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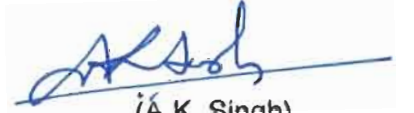
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Dated : 20.04.2021

OFFICE MEMORANDUM

Subject: Amendment in Government Accounting Rules, 1990

A committee was constituted in the O/o CGA to suggest amendments in Government Accounting Rules, 1990. The draft Revised Government Accounting Rules proposed by the committee is being mailed separately. You are requested to offer your comments on the draft Rules in a week so that the same could be finalised at an early date.



(A.K. Singh)

Dy. Controller General of Accounts (AR & GBA)

To

All Pr.CCAs/CCAs/CAs (I/C) in Civil Ministries/Departments.

Copy to:

Sr.AO (ITD), O/o CGA with the request to upload on CGA website

Government Accounting Rules, 2021

(Revised Edition)

**Issued by the Ministry of Finance,
Department of Expenditure,
Controller General of Accounts**

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GOVERNMENT ACCOUNTING RULES, 1990 (Revised)

Preamble - In exercise of the powers conferred by Article 150 of the Constitution, the President on the advice of the Comptroller and Auditor General, hereby makes the following basic rules relating to the form of accounts of the Union and States. This compilation incorporates also the general principles of Government accounting laid down by the Comptroller and Auditor General for the guidance of Government Departments, namely:-

Chapter 1 - INTRODUCTORY

1. Short Title and Commencement

These rules may be called the "GOVERNMENT ACCOUNTING RULES 2021" and will come into force with effect from 1st April, 2021.

2. Definitions

In these rules, unless the context otherwise requires,—

(a) **'Accountant General'**, means the Head of an Office of Accounts subordinate to the Comptroller and Auditor General of India.

(b) **'Bank'** means any Authorized Bank acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (2 of 1934), or any branch of these banks as may be authorized by the Reserve Bank of India as its agent under the provisions of sub-section (l) of section 45 of the Reserve Bank of India Act, 1934 (2 of 1934).

(c) **'Chief Accounting Authority'**, means the Secretary of a Ministry or Department of the Government of India in which the Departmentalised System of Accounting has been introduced and in the case of a Union Territory with separated accounts, its Chief Secretary/Administrator.

(d) **'Accounts Officer'**, means an Accounts Officer or a Principal Accounts Officer or a Pay and Accounts Officer functioning in an accounting formation of any Ministry/Department/UT Government.

(e) **'Comptroller and Auditor General'** means the Comptroller and Auditor General of India appointed under article 148 of the Constitution of India.

(f) **"Pr. Chief Controller of Accounts/Chief Controller of Accounts/Controller of Accounts"** means head of the accounting organisation in the departmentalised system of accounting.

(g) **'Controller General of Accounts'** means the Controller General of Accounts in the Ministry of Finance (Department of Expenditure), who *inter alia, is* responsible for prescribing the form of accounts of the Union and States, and to frame, or revise, rules and Manuals relating thereto on behalf of the President of India in terms of Article 150 of the Constitution of India, on the advice of the Comptroller and Auditor General of India.

(h) **'Consolidated Fund'** means the Consolidated Fund of India or of a State, referred to in clause (1) of Article 266 of the Constitution, or of a Union Territory with Legislature, referred to in Section 47 of the Union Territories Act, 1963, or all the three, as the context may imply (Appendix-1).

(i) **'Contingency Fund'**, means the Contingency Fund of India established in pursuance of clause (1) of Article 267 of the Constitution or the Contingency Fund of a State established in

pursuance of clause (2) of article 267 of the Constitution, or the Contingency Fund of a Union Territory Government established in pursuance of Section 48 of the Union Territories Act, 1963, or all the three, as the context may imply (Appendix-1).

(j) **'Defence Department'** means that Department of the Central Government, whose expenditure is met from the Demands for Grants relating to Defence Services (Appendix-1).

(k) **'Government'**, means the Central (Union) Government or a State Government or a Union Territory (with Legislature) Government, or all the three, as the context may imply.

(l) **'Heads closed to Government Accounts'**, means the progressive figures of these heads shall not be carried forward to the next financial year.

(m) **'Heads closed to balances'**, means the progressive figures of these heads shall be carried forward to the next financial year.

(n) **'Principal Accounts Office'** means an Accounts Office which is headquarter of various constituents of the departmentalized accounting system in a Ministry/Department.

(o) **'Public Account'** means the Public Account of India or the Public Account of a State referred to in clause 2 of Article 266 of the Constitution.

(p) **'Reserve Bank'** means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (2 of 1934).

(q) **'State'**, except where it appears otherwise from the context, refers to a State included in the First Schedule of the Constitution.

(r) **'the Constitution'** means the Constitution of India.

(s) **'Treasury'**, means the government department responsible for financial matters such as receipts and payments in States and Union Territories; it includes sub-treasuries.

3. **Articles of the Constitution etc. to be kept in view in devising the form of accounts**

The form of accounts of the Union, States and Union Territory Governments shall be devised keeping in view the provisions of various articles of the Constitution and Sections of Union Territories Act, 1963, and in particular, of those indicated and reproduced in Appendix I to these rules.

NOTE:- According to article 150 of the Constitution, the form in which the accounts of the Union and of the States shall be kept is to be prescribed by the President on the advice of the Comptroller and Auditor General of India. This function is exercised by the Controller General of Accounts, Ministry of Finance (Department of Expenditure) on behalf of the President of India. The duties assigned to the Controller General of Accounts are contained in Appendix 2 to these rules. The duties and powers of the Comptroller and Auditor General of India are contained in the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act of 1971 (No. 56 of 1971) Sections 10, 11 and 22 of the Act (as amended from time to time) have been reproduced in Appendix 3 to these rules. The orders issued by the President of India in exercise of the powers conferred by the first proviso to sub-section(1) of section 10 and first proviso to section 11 of the said Act after consultation with the Comptroller and Auditor General of India are also included in Appendix 3 to these rules.

