have since accepted the time-limit prescribed in the Note below Art. 8 (b) C.A.C.I. (para. 299 of the G.F.R.) for settlement of undercharges and overcharges with Government.

CHAPTER 2

Note at the top, Art. 34 and the Note thereunder have been provided in rule 26 of the G-F.R. and Note 1 thereunder.

Art. 35 The instructions contained in this Article and Rules 1 to 4 thereunder have been suitably modified on the basis of existing orders and provided in paras. 32 and 33 of the G. F.R.

Arts. 36 and 37 have been reproduced in paras. 35 and 34 of the G.F.R. respectively.

Art. 64 has been reproduced in sub-rule (1) of rule 265, while Rules 2 and 3 below this Article have been reproduced in rule 268 of the T.R.

The provisions of Notes 1 and 2 below the Article have respectively been embodied in rules 266 and 269 of the T.R.

Rule 1 below this Article has been omitted.

Art. 66 has been reproduced in rule 270 of the T.R.

Art. 67 has been omitted as it will be covered by Note 2 below rule 270, of the T.R.

Art. 68 The requirements of the Article will be served by rule 230 of the T.R.

Arts. 69 and 69-A have after suitable modifications, been incorporated in rules 272 to 274 of the T.R.

Art. 70 Except for the last sentence which has been included in rule 244 of the T.R., the provisions of this Article have been reproduced in rule 283 *ibid.*

The instructions contained in the Note below this Article have been included in rule 244(b) of the T.R.

Rules 1 and 2 below the Article deal with last pay certificates and have omitted for the reasons mentioned against Article 41.

Rule 3 below the Article has been provided in clause (10) of item 29 of Annexure A to Appendix 8 to the G.F.R.

Rule 4 has been left out as the cases which under the order of Government will be exempted from the general provisions of rule 239 of the T.R. should be incorporated in the Manuals of the Accountants General concerned.

Art. 71 has been reproduced in para 113 of the G.F.R.

Art. 72 has been reproduced in rule 276 of the T.R.

Arts. 73, 74 and 74-A The instructions contained in these Articles leaving the details which concern an Accountant General's office or which are already included in Supplementary Rules 197 to 203, have been incorporated in paras. 120 to 122 of the G.F.R.

Arts. 75 to 78 The provisions of these Articles have been suitably modified and incorporated in rules 277 to 281 of the T.R.

Art. 79 has been reproduced in rule 241 of the T.R.

CHAPTER 6

Notes 1 and 2 at the top have been included in rules 286 and 284 of the T.R. respectively.

Art. 18 The requirements of this Article will be served by rule 285 of the T.R.

Art. 82 has been reproduced in rule 287 of the T.R.

Arts. 83 and 84 The distinction between "Ordinary" and "Special" contingencies for the purpose of sanctions have been removed and the powers of different authorities to sanction contingent charges have been laid down in paras. 129 and 139 of the G.F.R.

Art. 85 has been reproduced in rule 292 of the T.R.

The provisions of Notes 1 and 2 below this Article have been included in item 20 of Annexure A to Appendix 8 to the G.F.R.

Note 3 below this Article has been reproduced in rules 203 and 294 of the T.R.

The powers granted by Note 4 below the Article to heads departments for the granting higher rates of pay to Central Government servant than those fixed for similar Government servant of Provincial Governments employed in the same station, have been withdrawn vide sub-clause (ii) of clause (1) of item 20 of Annexure A to Appendix 8 to the G.F.R.

Art. 86 has been omitted as its purpose will be served by the general instructions contained in paras. 98 and 133 to 136 of the G.F.R.

The Note below this Article has also been omitted as in view of the provisions in item 40 of Annexure A to Appendix 8 of the G.F.R.; it seems superfluous.

Art. 87 The requirements of this Article are satisfied by the general rules in paras. 105 and 106 of the G.F.R. and rule 289 of the T.R.

Arts. 88 and 89 have been reproduced in rules 290 and 291 of the T.R. respectively.

Art. 90 has been reproduced in the Note below para. 128.

Art. 91 and 92 have been reproduced in the rules 295 and 296 of the T.R.

Art. 93 has been suitably amplified and incorporated in rule 288 of the T.R. and para. 132 of the G.F.R.

Art. 93-A has been reproduced in Note 2 below para. 132 of the G.F.R.

Arts. 94 to 97 have been included in rules 296 to 302 of the T.R.

Art. 98 has suitably amplified and incorporated in rule 317 of the T.R.

Art. 99 has been reproduced in rule 305 of the T.R.

Art. 100 The revised powers for incurring expenditure on non-recurring contingencies are laid down in Appendix 8 to the G.F.R. and Annexure A thereto.

Arts. 101 to 105 The provisions of those Articles have been suitably modified and amplified, where necessary, and incorporated in rules 306 to 312 of the T.R.

Arts. 106 and 107 have been omitted.

Art. 108 has been reproduced in rule 313 of the T.R., the detailed procedure set out in Rule 1 below this Article being omitted.

Arts. 108-A and 109 have been reproduced in rules 314 and 315 of the T.R.

Art. 110 to 112 The instruction contained in these Articles have been incorporated in para. 140 of the G.F.R. and rule 316 of the T.R., Notes 1 and 2 below Art. III being omitted and Notes 4 and 5 being provided in rules 381 and 477 of the T.R. respectively.

CHAPTER 3

Art. 38 The provisions of this Article in so far as they relate to pay and allowances of Government servants have been incorporated in rules 217 and 218, while those relating to pensions have been included in rule 339 of the T.R.

Rule 1 below this Article has similarly been reproduced in rules 219 and 340 of the T.R.

The provisions of Rules 2 to 4 below the Article have respectively been included in rules 232 Note 1 below rule 217 and sub-clause (iii) to clause (b) of rule 218 of the T.R.

Rule 5 below the Article has been left out as it does not concern payments in Pakistan.

Art. 39 The instructions contained in this rule relating to the payment of pay and allowances of deceased Government servants have been provided in rules 233 and 234 while those relating to payment of arrears of pensions of deceased pensioners have been incorporated in rule 370 of the T.R.

The provisions of the Note below this Article are covered by rule 232 of the T.R.

Art. 40 has been omitted as it contains certain administrative orders which should be suitably incorporated in the manuals or regulations of the departments concerned.

Art. 41 The second sentence of this Article has been reproduced in rule 21 of the T.R. As under that rule the duty of prescribing the form, etc., of last pay certificates has been entrusted to the Auditor General, the detailed instructions obtained in Rules 1 to 3 below this Article have been left out and the rules framed by the Auditor General for regulating the preparation of last pay certificates have been embodied in Appendix 4 to the T.R.

Art. 42 The revised procedure for drawing bonds of indemnities and an up to date list of agents who have executed general bonds of indemnity have been provided in rules 246 and 247 and Annexure A to Chapter II to Part V of the T.R.

Art. 43 has been reproduced in rule 221 of the T.R.

The requirements of the Note below this Article will be covered by the Note below rule 602 of the T.R.

Arts. 44 to 46 The general provisions of these Articles have been incorporated in rule 222 to the T.R., the detailed instructions contained in the Notes below Article 45, etc., being omitted.

Art. 46-A The provisions of this Article and the Rule thereunder have been reproduced in sub-rules (1) and (2) to rule 223 of the T.R.

Art. 46-B Revised instructions relating to attachment of pay and allowances for debt have been included in rules 225 to 229 of the T.R.

CHAPTER 4

Art. 47 has been reproduced in sub-rule (1) to rule 249 of the T.R.

Art. 47-A The revised procedure for the disbursement of sterling overseas pay has been set out in rules 252 and 253 of the T.R.

Art. 48 has been reproduced in rule 250 of the T.R.

Art. 49 The provisions of this Article and Rules 1 to 3 thereunder have been incorporated in rule 245, while the Note below this Article has been reproduced in the Note below rule 253 of the T.R.

Rule 4 below this Article has been left out as its requirements will be served by the general provisions of rule 180 of the T.R.

Art. 50 has been included in rule 230 of the T.R.

Art. 50-A has been reproduced in rule 251 of the T.R.

Art. 51 has been provided in rule 257 of the T.R.

Art. 51-A has been omitted as it mainly deals with an instruction to the Audit Offices with which the ministry of Finance is not concerned.

Art. 52 Detailed instructions for the submission of charge reports by gazetted officers on the transfer of office are laid down in rule 44 of the T.R. and paras. 114 and 115 of the G.F.R.

Art. 53 The provisions of this Article have been suitably amplified and incorporated in rule 243 of the T.R.

Art. 54 has been reproduced in rules 254 and 255 of the T.R.

Art. 55 has been reproduced in rules 259 and 260 of the T.R.

Arts. 56 and 57 Revised rule governing the place of payment of pay and allowances of Government servants have been set out in rules 235 to 238 of the T.R.

Arts. 58 and 59 have respectively been reproduced in rules 240 and 242 of the T.R.

Art. 59-A has been reproduced in para. 118 of the G.F.R.

Art. 59-B The provisions of this Article have been suitably amplified and incorporated in rule 261 of the T.R.

CHAPTER 5

Art. 60 has been reproduced in rule 263 of the T.R.

Art. 61 The substance of this Article has been incorporated in rule 264 of the T.R., the instructions contained in this Article for the guidance of an Accountant General in fixing the sections of establishments being omitted.

Art. 62 The substantive rule contained in this Article has been incorporated in para. 119 of the G.F.R., while the detailed procedure for the preparation of the Annual Establishment Returns which has been separately laid down by the Auditor General has been embodied in Appendix 7 to the G.F.R.

The rule regarding alteration in the recorded dates of birth of Government servants contained in sub-clause (b) to clause (1) of this Article and the Notes thereunder has been incorporated in para. 116 of the G.F.R.

Art. 63 The general provisions of this Article have been inserted in paras. 110 to 112 of the G.F.R. The references in clause II (iii) of schemes requiring the sanction of the Secretary of State has been omitted.

CHAPTER 7

Note at the top has been omitted.

Art. 113 The substance of this Article has been incorporated in rules 400 and 401 of the T.R. and para. 205 of the G.F.R.

Art. 114 has been provided in para. 204 of the G.F.R.

Art. 115 has been left out as its purpose will be served by para. 204 of the G.F.R.

Arts. 116 to 118 The provisions of Art. 116 have been reproduced in rule 411 of the T.R. the detailed instructions contained in Rules 3 and 4 below that Article and Arts. 117 and 118 being omitted as they will be covered by the Rule in Appendix 6 of the T.R.

Art. 119 The instructions contained in this Article are contained in rule 412 of the T.R.

Art. 120. has been reproduced in rules 414 and 415 of the T.R.

Art. 121 The substance of this Article and the rule thereunder has been included in rule 380 of the T.R.

Art. 122 A comprehensive list of cases in which rewards are payable has been set out in item 34 of Annexure A to Appendix 8 to the G.F.R.

Art. 123 has been reproduced in rule 416 of the T.R.

Art. 124 has been reproduced in para. 213 of the G.F.R. and rule 431 of the T.R.

Arts. 125 to 131 The provisions of Arts. 125 to 129 have been reproduced in rules 420 to 423 of the T.R., while Arts. 130 and 131 have omitted.

Arts. 132 and 133 have been reproduced in rules 424 and 425 of the T.R.

 CHAPTER 8

Arts. 134 and 135 The instructions contained in the Articles have been embodied in paras. 237 and 238 of the G.F.R.

Art. 140 The provisions of this Article and Rules 1 to 3 thereunder have been incorporated in paras. 240 and 248 of the G.F.R.

Arts. 142 and 143 The substance of these Articles has been provided in rules 660 and 662 of the T.R., Rule 1 below Art. 143 being reproduced in Note 3 below para. 241 of the G.F.R.

Art. 144 has been embodied in para. 243 of the G.F.R.

Art. 145 clauses (a) and (b) of this Art. and Note 1 below clause (a) have been reproduced in para. 244 of the G.F.R.

The submission of Annual Account required by Note 2 below clause (a) of this Article has been provided in para. 248 of the G.F.R.

Art. 146 has been reproduced in para. 242 of the G.F.R.

Art. 147 and 148 have been reproduced in rules 664 to 666 of the T.R.

Art. 149 clause (a) of this Article has been reproduced in Art. 90 of A/c. Code II. The requirements of clauses (b) are satisfied by Art. 120 *ibid.*

Clause (c) has been included in sub-rule (2) of rule 666 of the T.R.

Art. 150 has been omitted as it rates to functions of an Account Office.

Arts. 151 and 152 have been reproduced in paras. 245 and 246 of the G.F.R.

Art. 153 has been omitted as its requirements will be satisfied by paras. 248 and 247 of the G.F.R.

CHAPTER 9

Art. 154 has been provided in para. 237 of the G.F.R.

The provisions of Notes 1 and 4 and Rule 1 below this Article have been reproduced in paras. 250 and 254 of the G.F.R., while those of Notes 2 and 5 are covered para. 255 *ibid.*

Note 2 which relates to a Provincial Government has been omitted.

Art. 154-A has been reproduced in para. 249 of the G.F.R.

Art. 155 which relates to house-building advances has been reproduced and para. 253 A of the G.F.R.

Arts. 156 to 158 The rules in Article 156 for the grant of advance for the purchase of motor cars or motor boats and matters ancillary thereto have been revised with reference to the current orders on the subject and incorporated in paras. 254 to 261 of the G.F.R.

Similarly the rules for the grant of advances for the purchase of motor cycles and other means of conveyances contained in Arts. 157 and 158 have been embodied in paras. 262 and 263 of the G.F.R. respectively.

Art. 159 clause (a) of this Article with Notes 3, 4 and 6 to 9 below it has been suitably amended and incorporated in para. 266 of the G.F.R.

Notes 1, 2 and 5 which are no longer necessary have been left out.

Clause (b) together with the Notes and Exceptions 1 and 2 has been embodied in paras 266 and 267 of the G.F.R., Exception 3 being incorporated as a Note below para. 264 *ibid.*

Clause (c) has been reproduced in para. 268 of the G.F.R.

Sub-clauses (i) to (iii), (v) and (vi) of clause (d) together with the Notes below it have been suitably modified and included in para. 269 of the G.F.R.

Sub-clause (iv) of clause (d) and clauses (e), (g) and (k) together with the provisions contained in the N.B. below clause (g) have been embodied in para. 270, while clauses (h), (i) and (j) have respectively

been included in paras. 271, 264 and Note below para. 272 of the G.F.R.

Art. 160 has been embodied in para. 252 of the G.F.R.

Art. 161 The substance of this Article has been provided in rules 258 and 660 of the T.R. and para. 253 of the G.F.R.

Arts. 162 and 163 have been incorporated in rule 669 of the T.R.

CHAPTER 10

The rules in Part XII of the T.R. replace the rules contained in Chapter 10 of the C.A.C. I, Chapter 20 of the C.A.C. II and Chapter VII of the R.M. which become obsolete with the introduction of the new scheme of remittances through the State Bank of Pakistan.

CHAPTER 11

Art. 185 The substance of this Article has been provided in paras. 62 and 65 of the G.F.R.

Art. 168 The main rule has been omitted, rule 1 below if being incorporated in para. 72 of the G.F.R.

Art 186A has been included in para. 72 (iii).

Art. 187 The instructions contained in clauses (a) to (h) of this Article have been included after necessary adaptation and modification in para. 73 of the G.F.R. the note below and the Exception to clause (9) being omitted.

Clause (i) together with the Exception to it has been suitably modified and incorporated in para. 81 of the G.F.R.

Art. 188 has been embodied in para. 84 of the G.F.R.

Art. 190 and 191 have been suitably modified and included in para. 97 *et seq* of the G.F.R.

Art. 192 has been included in para. 55 of the G.F.R.

Arts. 193 and 194 The substance of these Articles has been incorporated in paras. 105 and 106 of the G.F.R.

CHAPTER 12

Art. 195 has been incorporated in rules 614, 623 and 625 of the T.R.