4. Annual Accounts

Every year, from the accounts compiled by the authorities authorised to maintain the accounts of Central Government, State Governments and Union Territory Governments, accounts showing under the respective heads the annual receipts and disbursements for the purpose of Union, of each State and of each Union Territory having a Legislative Assembly (including Appropriation Accounts) are to be prepared and got certified by the Comptroller and Auditor General of India. The reports of the Comptroller and Auditor General relating to these accounts shall be submitted to the President or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, who shall cause them to be laid before the Houses of Parliament, Legislatures of the States and of Union Territories respectively.

5. Issue of Subsidiary Instructions

Subsidiary instructions that would be necessary for carrying into effect the provisions of these rules, and in particular, instructions for opening new heads of accounts or modification of the existing ones or instructions relating to the content and manner of maintenance of accounts, will be issued by the Central Government (Ministry of Finance) on the advice of the Comptroller and Auditor General of India, in the form of executive orders, indicating wherever necessary, the types of cases in which the advice of the Comptroller and Auditor General could be assumed to have been obtained.

6. Special provision relating to Railways, Posts, Telecommunications and Defence Departments

For the sake of practical convenience, the forms of accounts (including appropriation accounts), relating to Railways, Posts, Telecommunications and Defence Department, may be determined by the Departmental Accounting authorities within such range and covering such aspects as may be prescribed by the Central Government (Ministry of Finance, Department of Expenditure—Controller General of Accounts), on the advice of the Comptroller and Auditor General of India. The provisions of Article 150 of the Constitution will be deemed to have been satisfied if the forms so determined are not questioned by the Controller General of Accounts and the Comptroller and Auditor General of India.

NOTE:—With effect from 1982-83, the Ministry of Railways, Controller General of Defence Accounts, Director General Posts and Secretary Department of Telecommunications and Chairman Telecommunication Commission (now Digital Communications Commission) have been delegated functions of the Central Government under Article 150 of the Constitution in so far as such functions relate to the opening of sub-heads and detailed heads of Accounts under various major and minor heads of Accounts pertaining to their departments subject to the following conditions:-

- (i) Powers as above shall be exercised in consultation with the accredited Audit officer namely ADAI (Railways), Director of Audit (Defence Services) or Principal Director (P&T) Audit;
- (ii) Orders so issued should be consistent with the instructions that are issued as envisaged in Rule 5 of these Rules.

Chapter 2 - GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS

7. Agreement of the Central Government with the Reserve Bank

The Central Government has entered into an agreement with the Reserve Bank of India by virtue of which the general banking business of the Government (in which business is included, the receipt, collection, payment and remittance of moneys on behalf of the Government) is carried on and transacted by the Reserve Bank in accordance with and subject to the provisions of the agreement and of the Reserve Bank of India Act, 1934, and also in accordance with and subject to such orders as may, from time to time be given to the Reserve Bank by the Central Government.

8. Account of the Central Government with the Bank

(1) Ministries and Departments of the Central Government shall, as a rule, operate on such offices and branches of the Reserve Bank and or of the bank, as have been, or may be nominated for handling the receipt and payment transactions of the particular Ministry or Department.

(2) Each office or branch of the Reserve Bank or bank handling transactions of the Ministries, Departments of the Central Government shall maintain separate accounts in respect of each Ministry and Department banking with it and render an account of the transactions to the Pay and Accounts Officer of the concerned Ministry and, or Department, at such intervals as may be prescribed by the Government, together with all the supporting challans/E-Challans, paid cheques/Electronic Payment Advice. These transactions shall also be routed through the banking channel prescribed by the Reserve Bank of India, to facilitate their incorporation in the books of the Reserve Bank of India, Central Accounts Section, at Nagpur which is responsible for keeping a complete account, of receipt and payments (including inter-Governmental adjustments and adjustments *inter se* of Defence, Railways and Posts—other than Telecommunications) on account of the Central Government.

(3) The transactions of Railways, Posts, Telecommunications and Defence Department arising at offices and branches of the Reserve Bank and other authorized bank(s), acting as agent of the Reserve Bank shall be distinguished from other Central transactions in the initial accounts and classified separately for each Railways, each circle of Posts, each Accounts Officer of Telecommunications, and each Controller of Defence Accounts respectively. These transactions will be taken against the Railway Fund, Postal Account, Telecommunications Account and Defence Account respectively, in the books of the Reserve Bank. Each office and branch of the Reserve Bank entrusted with the work shall furnish to Accounts Officer concerned of the Railways, Postal, Telecommunications and Defence Department, as the case may be, daily scrolls relating to the transactions pertaining to each, together with the requisite challans/E-challans, paid cheques/electronic payment advice.

NOTE:- A statement of the closing balance of the Central Government shall be sent each month, by the Central Accounts Section of the Reserve Bank to the Controller General of Accounts, indicating:-

- (i) Central Government Account Balance (in respect of Union Territory Administrations dealt with by Accountants General and of all Union Territory Governments with Legislature).
- (ii) Railway Fund Balance.
- (iii) Postal Account Balance.

- (iv) Telecommunication Account Balance
- (v) Defence Account Balance.
- (vi) Departmentalised Ministries' Account Balance (which also includes transactions of Government of National Capital Territory of Delhi and Union Territory of Andaman and Nicobar Islands whose accounts have been separated).
- (vii) Total.