Art. 196 has been omitted.

Arts. 197 to 199 have been suitably modified and incorporated in rules 617 to 622 of the T.R.

Art. 200 has been incorporated in clause (c) of rule 623 of the T.R., the note below this Article being provided in rule 619 of the T.R.

Art. 201 Clause (a) of this Article has been provided in rule 627 of the T.R. and Art. 66 of Account Code, Vol II.

Clause (b) has been incorporated in rules 630 and 631 of the T.R., the Note below this clause being embodied as a Note below Art. 66 of Account Code, Vol. II.

Art. 202 has been incorporated in rule 632 and the Note below it in rule 629 of the T. R.

Art. 203 This Article and the note below it have been reproduced in Art. 124 of Account code, Vol. II, and its Note.

Arts. 204 and 205 have been included in Arts. 125 and 126 of Account Code, Vol. II.

Art. 206 and Notes thereunder have been provided in rules 635 and 636 of the T. R. and Art. 127 of the Account Code, Vol, II.

Art. 207 and Note thereunder have been provided in rules 637 and 639 of the T. R. and Art. 63 of the Account Code, Vol, II.

Art. 208 has been embodied in rule 638 of the T.R.

Arts. 209 and 210 have been reproduced in Art. 71 of the Account Code, Vol. II. see also rule 641 of the T. R. The Notes below these Articles have been omitted.

Arts. 211 and 212 have been incorporated in Notes 1 and 2 below rule 641 of the T.R.

Arts. 213 to 216 have been reproduced in rules 643 to 646 of the T.R.

Art. 217 The substance of this Article has been included in rule 648 of the T. R.

Art. 217-A has been suitably modified and incorporated in rule 651 of the T.R.

CHAPTER 13

Art. 218 has been incorporated in rule 652 of the T.R.

Art. 219 has been omitted.

Arts. 220 and 220A have been incorporated in rules 654 to 656 of the T.R.

Art. 221 has been incorporated in para. 231 of the G.F.R.

Art. 222 has been reproduced in rule 657 of the T.R.

Art. 223 has been omitted, but see Arts. 73 and 74 of the Account Code, Vol. II.

Art. 223A has been reproduced in para. 227 of the G.F.R

CHAPTER 14

Art. 224 has been omitted.

Art. 225 has been incorporated in paragraph 40 of the G.F.R.

Art. 227 and the Notes and rules thereunder After suitable adaptation and modification have been incorporated in paras. 47 and 48 of the G.F.R. and Schedule V to the B.F.P. (new)

Art. 228 has been revised and incorporated in para. 49 of the G.F.R.

Arts. 229 to 231A have been embodied in paras. 51 to 54 of the G.F.R.

Art. 232 has been incorporated in para. 57 of the G.F.R.

Arts. 233 and 233A have been reproduced in paras. 59 and 60 of the G.F.R.

Arts. 234 and 235 have been omitted but see para. 97 *et seq* of the G.F.R.

 CHAPTER 15

Art. 236 The provisions of this Article and Rule 1 below it have been embodied in rules 600 and 602(2) of the T.R.

Art. 237 has been embodied in rules 601 and 603 of the T.R.

Art. 238 has been reproduced in the second sub-para. of rule 600 of the T.R.

Art. 239 has been omitted-as its purpose will be served by rules 602(1) and 603 of the T.R.

Rules 1 and 2 below this Article have respectively been reproduced in the Note below rule 603 and 601 of the T.R.

Art. 240 has been reproduced in rule 604 of the T.R.

Art. 241 has been omitted as it is not within the scope of the Treasury Rules or the Financial Rules to prescribe how the rate of subscription to any particular fund or funds is to be determined.

Art. 242 This Article together with Rule 1 below it has been reproduced in rule 605 of the T.R.

Art. 243 A comprehensive rule governing the procedure for payment of advances, etc., from Provident and Service Funds has been set out in rule 606 of the T.R.

Rule 1 below this Article is provided in rule 609 of the T.R.

Art. 244 has been modified and incorporated in rule 607 of the T.R.

Art. 245 has been reproduced in the second sub-para. of rule 601 of the T.R.

Art. 246 The relevant portions of this Article and the Note below it have been incorporated in para. 221 and Note below para. 222 of the T.R. respectively.

Arts. 247 to 253 have been omitted as they relate to rules of the Funds concerned and do not come within the purview of the Treasury Rules or the Financial Rules.

Art. 254 has been reporduced in the Note below ppra. 220 of the G. F. R.

Arts. 255 to 258 have been embodied in paras. 290 to 293 of the G. F. R.

Art. 259 has been omitted as it does not affect any of the Central treasuries.

Arts. 259-A, 259-B, 259-C, 259-D and 259-DD The provisions of the Articles have been modified with reference to subsequent orders and incorporated in paras. 294 to 298 of the G.F.R.

CHAPTER 15-A

Arts. 259-E, 259-F, 259-G, 259-GI and 259-H The provisions of these Articles have been incorporated in rules 784 to 788 of the T.R.

Art. 259-I which merely introduces certain Appendices to the C.A. Code has been omitted.

Art. 259-J The provisions of this Article and the Notes below it have been included in rule 383 of the T.R.

Art. 259-K which merely introduces an Appendix to the C.A. Code has been omitted.

APPENDICES AND FORMS

The following table indicates how the Appendices and forms contained in C. A. C., Vol. I, have been treated in the new publications:—

Reference to the Appendix or Form in C. A. C., Vol. I.	Corresponding Appendix, form or rule in the new publications	Remarks.
Appendix 1	Form T. R. 15	
" 2	Appendix 3 to the T. R.	
" 4	" 9 to the G. F. R.	
" 4-A	" 10 to the G. F. R.	
" 5	" 8 to the G. F. R.	
" 5-A	" 19 to the G. F. R.	
" 6	... ..	The rules in this Appendix being of Accounts classification have been left for the Auditor General to issue in Vol. I of the Account Codes
Appendix 7	Appendix 6 to the T. R.	
Appendix 8	" 14 to the G. F. R.	
Appendix 8-A	... ..	<i>vide</i> remarks against Art. 41 in Chapter 3:
Appendix 8-B	Appendix 13 to the G. F. R.	
8-C		The basic rules contained in this Appendix have, after necessary modifications and adaptations been incorporated in Part I of the T. R.

Reference to the
Appendix or Form in
C. A. C., Vol. I

Corresponding Appendix,
form or rule in the new
publications

Remarks.

Reference to the Appendix or Form in C. A. C., Vol. I	Corresponding Appendix, form or rule in the new publications	Remarks.
Appendix 8-D	Appendix 17 to the G. F. R.	
" 8-E	... ..	vide remarks against Art 155 in Chapter 9:
" 8-F	... ..	The provisions and restric- tions contained in this Appendix which were issued by the Secretary of State in exercise of the powers vested in him under the old Act, do not hold good under the new constitution and have been omitted.
Appendix 8-G	Appendix 1 to the G. F. R.	
" 8-H	Para. 19 of the G. F. R.	
Form 1	Form T. R. 16.	
" 1-A	" " 17.	
" 1-B	" " 19.	vide also remarks against Art. 47-A in Chapter 4.
" 1-C	" " 18.	
" 1-D	" " 1.	
" 1-E	" " 14.	
" 2	" " 20.	
" 2-A	" G. F. R. 13.	
" 2-B	" T. R. 21.	
" 3	" G. F. R. 19.	
" 4	" G. F. R. 20.	
" 5	" G. F. R. 12.	
" 6	... ..	Detailed procedure for approaching the Secre- tary of State has not been made in the new rules as all schemes of revision of establishment are finally dealt with in Pakistan, Form 6 which is connect- ed with applications to the Secretary of State for revision of establishment has therefore been omit- ted.
Form 8	Form T. R. 23.	
" 10	" " 22.	
" 10-A	" " 24.	
" 10-B	" " 28.	
" 10-C	... ..	This has been omitted as it belongs to the Fundamen- tal Rules Series of Forms vide F. R. Form 10.
Form 11	Form T. R. 25.	
" 12	" " 26.	
" 13	" " 27.	
" 14	" " 29.	
" 14-A	" " 34.	
" 15	" " 31.	
" 15-A	" " 32.	
" 15-B	" " 33.	
" 16	" " 30.	
" 17	" " 41.	
" 18	" " 4.	
Form 19	Form G; F. R. 14.	
19-A	" " 1.	
19-B	... ..