The Central Accounts Section of Reserve Bank shall maintain individual accounts of various Central Government Ministries, Departments and of Union Territory Administrations having separated accounts offices, and send a monthly statement to their Principal Accounts Offices with such supporting details as may be prescribed by the Reserve Bank in consultation with the Controller General of Accounts; in respect of (i) above to the concerned Accountants General (with breakup of balances/transactions relating to Central Government and relating to relevant Union Territory Administrations) and Accounts Offices of Union Territory Governments; and in respect of (ii), (iii), (iv), (v) above, to the Railway Board, Postal Board, Telecommunications Board and Controller General of Defence Accounts respectively.

9. Accounts of State Governments with the bank

Each State Government has made a separate agreement with the Reserve Bank of India by virtue of which the general banking business of that Government (in which business is included, the receipt, collection, payment and remittance of moneys on behalf of that Government) is carried on and transacted by the Reserve Bank, in accordance with and subject to the provisions of the agreement and of the Reserve Bank of India Act, 1934, and in accordance with and subject to such orders as may from time to time be given to the Reserve Bank by the State Government. The operations of each State shall, however, be confined to the offices and branches of the Reserve Bank of India and of the bank which have been designated as falling within the area of that particular State. The receipt and payment of moneys on behalf of a State outside its jurisdiction shall ordinarily be arranged through the Accountant General of the State in which the transactions take place.

NOTE:- The government of Sikkim has not so far entered into agreement with the Reserve Bank of India for the conduct of its general banking business by the Reserve Bank.

10. Each office or branch of the Reserve Bank, or the State Bank of India acting as agent of the Reserve Bank, shall keep a separate account of cash transactions undertaken by it on behalf of the State Government within whose area it is situated. All transactions which cannot be debited or credited directly to the account of the Central Government with the Bank and transactions of other State Governments shall also be taken to the account of the Government of the State in which they occur. Statement of these transactions together with all supporting vouchers, challans/E-challans, paid/electronic payment advice cheques etc. shall be forwarded by each office and branch of the Bank daily to the local Treasury Officer or to the Accountant General as the case may be. The transactions shall also be reported to Central Accounts Section, Reserve Bank of India, Nagpur.

NOTE:- With effect from 1st February, 1978 transactions on account of discharge value of, and periodical interest on securities of State Governments, as well as receipts on account of subscriptions against market loans floated by State Governments are taken by the officers of the Reserve Bank of India directly against the cash balance of the State Government concerned with the Central Accounts Section of the Reserve Bank of India, Nagpur.

11. Complete accounts of the Central Government and of each of the State Government with the Bank shall be maintained by the Central Accounts Section of the Reserve Bank at Nagpur which shall also act as a general clearing house for the adjustment of (i) all transactions between different State Governments and (ii) such transactions between the Central and State Governments as may be specified by the Central Government. All adjustments to be made between the accounts of different State Governments as well as all payments which one of these Governments has to make to another shall be advised by the Accountant General authorised in this behalf to the Central Accounts Section of the Reserve Bank which will pass the necessary entries in the accounts of the Governments concerned, maintained in its books. Similarly, such adjustments in the case of specified transactions between the Central Government and the State Governments as well as transactions between Defence, Posts, Telecommunications and Railways *inter se* will be advised to the Central Accounts Section of the Reserve Bank by the Accountant General authorised in this behalf for making monetary settlement in the accounts of the Government concerned maintained in the books of the Bank. However, the advices to be sent by the Accountant General to the Central Accounts Section, Reserve Bank of India, Nagpur debiting to Central Government balances shall be supported by a certificate to the effect that "this advice represents withdrawal of an earlier erroneous credit to the Central Government and does not represent withdrawal of payments already made which were due to the Central Government and that necessary details are being furnished to the Principal Accounts Officer of the Central Government concerned." Details of transfers affected in its books against the balance of the State Government or of the Central Government (and between accounts of Defence, Posts, Telecommunications and Railways *inter se*) as the case may be, on account of adjustments advised by Accounts Officers authorised for the purpose, shall be communicated by the Central Accounts Section of the Bank to the originating as well as to the effected Accounts Officers or Accounts Officer of the concerned Ministry/ Department of the Central Government at the close of each day. At the close of the accounts of each month, a statement of closing balance of each State Government in the books of the Bank after taking into accounts all cash transactions in all the offices, branches and agencies of the Bank and the adjusting transactions in its own books shall be forwarded by the Central Accounts Section to the Accounts Officer concerned.

Similarly, a statement of the closing balance of the Central Government comprising:-

- (i) Central Government Account Balance (in respect of Central transactions of Accounts Officers and separated accounts of Union Territories only).
- (ii) Railway Fund Balance.
- (iii) Postal Account Balance.
- (iv) Telecommunication Account Balance.
- (v) Defence Account Balance.
- (vi) Departmentalised Ministries Account Balance
- (vii) Total

shall be sent to the Controller General of Accounts. Besides, the Central Accounts Section of Reserve Bank of India shall maintain individual accounts of all the Central Government Ministries /Departments as well as accounts of Railways Fund, Posts, Telecommunications and Defence and send a monthly statement to the Controllers of Accounts, Railway Board, Postal Board, Telecommunications Commission and Controller General of Defence Accounts. To keep the transactions under departmentalised system distinct from other Central transactions, the Central Accounts Section of Reserve Bank of India shall maintain a separate proforma account styled "Departmentalised Ministries Account".

NOTE:- The Central Accounts Section of the Reserve Bank shall maintain individual account for each Ministry/Department of the Central Government. In respect of Accountant General having separate Central Section of Accounts in their books and of Accountant General accredited with Union Territory Governments/Administrations, the Central Accounts Section of the Reserve Bank of India, Nagpur shall send a statement of closing balance of each such account to the concerned Accountant General, Principal Accounts Officer of the Ministry/Department and the Accountant General of Union Territory Government/Administration, at the close of each month's account with such supporting details as may be prescribed by the Reserve Bank of India, in consultation with the Controller General of Accounts.

State Transactions in Central Treasuries

12. Cash balances held in the treasuries of the Central Government form part of the Consolidated Fund, Contingency Fund and the Public Account of India. Such treasuries exist in those Union Territories whose accounts have not been separated from audit and continue to be compiled by the Comptroller and Auditor General of India. Transactions on behalf of State Governments arising in these treasuries shall be classified in the treasury accounts under the head '8658 - Suspense Accounts - Suspense Accounts (Civil) - Accounts with Accountant General' and settled in cash by exchange of cheques/demand drafts as the case may be.

NOTE:-At present the settlement of the transactions by exchange of cheques/demand drafts is resorted to in cases where the transactions taking place in a Union Territory accredited to an Accountant General are adjustable against the cash balances of a State, whose accounts are maintained by another Accountant General. These transactions are initially taken in the Central Section of accounts under the head '8658-Suspense Accounts-Cash Settlement Suspense Account'.

Transactions of the other Governments, including Central Government in State Treasuries

13. Cash balances held in a State Treasury form part of the Consolidated Fund, the Contingency Fund (if one has been established) and the Public Account of the State to which the Treasury belongs. The treasury Rules of each State Government issued under article 283 of the Constitution, however, provide that moneys may be received and payments made on behalf of other State Governments, by a State Treasury. Similarly, moneys may be received and payments made by such treasuries on behalf of the Central Government in the case of certain specified transactions. All such receipts and payments on behalf of other State Governments and the Central Government vide (b) infra shall be taken in the first instance against the cash balance of the State concerned. On receipt of intimation of such transactions through the monthly treasury account or otherwise the Accountant General shall take the following action:-

(a) In the case of transactions pertaining to the other State Governments, the Accountant General shall make the requisite adjustments through the Central Accounts Section of the Reserve Bank against the balances of the other State Governments concerned.

NOTE :This procedure shall also be applicable to moneys received in the office of the Accountant General on behalf of another State and book entries made in the office of the Accountant General affecting the accounts of another State Government.

(b) In the case of such transactions of the Central Government, including Railways / Postal / Defence Departments at State treasuries (both banking and non-banking), these shall be accounted for by the treasuries in the State Section of Treasury Account under the head 'PAO Suspense - Transactions adjustable by PAO Ministry / Department of' below the Major head '8658 - Suspense Accounts' for necessary cash settlement by the State Accountant General with the Pay and Accounts Office.

14. Broad outlines of the accounts - feeder-network and system of accounts of the Central Government and Union Territory Administrations.

The broad outlines are as follows:-

(a) All receipts in India on behalf of the Central Government (other than those of Union Territory Administrations which are having the treasury system) shall be paid into the bank. Drawals in India on behalf of the Central Government from the bank shall be made by cheques drawn thereon. These shall be accounted for by the bank as receipts and payments on behalf of the concerned Ministry and/or Department of the Central Government. In support of receipt and payment transactions at the bank, daily receipt and payment scrolls supported respectively by challans/E-challans and paid cheques/electronic payment advice shall be sent by the bank to the Accounts Officer of the Ministry or Department concerned.

(b) At present, some miscellaneous receipt and payment transactions (viz. payment of interest, repayment of principal on discharge of Central Government Securities and pensions including pensions to freedom-fighters) take place at State treasuries. Such transactions shall be accounted for by the treasuries in the State Section of Treasury accounts under the head "PAO Suspense - Transactions adjustable by PAO Ministry/ Department of 'below the major head '8658 - Suspense Accounts' for necessary cash settlement by the State Accountant General with the concerned Pay and Accounts Office.

Note1: In respect of payments pertaining to Central Government Securities, Principal Accounts Office, Department of Economic Affairs, New Delhi will bear the debits.

Note2: In respect of Central (Civil) Pensions including High Court Judges and Freedom Fighters, the debits will be raised against the PAO in the Central Pension Accounting Office.

(c) Officers of the Civil Ministries, Departments of the Central Government (including drawing and disbursing officers with cheque drawing powers) who are allowed to pay their receipts in the Consolidated Fund or the Public Account or withdraw moneys in lump for expenditure there from or from the Contingency Fund, shall submit detailed 'accounts' of their transactions to their respective Accounts Officers. Some specified Departmental Officers (e.g. CPWD Divisions, Forest Divisions) may be required to render to the Account Officers compiled accounts with suitable abstracts of their transactions classified under prescribed heads of accounts.

NOTE:-The 'accounts' referred to in this clause do not relate to the accounts maintained by Government servants in respect of expenditure incurred from permanent advance (i.e. cash imprests).

(d) From the accounts received from the bank and departmental officers, and from the book adjustments initiated in an Accounts Office, a Classified Abstract shall be compiled by the Pay and Accounts Officer showing the monthly receipts and payments pertaining to the Ministry, Department or Union Territory Administration under his payment control, classified under the relevant major, minor, sub and detailed heads. From the classified Abstract, a Consolidated Abstract showing the progressive totals month by month under major, minor, sub, detailed and object heads of accounts will be compiled.