Reference to the Appendix or Form in C.A.C., Vol. I.	Corresponding Appendix form or rule in the new publications	Remarks.
Forms 20, 20-A 21, 22 22-A and 23.	... ..	... <i>Vide</i> remarks against Art. 155 in Chapter 9.
Form 24	Form G. F. R. 16.	
" 24-A	" " 17.	
" 24-B	" " 18.	
Form 25	... ..	...
Form 26	Form T. A. 21.	
" 27	" T. R. 61.	
" 28	" T. A. 43.	
" 29	" " 49.	
" 30	" T. R. 62.	
" 30-A	" " 56.	
" 30-B	" " 57.	
" 30-C	" " 58.	
" 31	... ..	... <i>Vide</i> remarks against Art. 40 in Chapter 3.
Form 31-A	Form T. R. 70,	
31-B	... ..	... <i>Vide</i> remarks against Art. 14 in Chapter 3.
31-C	Form G. F. R. 21.	

CIVIL ACCOUNT CODE, VOLUME II

Introductory Notes

Paras. 1 and 2. Same remarks as against paras. 1 to 3 of the Introductory Notes of C.A.C. Vol. I.

CHAPTER 16

Art. 260. The provisions of this Article have been included in rule 4 of the T.R. while Rule 1 below it has been provided in rule 47 of the T.R.

Arts. 261 and 262 have been embodied in rules 39; 41 and 52 of the T.R., while the Note below Article 261 has been incorporated in rule 51 *ibid.*

Art. 263 Clause (a) has been omitted as the Resource Manual is no longer in force.

The provisions of clauses (b) and (c) will be covered by the rules in Section G of Chapter II of A/c. Code, Vol. II and rule 704(1) of the T.R.

Arts. 264 and 265 have been reproduced in rules 59 and 60 of the T.R. and Articles 29 and 30 of A/c. Code, Vol. II.

Art. 266 has been embodied in rules 99 and 102 of the T.R., while the Note below it has been reproduced in the Note below rules 500 of the T.R.

Rule 1 has been incorporated in rule 100 of the T.R.

Rule 2 has been provided in rules 98 and 105 of the T.R.

The requirements of Rules 3 to 5 will be covered by rules 99 to 103 and 91 of the T.R.

Rules 6 and 7 have been provided in rules 86 and 431 of the T.R. respectively.

Rule 8 which relates to Provincial Governments has been omitted.
Rules 9 and 10 have been included in rule 95 of the T.R.

Art. 267 has been embodied in rules 177 and 179 of the T.R.

Rules 1 to 7 below this Article have respectively been incorporated in rules 18, 186, 184, 195(2), 20, 173 and 170 of the T.R.

Art. 268 has been embodied in rules 22, 23 and the last sentence of rule 177 of the T.R.

For rules 1 and 2 below this Article see the remarks against Rules 1 and 2 below Article 15 in Chapter 1 of C.A.C., Vol. I.

Rule 3 has been reproduced in the Note below rule 183 of the T.R.

Art. 269. This Article together with Rules 1 and 3 below it has been reproduced in rule 195 of the T.R.

The instructions contained in the N.B. below rule 1 have been incorporated in the last sentence of Article 29 of A/c. Code, Vol. II. while the illustration given in Rule 2 has been omitted.

Art. 270 clause (a) and note 1 below the Article have been embodied in rule 132, while clause (b) has been reproduced in rules 106 and 107 of the T.R., Note 2 below the Article being provided in rule 318 *ibid.*

Art. 271. The requirements of this Article will be covered by rule 147 of the T.R.

Art. 272. The provisions of this Article and Note 2 below it have been included in rule 187 of the T.R., Note 1 being provided in rule 188 *ibid.*

Art. 272-A has been reproduced in sub-rule (2) of rule 401 of the T.R.

Arts. 273 and 274. Same remarks as against Articles 21 to 27 in Chapter 1 of C.A.C., Vol. I, *vide* also rules 189 to 193 of the T.R.

Arts. 275 to 277. The provision of these Articles governing payments against letters of credit have, after suitable modifications and adaptations been included in rules 168, 169 and 194 of the T.R.

Art. 278 Clauses (a) to (c) have been provided in Arts. 33, 32 and 35 of A/c. Code, Vol. II respectively.

Clauses (d) and (e) and the Note below it will be covered by Art. 35 of A/c. Code, Vol. II.

The provisions of Rules 1 and 2 below the Article have respectively been included in Note below Art. 34 and Art. 26 of A/c. Code, Vol. II.

Rule 3 has been reproduced in Note 2 below rule 789(4) of the T.R.

Arts. 279 and 280 The instructions contained in these Articles have, after suitable modifications and adaptations, been incorporated in Arts. 95 *et seq* of A/c. Code, Vol. II.

Art. 281. Except for the last sentence of this Article, which has been omitted, it has been embodied in Art. 47 of A/c. Code, Vol. II, the Note below it being provided in the Note below rules 63 of the T.R.,

Art. 282. The substance of this Article has been embodied in Arts 48 and 19 A/c. Code, Vol. II.

Art. 283 has been provided in the Note below rule 132 of the T.R.

Notes 1 to 3 below the Article have been embodied in rule 203 of the T.R. and Articles 115 and 116 of A/c. Code, Vol. II.

Arts. 284 to 286 have been provided in rules 65 to 67 of the T.R. and Arts. 50 to 56 A/c. Code, Vol. II

Art. 287. The provisions of this Article and Rules 1 and 2 below it have been incorporated in rules 68 and 69 of the T.R.

Rule 3 below the Article has been reproduced in rule 185 of the T.R. while Rule 4 has been omitted as its purpose will be served by the rules in Section III of Part IV of the T.R.

Art 288. The substance of this Article and the Notes below it has been reproduced in para. 110 of A/c. Code, Vol. II.

Arts 290 and 291 have been incorporated in rules 74 and 75 of the T.R., the Note below Art 290 being omitted.

Arts. 292 to 294 A set of revised and compensation rules re : inspection of treasury have been set out in rules 70 and 71 of the T.R.

CHAPTER 17

Arts. 294-1 and 295 have been incorporated in rule 426 of the T.R.

Art. 296 has been reproduced in rule 427 of the T.R.

Arts. 297 and 298. The requirements of these Articles so far as Government accounts are concerned will be covered by rules 457 and 458 of the T.R.

Arts. 299 to 301 together with the notes below Art. 299 have been incorporated in rules 458 to 460 of the T.R.

Arts. 302 and 303 have been embodied in rules 431 to 433 and 79(1) (a) of the T.R.

Arts. 304 to 306 together with the Note below Art. 305 have been embodied in rules 434 to 436 and 464 of the T.R.

Arts. 307 and 308 together with the Note below Art. 307 have been omitted for the reasons stated against Chapter 10 of C.A.C., Vol. 1.

Arts. 309 and 310. The provisions of these rules have been amplified on the basis of the existing orders and included in rules 437 to 440 and 429 of the T.R.

Art. 311 Clauses (a) and (b) of this Article have been incorporated in rule 442 of the T.R.

Clause (c) seems superfluous in view of the instructions incorporated in the Note below rule 442 of the T.R.

The Note below the Article has been embodied in rule 109 (1) of T.R.

Art. 312 with necessary modifications has been incorporated in rule 443 of the T.R.

Art. 312-A has been omitted as its requirements will be covered by rule 442 of the T.R.