(e) The Pay and Accounts Officer will send to his principal Accounts Office in the Ministry, Department or Union Territory Administration a monthly compiled account showing the receipts and payments under major, minor, sub, detailed and object heads of account (including debt, deposit and remittance heads of accounts), for enabling a consolidated account of the Ministry/Department or Union Territory Administration as a whole being prepared.

(e) In respect of Central transactions taking place at Central treasuries in Union Territories whose accounts are at present maintained by State Accountants General, each State Accountants General shall, [vide rule 15 (h) infra] send to the Controller General of Accounts, a monthly account showing the receipts and payments under major, minor, sub and detailed heads of account.

From the compiled accounts received from (a) Principal Accounts Offices of Ministries/Departments (b) Accountants General, and (c) separated accounts organisations of Union Territory Governments/Administrations, the Controller General of Accounts shall prepare a Consolidated Account of the Central (Civil) transactions as a whole.

(g) The cash balance of the Central Government in the books of the Controller General of Accounts, at the close of each month will be reconciled with the statements of closing cash balance received from the Central Accounts Section of the Reserve Bank.

(h) Departmental Officers of Posts, Telecommunications and Railway Departments submit accounts of their transactions to the respective Posts, Telecommunications and Railway Accounts Officers. Posts, Telecommunications and Railway Accounts Officers render their monthly accounts to the Postal Board, Telecommunication Board and the Railway Board respectively, who, in turn consolidate the accounts for their respective Departments as a whole. Consolidation of accounts of Defence Department as a whole is arranged by the Controller General of Defence Accounts from the accounts submitted by various Controllers of Defence Accounts functioning under him.

(i) A copy of the monthly account (Civil) shall be submitted to the Central Government in the Ministry of Finance (Department of Economic Affairs) by the Controller General of Accounts. Postal Board, Telecommunication Board. Railway Board and Controller General of Defence Accounts will submit the Consolidated monthly accounts of their respective departments separately to the Central Government.

(j) Principal Accounts Offices of the Ministries/Departments, separated accounts organisations of Union Territory Governments/Administrations and State Accountants General keeping accounts of Union Territories [vide rule 15(i) infra] shall work out during the year the progressive figures, of Central transactions in their books. On closing the account for March Supplementary. a progressive account of Central transactions will be furnished by them to the Controller General of Accounts. The Consolidated Annual Accounts of the Posts, Telecommunications, Railways and Defence Departments, shall also be prepared and submitted by the Postal Board, Telecommunication Board, Railway Board and the Controller General of Defence Accounts to the Controller General of Accounts, to enable him to prepare accounts relating to the annual receipts and disbursements for the purpose of the Central Government.

Note:- The Principal Director of Audit, Central, Calcutta and the Principal Accountant General (A&E) West Bengal will continue to maintain the Central Section of Account till the switch over of pension payment from treasury counter to Public Sector Bank is completed.

15. Broad outlines of the accounts - feeder-network and system of accounts of State Governments and of the Union Territory Governments.

The broad outlines are indicated below.—

(a) All receipts in India on behalf of each State Government and on behalf of each Union Territory shall be paid into its Treasury or the bank, and initial accounts of such receipts shall be maintained at the treasury, keeping in view the provisions of the next clause.

(b) Receipts realised in the Public Works, Forest and any other departments which may be

authorised in this behalf shall be paid into a treasury or the bank in lump and accounted for at the treasure merely as receipts on behalf of such departments. The detailed accounts of such receipts shall be kept by the departmental officers concerned.

(c) Payments in India on behalf of the State Governments and on behalf of the Union Territories shall ordinarily be made either at its treasury or the bank, but some departmental officers may be authorised to withdraw sums in lump from treasury or the bank for making payments. In the former case, the initial 'accounts' of payments shall be kept at the treasury, and in the latter case, such 'accounts' shall be maintained by the departmental officer concerned.

The 'accounts' referred to in this clause do not relate to the accounts maintained by Government servant in respect of expenditure incurred from permanent advances (i.e. cash imprests).

Officers of the Civil Departments who pay their receipts into the Consolidated Fund or the Public Account or withdraw moneys for expenditure there from or from the Contingency Fund in lump will submit detailed accounts of their transactions to their respective Accountant General. Some specified Departmental Officers may be required to render to the Accountant General compiled accounts with suitable abstracts of their transactions classified under prescribed heads of accounts.

(d) At the beginning of each month, each Accountant General will receive from the treasuries under his Jurisdiction monthly accounts supported by the requisite schedules, vouchers, in respect of the transactions which took place in the treasury during the previous month. Each State or Central treasury, which renders accounts to a State Accountant General will submit a double set of accounts, one for transactions of the State Government and the other for transactions of the Central Government.

(e) From the accounts furnished by treasuries and Civil Departmental Officers, referred to in clauses (b) and (c) above, Departmental Classified Abstracts will be compiled by the Civil Account Officers showing the monthly receipts and payments pertaining to each department for the whole account circle, classified under the relevant major, minor, sub and detailed heads. Separate classified abstracts will be maintained for each Department, each group of small departments or each major head or group of major heads of account not relating to any particular department or departments according to local conv adjustable against a department or against a major head not relating to any particular department which are intimated to the Civil Accounts Officer by another Accounts Officer as well as all book adjustments against a departmental or other major head which are initiated in the Accounts Office itself will also be incorporated in the relevant Departmental Classified Abstracts, so that the latter may include monthly all transactions of whatever nature connected with the receipts and payments pertaining to each department or major head of account. From these classified abstracts, separate Departmental Consolidated Abstracts showing the progressive totals month by month under major, minor, sub and detailed heads of revenue receipts and service payments will be compiled. Separate Consolidated Abstracts will be maintained for each department or major head of account or for a group of departments or major heads of accounts as may be found convenient.