Reference to the Appendix or form C. A. C., Vol. II	Corresponding Appendix or form in the new publications	Remarks.
Form 56	Form T. R. 54	
" 57	" " 55	
" 58	...	Has been omitted as under the new rules in Art. 120 of A/c. Code, Vol. II, the Schedule of revenue received on account of the Salt Revenue Branch of the Central Excises and Salt, has to be submitted in Form T. A 10.
Form 59	Form T. R. 55	
" 60	" T. A. 39	
" 60-A	" T. R. 52	
" 61	" T. A. 12	
" 62	" " 13	
" 63	" T. R. 11	
" 64	" T. A. 11	
" 65	" " 10	
" 66	" T. R. 46	
" 66-A	" " 51	
" 67	" " 45	
" 68	" " 47	
" 69-A	" " 48	
" 69-B	" T. A. 14	
" 70	" " 15	
Form 71	Form T. A. 16	
" 71-A	" " 17	
" 71-B	" T. R. 49	
	" " 50	

মোট বহিষ্কৃত ইঙ্গিত
 প্র. মুক. বিজ্ঞপ্তি
 এ. জি. বি. প্রাক্তন কার্যক্রম
 সেতুসংক্রান্ত, ঢাকা-১০০০
 মোতারিফ ০১/১১/১৯৬১

(3) Resource Manual

Note.—The rules contained in this Manual have been amended, where necessary, to make them conform to the changed conditions caused by the abolition of the office of the Controller of the Currency, the creation of the State Bank of Pakistan etc., and included in the Central Treasury Rules in the manner indicated in the following Table.

Reference to Articles, Annexures Appendices or forms in the Resource Manual	Corresponding Rule, Appendix or Form in the Central Treasury Rules	Remarks.
Chapter I		
Art. 1	...	
Art. 2	...	...
Art. 3	Rule 53	The jurisdiction of the different offices of issue of the State Bank of Pakistan over the Central Treasuries has been shown in Note 1 below rule 53 of the T.R. The Note below the Article which is superfluous has been omitted.
Art. 4	Paras, 1 and 3 of Chapter XIV, and Note below rule 426.	
Art. 5	Paras, 3 and 12 of Part XIV, see also Para. 5 <i>ibid.</i>	

Reference to Articles
Annexures, Appendices
or forms in the Resource
Manual

Corresponding rule,
Appendix or Form in
the Central Treasury
Rules

Remarks

Art. 5-A	Has been omitted as the special procedure embodied in it for the resource operation at Lahore Circle is no longer operative. As regard the list of officers responsible for submission of periodical returns, etc., provided in this Article, necessary provision has been made in the respective rules of the Central Treasury Rules, etc.
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Chapter II

Art. 6	Note at the top of rule 113:		
Art. 7	Rule 55 and 56		
Art. 8	Rule 116		
Art. 9	Rule 113		
Arts. 10 and 11	Rule 115		
Art. 12	Rule 114		
Art. 13	Rule 117		
Art. 14	Rule 118		
Art. 15	Rule 119		
Art. 16	Rule 123 and Note 1 below Rule 124.	Note 2 below the Article has been provided in rule 122 of the T.R.	
Art. 17	Rule 125		
Art. 18	...	...	The provisions of this Article seem superfluous and have been omitted.
Art. 19	Rule 45 and Note 2 below Rule 124.		
Art. 20	Rule 121		
Art. 21	Note 1 below para. 11 and Note below para. 13 of Part XIV.		
Art. 22	Para. 13 of Part XIV		
Art. 23	Para. 14 of Part XIV	Note I below this Article has been omitted.	
Arts. 24 and 24A	Paras. 15 and 16 of Part XIV,		

Chapter III

Art. 26	Para. 7 of Part XIV
Art. 27	Para. 8 of Part XIV
Art. 28	Para. 9 of Part XIV
Arts. 29 and 30	Para. 10 of Part XIV
Art. 31	Para. 11 of Part XIV
Art. 32	...
Art. 33	Para. 3 of Part XIV
Art. 34	Para. 6 of Part XIV
Arts. 35 and 40	Rules in section II of Part XI

Chapter IV

The rules contained in this Chapter other than those in Arts. 91 and 92 relating to small Coin Depots which have been included in Section IV of Part IV of T. R. and Arts. 128 *et seq* of A/C. Code, Vol. II, have after necessary modifications and adaptations, been incorporated in Chapter III of Part XIV of the T. R.

Arts. 406 and-407-A. The special procedure for the drawing money by the Meteorological Department, Geological Survey and Survey of Pakistan Departments contained in these three Articles have been suitably modified to bring it into conformity with the existing orders and practice and incorporated in rules 567 to 573 of the T.R.

Art. 408 Clauses (a) (d) and (e) and the first sub-para. of clause (b) of this Article have been incorporated in rule 586 of the T.R. and Art. 120 of A/c. Code, Vol. II while clause (f) and the Note thereunder have been included in rule 590 of the T. R., Clause (c) and the second sub-para. of clause (b) have been omitted.

Art. 408-A. This Article has been suitably amended to conform to the existing practice and incorporated in rule 565 of the T.R.

CHAPTER 23

Art. 409. This Article together with Note 2 below it has been reproduced in rule 564, while Note 1 has been incorporated in, rule 557 of the T.R.

Art. 410 Clauses (a) and (b) of this Article have been incorporated in rule 556 and Note below rule 558 of the T.R. and Art. 102 of A/c Code. Vol. II.

Art. 411. The requirements of this Article will be covered by rule 555 of the T.R.

Art. 412 has been reproduced in rule 558 of the T.R., *see* also Art. 58 of A/c. Code, Vol. II.

Arts. 413 to 415 have been provided in rules 559 to 561 of the T.R.

Art. 416. The requirements of this Article will be covered by Arts. 58, 101 and 120(b) of A/c. Code, Vol. II.

Art. 417 has been reproduced in rule 562 of the T.R.

CHAPTER 24

The rules in this chapter, after allowing for the changes in procedure consequent on the abolition of the letter of credit system and on the *pro forma* separation of Railway balances, have been incorporated in Chapter II of Part VII of the T.R. and in Arts. 9-A, 38-A, 101, 104 and 117 to 120 of A/c. Code, Vol. II.

CHAPTER 26

Art. 437 and Rule 1 below it have been included in rules 540 and 541 of the T. R.

Arts. 438 and 438-A have been omitted but *see* paras. 187 *et seq* of the G.F.R.

Art. 439 Clauses (a) and (b) of this Article are respectively provided in rule 543 and Note below rule 542 of the T.R.

Art. 440 has been provided in rule 544 of the T.R. and *Art. 604* of A/c. Code, Vol. II.

Arts. 411 and 442 have been incorporated in rule 545 of the T.R.

Art. 443 has been reproduced in rule 546 of the T.R.

Art. 444 has been provided in *Arts. 101 and 104* of A/c. Code, Vol. II.

Arts. 445 to 448 together with the Note below *Art. 455* have been reproduced in rules 547 to 549 of the T.R.

Art. 449 has been provided in *Art. 14* of A/c. Code, Vol. II.

Arts. 450 and 451 have been reproduced in rules 550 and 551 of the T.R. respectively.

CHAPTER 27

Art. 452 together with Notes 1 and 3 below it has been reproduced in rule 467 of the T.R.. Note 2 below the Article being incorporated in the second sub-para. of rule 470 *ibid.*

Art. 453. The list of departmental officers embodied in this Article has been printed as an Annexure to Chapter 1 of Part VII of the T.R., see also rule 468 of the T.R.

Art. 454 and Notes 1 to 4 below it have been reproduced in rule 469 of the T.R.

Art. 455-A has been included in rule 470 of the T.R.

Arts. 455 and 456 have been reproduced in rules 471 and 472 of the T.R. respectively.

Arts. 457 to 465 and 465-A. These Articles have been revised, where necessary to make them conform to the existing practice and orders and incorporated in rules 473 to 477 of the T.R.

Arts. 466 to 470 have been incorporated after necessary modifications in rules 478 to 482 of the T.R.

Arts. 471 to 473. Except for the instructions contained in the N.B. below Article 472, which have been omitted, the provisions of these Articles have been included in rules 483 to 485 of the T.R. respectively.

Arts. 471 and 475 have been embodied in rule 486 of the T.R.

Art. 476 has been reproduced in rule 487 of the T.R.