The Departmental Classified Abstracts and the Departmental Consolidated Abstracts for the Central transactions will be compiled separately from those for departments of the State Government.

(f) The transactions relating to Debt, Deposit and Remittance heads appearing in the Treasury Cash Accounts and Lists of Payments and in the Departmental and other Abstracts will be collected for the whole circle of account under each head of account from month to month in a Detail Book. From the figures in the Detail Book, the Consolidated Abstract of Debt, Deposit, Remittance, Suspense transactions will be prepared showing the progressive totals month by month under each major head in the "Public Debt", "Loans and Advances", sectors of the Consolidated Fund and those in the Public Account. This abstract will also show the progressive

totals under such minor, sub and detailed heads as may be found necessary. Separate Detail Books and Consolidated Abstracts will be maintained for Central and State transactions.

(g) The final stage of compilation will be the preparation of the Abstract of Major Head Totals showing the receipts and disbursements by major heads during and to end of the month from the Departmental Consolidated Abstracts and the Consolidated Abstracts of Debt and Remittance transactions. From the Consolidated Abstracts for State and Centre respectively will also be compiled the monthly and the annual accounts of the State Governments and of Union Territory Governments with legislature and material for the annual accounts of the Central Government and of Union Territory Administrations.

The cash balance of the State Government in the books of the Accountants General at the close of each month will then be reconciled with the balances shown in the Cash Accounts rendered by Treasury Officers and with the statements of closing balance received from the Central Accounts Section of the Reserve Bank. Reconciliation of figures under the head "8675— Deposits with Reserve Bank" in respect of transactions of the Central Government/Union Territory Governments and Administrations arising in their books will be effected by the Accountants General.

(h) A copy of the monthly account of each State Government, will be submitted to it by the Accountant General concerned. A copy of the monthly account of transactions finally adjusted in their books in respect of Union Territory Administrations, relevant portion relating to a Union Territory Government, and of Central Government Civil pensions will be rendered by the Accountant General to the Controller General of Accounts, *vide* Rule 14 (f) above.

(i) Each Accountant General will work out the progressive figures during the year of the Central and State accounts with which he is concerned. On closing the accounts for March (Supplementary), a progressive account of transactions and accounts relating to annual receipts and disbursements of State/Union Territory Governments with legislature will be furnished by him to the State Government/Union Territory Government. A progressive account of the transactions of the Union Territory Administrations and relevant transactions of Union Territory Governments for which budget provision is made in the composite Grants of the Central Government and transactions under the Public Account will be sent by the Accountants General to the Controller General of Accounts, *vide* rule 14 (j) above.

16. Accounts adjustment between different Accounts offices of the Central Government

(1) (1) Subject to any general or special orders issued by the Central Government, transactions appearing in the books of an Accounts Officer in a Ministry /Department of the Central Government (including Railway, Defence, Posts and Telecommunications) which are adjustable in the books of an Accounts Officer of another Ministry/Department shall be passed on to the latter for adjustment and settled by cheque or bank draft.

NOTE:- The under mentioned transactions between Central Civil on the one hand and Defence Department, Posts, Telecommunications and Railway Department on the other hand, will however, continue to be settled through the Central Accounts Section of the Reserve Bank of India, Nagpur.-

(i) Debits on account of supplies transactions arising in the books of the Chief Accounts Officer, High Commission of India, London and Indian Embassy, Washington with the Defence, Railways and Posts which appear, initially, in the books of the Principal Accounts Officer, Ministry of External Affairs.

(ii) Loans from General Revenues to Railways and recovery of interest on loans and advances to Railways.

(2) Transactions initially taken against the balance of a State which are eventually adjustable against the balance of another State shall be passed on to the Accountant General of the latter State through the "Settlement Account" and the monetary settlement between the two states in respect of such transactions effected by the Accountant General of the former State through the Central Accounts Section of the Reserve Bank.

NOTE: Please see Note (ii) below Rule 13 (a).

(3) Central transaction initially taken against the balance of a State which are adjustable in the books of Accounts Officers of the Ministries/Departments of the Central Government shall be passed on by the Accountant General to the latter and settled by cheque or bank draft. However, repayment of Central loans and payment of interest thereon by the State Governments, excepting the Government of Sikkim, are settled through the Central Accounts Section of the Reserve Bank of India, Nagpur.

(4) Transactions of the Central and State Government handled in other countries by the Indian Embassies/Missions shall be incorporated in the cash account rendered by them monthly to the Pr. Chief Controller of Accounts. Ministry of External Affairs and the latter will effect cash settlement with the concerned Accounts Officers in India in the manner prescribed by the Controller General of Accounts, on the advice of the Comptroller and Auditor General of India.

(5) The monthly accounts of the Central Ministries/Departments and of the State Governments will thus include not only the receipts and disbursements arising directly in the accounts of their Accounts Officers but also receipts and expenditure in other countries and all credits and debits passed on to them for adjustment by other Accounts Officers in India.

17. Authorities responsible for the preparation of Annual Accounts of the Central Government, State and Union Territories Governments.

(1) The annual accounts (including Appropriation Accounts) of the Central Government and of each State, Union Territory Government shall be prepared in the form prescribed by the President on the advice of the Comptroller and Auditor General of India under Article 150 of the Constitution of India. These Accounts shall be submitted to the respective State/Union Territory Legislature, and to Parliament on or before such dates as may be determined with the concurrence of the Government concerned.

(2) Annual Accounts (including Appropriation Accounts) in respect of State Governments, and Union Territory Governments with Legislature are prepared by the concerned Accountant General and submitted to the Comptroller and Auditor General of India for approval and transmission to the Governor of the State, Administrator of the Union Territory Government concerned, along with his report thereon in terms of Article 151 (2) of the Constitution/Section 49 of Union Territories Act, 1963 and Section 11 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature.

(3) Appropriation Accounts of Central Ministries (other than Ministry of Railways) and of Central Civil Departments shall be prepared by the respective Ministries and Departments under the guidance and supervision of the Controller General of Accounts, and signed by their Chief Accounting Authority, Union Government Appropriation Accounts (Civil) required to be submitted to Parliament, shall be prepared by the Controller General of Accounts by condensing and consolidating the aforesaid Appropriation Accounts. Appropriation Accounts pertaining to Departments of Posts, Telecommunications, Railways and Defence shall be prepared and signed by the Secretaries to the Department of Posts, Department of Telecommunications, Financial Commissioner, Railway Board and Secretary (Defence Finance) respectively.

(4) Annual accounts of the Government of India as a whole (including transactions of Departments of Posts, Telecommunications, Defence, Railways. Union Territory Administration

and transactions under Public Account of India, Accounts of Union Territory Governments with Legislatures showing under the respective heads the annual receipts and disbursement for the purpose of the Union, shall be prepared by the Controller General of Accounts.

(5) The Accounts mentioned in Sub-rules (3) and (4) above, shall be prepared by the respective authorities on dates mutually agreed upon with the Comptroller and Auditor General of India in the form prescribed by the President on the advice of the Comptroller and Auditor General and sent to the latter for recording his certificate. The certified annual accounts and the Reports relating to the accounts shall be submitted by the Comptroller and Auditor General to the President in accordance with the provisions of Section 11 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and clause (1) of Article 151 of the Constitution of India.

18. Proforma Accounts

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

Certain *pro forma* accounts relating to Irrigation, Navigation, Embankment and Drainage Projects and Government residential buildings are required to be prepared by Civil Account Offices. *Pro forma* accounts are also sometimes required to be prepared for transactions which do not relate to commercial or quasi-commercial undertakings of Government e.g., transactions of the Famine Relief Fund. The form in which any *pro forma* accounts are prepared in Accounts Offices will be determined by the Government concerned on the advice of the Comptroller and Auditor General of India.

19. Journal and Ledger

The accounts of Government are based, in the main, on the single entry system and the double entry system will be applied only in regard to the maintenance of a set of technical accounts called the Journal, Ledger and Trial Balance Sheet. The main purpose of the Journal and Ledger is to bring out by a scientific method, the balances of accounts in regard to which Government acts as a banker, or remitter or borrower or lender.

Though such balances are worked out in the regular Government accounts, their accuracy can be guaranteed only by a periodical verification with balances brought out in the double entry system. In the case of the Central Government, the various Accounts Officers shall prepare Ledger and summary of balances in accordance with the procedure separately prescribed for the purpose by the Controller General of Accounts. State Accountants General will maintain separate Journal and Ledger for all transactions of the State Government, from which the annual summary of Balances or Trial Balance Sheet is prepared by them.

CHAPTER 3- BASIC STRUCTURE OF THE FORM OF ACCOUNTS

20. Period of Accounts

The annual accounts of the Central, State and Union Territory Governments shall record transactions which take place during a financial year running from 1st April to 31st March.

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

21. Cash basis of Accounts

With the exception of such book adjustments as may be authorised by these rules or by any general or special orders issued by the Central Government on the advice of the Comptroller and Auditor General of India, the transactions in Government accounts shall represent the actual cash receipts and disbursements during a financial year as distinguished from amounts due to or by Government during the same period.

22. Currency in which Accounts are kept

The accounts of Government shall be maintained in Indian currency i.e. rupees. All transactions of the Central and State Governments taking place in other countries shall be passed on monthly by the Indian Embassies/Missions to India and brought to account finally in the Indian books after they have been converted into rupees.

23. Form of Accounts - Main Divisions of Accounts

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

Part I Consolidated Fund	of India (including Union Territory Administration) or of the State or Union Territory Government concerned.
Part II Contingency Fund	
Part III Public Account	of India (including Union Territory Administration/Government) or of the State concerned.

NOTE:- There being no separate Public Account in the case of Union Territory Governments except authorised by special orders of the Government, the transactions pertaining to this account shall be booked in the Public Account of the Central Government.

In part I, namely Consolidated Fund, of the accounts, there shall be two main divisions, namely:

(i) Revenue consisting of sections for 'Receipt heads (Revenue Account)' and 'Expenditure heads (Revenue Account)'.

(ii) Capital, Public Debt, Loans consisting of sections for 'Receipt heads (Capital Account)', 'Expenditure heads (Capital Account)', and 'Public Debt', 'Loans', and 'Advances'.

The first division shall comprise the section Receipt heads (Revenue Account) dealing with the proceeds of taxation and other receipt classed as revenue, and the Section 'Expenditure heads (Revenue Account)' dealing with expenditure met there from.

The second division shall comprise the following sections:—

(a) The Section 'Receipt heads (Capital Account)' which deals with receipts of a Capital nature which cannot be applied as a set off to Capital Expenditure.

(b) The Section 'Expenditure heads (Capital Account)' which deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a Capital nature intended to be applied as set off to Capital expenditure.

(c) The Section 'Public Debt' Loans and Advances, which comprise, of loans raised and their repayments by Government such as, Internal Debt, External Debt of the Central Government, and loans and Advances made by Governments and their recoveries; transactions relating to 'Appropriation to Contingency Fund' and 'Inter-State Settlement';

In Part II, namely Contingency Fund, of the accounts shall be recorded the transactions connected with the Contingency Fund set up by the Government of India or of a State or Union Territory Government under Article 267 of the Constitution/ Section 48 of the Union Territories Act, 1963.