~~*Art. 477*~~ has been omitted as its requirements will be covered by rule 492 read with rule 373 of the T.R.

Art. 478 to 480. Except for the Note below *Art. 480* which has been omitted, the provisions of these Articles have been reproduced in rules 488 to 490 of the T.R. respectively.

Art. 481 has been omitted.

Art. 482 has been reproduced in rule 491 of the T.R.

Art. 483 and 484 have been omitted as their requirements will be covered by rule 492 read with rule 373 of the T.R. The Note below Article 484 has been reproduced in rule 374 of the T.R.

Art. 485 Clauses (a) and (b) of the Article have been reproduced in rule 375 of the T.R. Clause (c) has been embodied in Article 16 of A/c. Code, Vol. II while the Note below the clause has been omitted as its requirements will be covered by rule 492 read with rule 373 of the T.R.

Art. 486. The relevant provisions of this Article and the Notes below it have been incorporated in Articles 59, 101 and 120 of A/c. Code, Vol. II.

Art. 486-A has been included in rule 223 of the T.R.

CHAPTER 28

Art 487 together with the Note below it has been reproduced in rule 509 of the T.R.

Arts. 488 and 489 have been incorporated in rule 511 of the T.R.

Art. 489-A has been reproduced in rule 524 of the T.R.

Arts. 490 to 492. Except for the Note below Article 492 which has been omitted, the provisions of these Articles have been reproduced in rules 513 to 515 of the T.R. respectively.

Art. 493 has been reproduced in rule 516 of the T.R., the Note below the Article being provided in rule 517 *ibid.*

Arts 494 to 497 have been reproduced in rules 518 to 521 of the T.R. respectively.

Art. 498. The requirements of this Article will be covered by rule 198 of the T.R.

Arts. 499 and 500 have been incorporated in rules 522 and 523 of the T.R.

Art. 501 has been provided in rule 525 of the T.R.

Art. 502 has been incorporated in Art. 60 of A/c. Code, Vol. II.

Art. 503 has been reproduced in rule 526 of the T.R.

Art. 504 has been omitted.

CHAPTER 29

Arts. 505 and 506 have been included in rules 530 and 531 of the T.R. respectively.

Arts. 506-A has been reproduced in rule 536 of the T.R.

Art 507 has been omitted as its requirements will be covered by Article 12 of A/c. Code, Vol. II.

Art. 508. The provisions of this Article have been included in rule 172 of the T.R.

Art. 509 has been provided in rule 523 of the T.R., the Note below the Article being included in rules 148 (1) and 151 *ibid.*

Art. 510 has been reproduced in rule 535 of the T.R.

Art. 511 has been suitably modified to bring it into conformity with the existing practice and incorporated in rule 533 of the T.R.

Art. 512 has been reproduced in rule 534 of the T.R.

Arts. 519 and 590 have been reproduced in rules 537 and 538 of the T.R. respectively. *see* also first sub-para. of Article 113 of A/c Code Vol. II.

Art. 521 together with the Note below it has been included in Art. 113 of A/c Code. Vol. II.

CHAPTER 30

Arts. 522 and 523 have been reproduced in Arts. 73 and 74 of A/c Code, Vol. II respectively.

Art. 524 has been provided in rules 654 and 655 of the T.R.

Arts. 525 and 526 have been included in Article 110 of A/c Code, Vol. II and rule 657 of the T.R. respectively.

APPENDICES AND FORMS

The following table indicates how the Appendix and forms contained in the Civil Account Code, Vol. II have been dealt with in the new publications :—

Reference to the Appendix or form C. A. C., Vol. II	Corresponding Appendix or form in the new publications	Remarks.
Appendix 9	Appendix H to the T. R.	
Form 32	Form T. A. 1	
" 32-A	" T. R. 6	
" 35	" T. A. 2	
" 36	" " 3	
" 37	" " 36	
" 38	" " 37	
" 39	" " 9	
" 40	" T. R. 36	
" 40-A	" " 37	
" 41	" " 38	
" 41-A	" " 39	
" 41-B	" " 40	
" 43	" T. A. 20	
" 44	" " 22	
" 45	" " 24	
" 46	" " 23	
" 47	" " 44	
" 48	" " 45	
Forms 49 to 55	... ..	... For the reasons recorded against Chapter 10 of C. A. C., vol. I these forms have been replaced, where necessary, by suitable forms introduced in the Treasury Rules and the Account Code, Vol. II in conformity with the scheme of remittance through the State Bank.

Arts. 313 to 316 together with Rule 1 below Art. 313 have been embodied in rules 446 to 448 and 452 of the T. R. respectively.

Art. 317, *Vide* remarks against Arts. 307 and 308 above.

Arts. 318, 319 and 321 have been reproduced in rules 455, 456 and 428 of the T.R. respectively

Arts. 322 to 325 have been provided in rules 462 to 465 of the T.R.

CHAPTER 18

Arts. 326 and 327 together with the Note below these have been suitably amplified to conform to the existing practice and incorporated in rules 328 to 331, 333 and 336 of the T.R.

Art. 328 has been suitably modified and embodied in rule 356 of the T.R., the Note below this Article being included in rule 349 (1) *ibid*.

Art. 329 has been reproduced in rule 358 of T.R.

Art. 330. The substance of this Article has been incorporated in rule 349 of the T.R.

Rules 1 to 4 below the Article have been reproduced in rules 350, 364, 352 and 353 of the T.R. respectively.

Clause (a) of Rule 5 below the Article has been embodied in the Note below sub-rule (2) of rule 349 of the T.R., while the detailed procedure for the conversion of certain Colonial Government pensions contained in clauses (b) and (c) of that Rule has been omitted for inclusion in the Manuals of the Accountant General concerned, *vide* in this connection rule 355 of the T.R. and the remarks against that rule in the Explanatory Memorandum printed in the Treasury Rules. Vol I.

Rules 6, 7 and 9 below the Article have been omitted while Rule 8 *ibid* has been embodied in rule 354(1) of the T.R.

Art. 331 has been reproduced in rule 359 of the T.R. The instructions contained in the Note below the Article will be covered by the proviso to rule 319 (1) of the T.R.

Art. 331-A Clause (a) of the Article has been embodied in rule 369 (1) of the T.R. while clause (b) has been replaced by rule 371 *ibid*.

Art. 331-B. A comprehensive rule covering the provisions of this Article governing the procedure for the payment of provisions by Postal Money Order has been set out in rule 360 of the T.R.

Art. 332 Clauses (1) to (3) of this Article have been reproduced in rule 367 of the T.R. while clause (4) has been embodied in rule 332 *ibid*.

Arts. 334 and 335 have been reproduced in rules 366 and 363 of the T.R. respectively.

Art. 336 has been omitted but *see* rules 373 to 375 of the T.R.

CHAPTER 19

Arts. 337 and 338 have respectively been reproduced in Arts. 64 and 65 of A/c. Code. Vol. II, the Note below Art. 337 being included in a Foot Note below Form T. A. 20.

Art. 339 has been omitted for obvious reasons.

Art. 340 has been reproduced in Art 67 of A/c. Code, Vol, II

Arts 341 to 343. The substance of these Articles has been provided in Article 68 of A/c. Code, Vol. II, the Note below Art. 343 being omitted.

Art. 344 has been provided in rule 648 of the T.R., the instructions regarding the currency of cheques being covered by rule 162 *ibid.*

Art. 345 has been embodied in Art. 70 of A/c. Code, Vol. II.

Art. 346 has been incorporated in Arts. 75 and 76 of A/c. Code, Vol. II and Rule 634 of the T. R.

Art. 347 has been reproduced in Article 77 of A/c. Code, Vol. II.

Art. 348 has been embodied in the second sub-para. of rule 634 of the T.R.

Art. 349. The substance of this Article has been embodied in Art. 69 while Rules 1 and 2 below this Article have been incorporated in the Note below Arts. 126 and 123 (2) of A/c. Code, Vol. II,

Arts. 350 to 353 have been incorporated in Arts. 105 to 108 of A/c. Code, Vol. II.

Art. 354 has been included in rule 648 of the T.R.

Art. 355. The substance of this Article has been included in Art. III of A/c. Code, Vol. II.

CHAPTER 20

Vide remarks recorded against Chapter 10 of C.A.C., Vol. I.

CHAPTER 21

Art. 394 has been reproduced in rule 97 of the T.R. and Art. 109 of A/c. Code, Vol. II, the Note below this Art. being omitted.

Art. 399 has been reproduced in rule 104 of the T.R., the Note below it being omitted.

Arts. 440 and 401 together with the Note below Art 400 have been embodied in rule 402 of the T.R.

Arts. 402 and 402-A have been omitted.

CHAPTER 22

Arts. 403 and 403-A. The requirements of these two Articles will be covered by Art. 104 of A/c. Code, Vol. II.

Art. 404 has generally been provided in rule 564 of the T.R.

Art. 405 has been reproduced in rule 566 of the T.R.

Annexures A and B to the Chapter have been revised and included in Appendix D to the T. R., while the instructions and the form prescribed in Annexure C have been reproduced in para. 26 of Part XIV and Form T. E. 5.

Chapter V

The rules contained in this Chapter have similarly been embodied in Chapter IV of Part XIV of the T. R.

Chapter VI

Reference to Articles Annexures, Appendices or forms in the Resource Manual	Corresponding rule, Appendix or Form in the Central Treasury Rules	Remarks
Art. 114 Art. 115	Rule 671	The provisions of this Article have been included in Arts. 17 <i>et seq</i> of A/ C.: Vol. II.
Arts. 116 to 157	Rules 683 to 731	

Chapter VII

As regards the rules contained in this Chapter. *vide* remarks against Chapter 10 C. A. C., Vol. I.

The Annexure to this Chapter has been provided in Appendix A to the T. R.

Appendix I	Appendix E	
Form 1	Form T. R. 2	
Form 2	Form T. R. 3	
Form 3	Form T. R. 9	
Form 4	Form T. R. 10	
Form 5	Form T. E. 1	
Form 5 (a)	Form T. E. 2	
Form 5 (b)	Form T. E. 4	
Form 8	Form T. E. 7	
Form 9	Form T. E. 8	
Form 10	Form T. E. 9	
Form 11	Form T. E. 10	
Form 12	Form T. E. 11	
Form 14	Form T. E. 65	
Form 15	Form T. E. 6	
Form 16	... ..	Form T. E. 6 has since been abolished. This form has been replaced by Form T.A. 50.
Form 19	Form T. R. 7	
Form 20	Form T. R. 64	
Form 21	Form T. R. 8	
Form 24	Form T. R. 66	
Form 25	Form T. R. 67	

CAIS त्रिभुवन इन्स्टीट्यूट
ए. वि. वि. इन्स्टीट्यूट
कमिश्नरि, काठमाडौं-२०००
फोन नं. २५२२४५२२४

(4) BOOK OF FINANCIAL POWERS (OLD)

PART I

CHAPTER I

Rule 1 The definitions in clauses (a), (c) and (g) to (m) have been reproduced in rule 1 of the B.F.P. (new) and rule 2 of the G.F.R., while the other definitions have been omitted.

Rule 2 has been included in rule 2 of the B.F.P. (new).

Rules 3 to 6 have been reproduced in rules 3 to 6 of the B.F.P. (new).

Rule 7 has been amplified by the inclusion of an exhaustive list of primary units of appropriation which were included in other Chapters of the Book, and embodied in rule 7 of the B.F.P. (new).

Rules 8 and 9 have been modified on the basis of existing orders and provided in rules 8 and 9 of the B.F.P. (new).

Rule 10 has been omitted, but see rule 14 of the B.F.P. (new).

Rule 11 The substance of this rule has been provided in rule 15 of the B.F.P. (new).

PART II

CHAPTER II

Rule 12 has not been specifically provided in the new rules, but see rule 11 of the B.F.P. (new).

Rule 13 The revised powers of subordinate authorities to sanction the creation of permanent posts have been shown in rule 10 and Schedule I to the B.F.P. (new).

As provided in Note 2 below, rule 10 of the B.F.P. (new), subordinate authorities may sanction the abolition of posts which they are competent to create.

Rule 14 has been omitted as—

(i) it is intended to withdraw the powers of subordinate authorities to increase or reduce the pay of a post; and

(ii) the power to increase or reduce the pay of a particular Government servant should be governed by the ordinary rules in the Fundamental Rules, etc.

Rule 15 The revised powers of subordinate authorities to sanction the creation of temporary posts have been embodied in rule 10 and Schedule II to the B.F.P. (new).

Rule 16 and 17 have been omitted as it is intended to withdraw the powers of subordinate authorities to increase or reduce the pay of a post.

Rule 18 The revised powers of subordinate authorities to sanction contingent expenditure have been shown in Appendix 8 to the G.F.R.

Rule 19 The revised powers of subordinate authorities to sanction miscellaneous expenditure have been included in Schedule IV to the B.F.P. (new).

Rule 20 The restrictions imposed by this rule have been shown, where necessary, against the powers mentioned in the different Schedules to the B.F.P. (new)

Rule 21 has been included in para. 49 of the G.F.R.

Rule 22 has been included in rule 7 of the B.F.P. (new).

Rules 23 and 24 The revised powers of appropriation and reappropriation delegated to subordinate authorities have been shown in Schedule III to the B.F.P. (new).

Rule 25 Same remarks as against Rule 10 of Chapter I.

CHAPTER III

The rules contained in this Chapter other than rules 27(3) and 37(a) have been omitted as it is not intended to give the Public Works Department a separate treatment from other Departments of the Central Government in the matter of financial powers.

Rules 27 (3) and 37 (a) have respectively been included in rule 12 and Note 2 below rule 8 of the B.F.P. (new).

CHAPTER IV

For the reasons explained in para. 4 of the *pre face* to the G.F.R., the rules in this Chapter have been omitted.

Rule 55 has been omitted.

Rules 56 to 61 Same remarks as against Rules 13 to 18 of Chapter II.

Rule 62 has been provided in rule 13 of the B.F.P. (new).

Rule 63 has been omitted as it is intended to withdraw the powers of subordinate authorities to sanction political pensions and gratuities.

Rule 64 Same remarks as against Rule 19 of Chapter II.

Rules 65 to 68 *vide* remarks against Rule 22 to 25 of Chapter II.

Rule. 69 has been omitted.

CHAPTER VI

Rules 70 to 76 *vide* remarks against Rules 13 to 19 Chapter II.

Rules 70 to 81 Same remarks as against Rules 12 to 25 of Chapter II.

CHAPTER VII

Rule 82 has been omitted.

Rules 83 to 87 *vide* remarks against Rules 13 to 17 of Chapter II.

Rule 88 has been omitted as the powers of granting pie money, etc., to the staff, which have been specially delegated to the Director General, are contained in an authorised departmental regulations.

Rule 89 has been included in Note 2 below Rule 13 of the B.F.P. (new).

Rule 90 has been omitted as it should more appropriately find a place in the departmental regulations concerned.

Rule 91 Clause (a) of this Rule has been provided in item 7 of Annexure B to Appendix 8 to the G.F.R., while clause (b) has been omitted for the reasons mentioned against Rule 90 above.

Rules 92 and 93 Same remarks as against Rule 90 above.

Rules 94 and 95 have been provided in items 11 and 39 (v) (2) of Annexure to Appendix 8 to the G.F.R.

Rules 96 to 98 *vide* remarks against Rules 18 to 20 of Chapter II.

Rule 99 has been omitted, as it seems superfluous.

Rule 100 Same remarks as against Rule 90 above, *vide* also Not below para 167 of the G. F.R.

Rule 100-A has been provided in para. 47 of the G.F.R. and Schedule V to the B.F.P. (new).

Rule 101 Same remarks as against Rule 99 above.

Rules 102 and 103 Same remarks as against Rule 22 of Chapter II.

Rules 104 and 105 *vide* remarks against Rules 23 and 24 of Chapter II.

Rule 105-A has been provided in Note 2 below rule 8 of the B.F.P. (new).

CHAPTER VIII

Rule 106 to 111 Same remarks as against Rules 13 to 18 of Chapter II.

Rule 111-A has been included in para. 138 of the G.F.R.

Rule 111-B Same remarks as against Rule 19 of Chapter II.

Rule 111-C has been provided in Schedule V to the B.F.P. (new).

Rules 112 to 116 *vide* remarks against Rules 22 to 25 of Chapter II.

CHAPTER IX

On the abolition of the post of Controller of the Currency, the rules in this Chapter have become obsolete and have therefore been omitted from the new publications.

CHAPTER X

This has been provided in Annexure B to Chapter

(5) FOREST ACCOUNT CODE

CHAPTER I

Arts. 1 and 2 which deal with the scope and arrangements of the rules contained in the Forest Account Code have been omitted.

Art. 2-A has not been specifically provided in the new rules but the requirements of this Article will be served by the general rule in para. 51 of the General Financial Rules.

CHAPTER II

Art. 3 The substance of this Article has been embodied in rule 559 of the Treasury Rules.

Art. 5 The requirements of this Article will be met by rule 553 of the Treasury Rules.

Art. 6 The substance of this Article has been provided in rule 560 of the Treasury Rules.

Rule 1 below this Article has been omitted as its purpose will be served by Article 250 of Account Code, Volume III.

Art. 7 The requirements of this Article will be served by rules 561 and 151 of the Treasury Rules.

Art. 8 has been provided in rule 172 of the Treasury Rules.

Arts. 9 and 10 have not been specifically provided, but *see* rule 388 of the Treasury Rules.

Art. 12 has been reproduced in Article 267 of the Account Code, Volume III.

CHAPTER III

Art. 14 has been provided in Article 9(4) of the Account Code, Volume III.

Art. has been Provided in Article 9(4) of the Account Crde, Volume III.

Art. 15 The requirements of this Article will be met by rules 77 and 109 of the Treasury Rules.

Art. has been reporduced n Article 256 of the Account Code, Volume III, Rule 1 below the Article being incorporated in Article 258 of the Account Code, Volume III.

Art. 17 and rules 1 and 2 below it have been provided in Articles 257 259 and 260 of the Account Code, Volume III, respectively. Rule 3 below the Article has been omitted.

Art. 18 The requirements of this Article will be met by Article 281 of the Account Code, Volume III.

Art. 19 The first sentence of this Article has been included Article 257 of the Account Code, Volume III. The rest of the Article together with Rule 1 and 2 below it has been provided in Arts. 240 *et seq* of the Account Code, Volunt III.

Art. 20 has been included in Art. 253 of the Account Code, Volume III.

Art. 21 The substance of this Article has been embodied in Arts. 244 and 245 of the Account Code, Volume III.

Arts. 22 to 24 have been reproduced in Arts. 264 of the Account Code Volume III, respectively.

Art. 25 is covered by rule 77 of the Treasury Rule.

Arts. 26 and 27 The requirements of these Articles will be served by Arts. 265 and 266 of the Account Code, Volume III and rule 70 of the Treasury Rules.

Art. 27-A has been reproduced in Art. 278 of the Account Code, Volume III.

Arts. 28 and 29 have been included in Art. 250 of the Account Code, Volume III.

Art. 30 has been omitted.

Art. 31 The requirements of this Article will be served by Article 274 of the Account Code, Volume III.

CHAPTER IV

Art. 32 has been provided in rule 554 read with rules 92 *et seq* of the Treasury Rules.

Art. 33 has been reproduced in rule 557 of the Treasury Rules.

Art. 34 has been provided in rule 555 of the Treasury Rules.

Art. 35 has been incorporated in rule 558 of the Treasury Rules. The Note below the Article has not been specifically provided as in Presidency towns the functions of Treasury Officers are done by the local Accountants General (*Vide* rule 429 of the Treasury Rule).

Art. 36 The substance of this Article has been included in Article 242 of the Account Code, Volume III.

Art. 37 has been included in Article 255 of the Account Code, Volume III and Note below rule 554 of the Treasury Rules.

CHAPTER V

Art. 38 has been provided in Article 268 of the Account Code, Volume III, *vide* also rule 389 of the Treasury Rules.

Art. 39 has been incorporated in rule 390 of the Treasury Rules.

Art. 40 The requirements of this Article will be served by Article 288 of the Account Code, Volume III.

Art. 41 together with the Foot-Note below it has been omitted.

Art. 42 The requirements of this Article will be met by the rules in Section III of Chapter I of Part V of the Treasury Rules.

Art. 43 The substance of this Article has been incorporated in Art 269 of the account Code, Volume III and rule 395 of the Treasury Rules.

Art. 44 has been omitted.

Art. 45 is covered by rule 397 of the Treasury Rules.

Art. 46 has been embodied in Article 251 of the Account Code, Volume III.

Art. 47 The substance of this Article has been provided in Article 241 *et seq* of the Account Code, Volume III.

Art. 48 has not been specifically provided but its requirements will be served by para. 178 of the General Financial Rules.

Art. 49 has been provided in Article 270 of the Account Code, Volume III.

Art. 50 has been omitted.

CHAPTER VI

Arts. 51. to 56 has been omitted, as they may more properly be incorporated in the Departmental Code.

CHAPTER VII

Art. 57 has been omitted.

Arts. 58 to 60 have been reproduced in Articles 281, 288 and 292 of the Account Code, Volume III, respectively.

Art. has been provided in Articles 282, 289 and 291 of the Account Code, Volume III.

Art. 61A The substance of this Article has been incorporated in Article 295 of the Account Code, Volume III.

Art. 62 has been included in Article 283 of the Account Code, Volume III.

Art. 63 has been omitted.

Art. 64 has been reproduced in Article 290 while Rule 1 below it has been provided in Article 291 of the Account Code, Volume III.

Arts. 65 and 66 have been reproduced in Arts. 284 and 296 of the Account Code, Volume III, respectively.

Art. 66A has been omitted.

CHAPTER VIII

Arts. 66 to 71 have been reproduced in Articles 272 to 276 of the Account Code, Volume III, respectively.

Arts. 72 and 73 The substance of these Articles has been embodied in Articles 286 and 287 of the Account Code, Volume III, respectively.

Art. 74 has been omitted.

CHAPTER IX

Art. 75 to 79 have been omitted, but see Paras. 88, 89 and 51 (vii) of the General Financial Rules.

CHAPTER X

Art. 80 to 82 have been omitted, but see rule 213 *et seq* of the Treasury Rules.

APPENDICES AND FORMS

The following table shows how the Appendices and Forms contained in the Forest Account Code have been with in the new publication :—

Reference to Appendix and Forms in the Forest Account Code	Corresponding Appendix or Form in the Account Code, Volume III	Remarks.
Appendix 1 . . . . .	.....	Has been omitted as its purpose will be served by the rules in Chapter V of the account Code, Vol. III, Appendix 2 to Account Code, Vol. I and para 310 <i>et seq</i> of the General Financial Rules.
Appendix 2 . . . . .	.....	Has been omitted.
Appendix 1 & 2 . . . . .	.....	Have been omitted as in view of the abolition of letter of credit system in the Forest Department, they are no longer necessary.
Form 3 . . . . .	.....	Is no longer necessary as the original rule in the Forest account Code in which the Form was mentioned was deleted.
Form 4	Form F. A. 2	<i>Vide</i> remarks against Articles 51 to 56 to which they pertain.
Form 6	Form F. A. 1	Seem to be unnecessary and have been omitted.
Forms 7 & 8 . . . . .	.....
Forms 9 to 11 . . . . .	.....
Form 12	Form F. A. 4	
Form 13 . . . . .	.. .. 8	
Form 14 . . . . .	.. .. 5	
Form 15 . . . . .	.. .. 6	
Form 16 . . . . .	.. .. 3	
Forms 17 & 18	Same remarks as against Form 9 to 11.
Form 19	<i>Vide</i> remarks against Article 43.

10/10/1971
B. J. L. 10/10/1971
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