In Part III, namely Public Account, of the accounts, the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this Part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between PAO/treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads will be cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

Note (1): The following heads of account shall be closed to Government Account. The cumulative effect of these heads shall not be carried forward to the next financial year: -

- a) Consolidated Fund-Revenue Account,
- b) Consolidated Fund-Capital Account-Receipts Head(s),
- c) Major Head '7810-Inter State Settlement',
- d) Major Head '7999-Appropriation to the Contingency Fund',
- e) Contingency Fund,
- f) Major Head '8675-Deposits with Reserve Bank' and
- g) Major Head '8680-Miscellaneous Government Accounts'.

Note (2): The heads of account except those mentioned at Note(1) above shall be closed to balances. The cumulative effect of these heads shall be carried forward to the next financial year.

24. Sectors and Sub-sectors of Accounts

(a) Within each of the Divisions and sections of the Consolidated Fund referred to in rule 23, the transactions shall be grouped into Sectors such as, "General Services", "Social Services", "Economic Services", under which specific functions or services shall be grouped. The Sectors shall be sub-divided into Major Heads of Account, in some cases the Sectors are, in addition, sub-divided into sub-sectors before their division into Major Heads of Account. Each Sector in a section shall be distinguished by a Capital letter of the Alphabet.

(b) In Part II—Contingency Fund, there shall be a single Major Head and all the transactions met out of the Contingency Fund shall be recorded under it.

(c) In the case of Part III—Public Account, the transactions shall be grouped into sectors and sub-sectors, which shall be further sub-divided into Major Heads of Account. The Sectors and Sub-Sectors shall be distinguished by Capital and small letters of the alphabet respectively.

25. Allotment of Code to each Major Head and range of Code Numbers

A four digit Code has been allotted to the Major Head, the first digit indicating whether the Major Head is a Receipt Head or Revenue Expenditure Head, or Capital Expenditure Head or Loans and Advances Head or it pertains to Public Account, if the first digit is '0' or '1', the Head of Account will represent Revenue Receipt; '2' or '3' will represent Revenue Expenditure; '4' or '5' Capital Expenditure; '6' or '7' Loans and Advances Head; (4000 for Capital Receipt) and '8' will represent Contingency Fund and Public Account—(8000 for Contingency Fund).

Adding 2 to the first digit of the Revenue Receipt will give the Code Number allotted to corresponding Revenue Expenditure Head; adding another 2—the Capital Expenditure Head and another 2—the Loans and Advances Head of Accounts; e.g.

0401 represents the Receipt Head for Crop Husbandry

2401 represents the Revenue Expenditure Head for Crop Husbandry

4401 represents the Capital Outlay on Crop Husbandry

6401 represents Loans for Crop Husbandry.

Such a pattern is however, not relevant for those departments which are not operating Capital/Loan Head of accounts e.g. Department of Supply. In a few cases, however, where receipt/expenditure is not heavy, certain Major Heads have been combined under a single number, the Major Heads themselves forming sub-major heads under that number.

In exceptional circumstances where it is not possible to maintain the above correspondence between 'Revenue Receipts/Revenue Expenditure/Capital Expenditure/Loan' heads codes, suitable Major Head Codes other than the corresponding Major Head Codes may be introduced.

The range of code numbers allotted under the scheme of codification is shown below: -

Part I - Consolidated Fund	Major Head Code Nos.
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Section I Receipt Heads (Revenue Account)	0001-1999
Expenditure Heads (Revenue Account)	2001-3999
Section II - Receipt Head (Capital Account)	4000
Expenditure Heads (Capital Account)	4046-5999
Section III Public Debt, Loans & Advances	6001-7999
Part II - Contingency Fund	8000
Part III - Public Account	8001-8999

26. The Classification Structure of Government Account

(a) The main unit of classification in accounts shall be the major head which shall be divided into minor heads, each of which shall have a number of subordinate heads, generally shown as sub-heads. The sub-heads are further divided into detailed heads. The Primary unit of classification is Object Head below detailed heads. Sometimes major heads may be divided into 'sub-major heads' before their further division into minor heads.

The Major Heads, Sub-Major Heads, Minor Heads, Sub-Heads, Detailed Heads and Object Heads together constitute a six tier arrangement of the classification structure of Government Account.

This six tier classification comprises of fifteen digits numeric code as detailed below:

- a) **Major Head** - 4 digits (Function)
- b) **Sub-Major Head** - 2 digits (Sub-Function)
- c) **Minor Head** - 3 digits (Programme)
- d) **Sub-Head** - 2 digits (Scheme)
- e) **Detailed Head** - 2 digits (Sub-Scheme)
- f) **Object Head** - 2 digits (Primary Unit of Classification)

(b) Major heads of account falling within the Consolidated Fund shall generally correspond to 'Functions' of Government, such as different services like "Crop Husbandry", 'Defence Services' provided by Government, while minor heads subordinate to them shall identify the 'Programme' undertaken to achieve the objectives of the function represented by the major head. A programme may consist of a number of schemes or activities and these shall, generally, correspond to 'sub-heads' below the minor head represented by the programme. In certain cases, especially in regard to non-developmental expenditure or expenditure of an administrative nature, the sub-heads may denote the components of a programme, such as 'Organisations' or the different 'Wings of Administration'. Detailed Heads will identify sub-schemes or sub-activities below the Sub-Heads.

(c) An "Object Head" is primary unit of classification. On the expenditure side of the accounts particularly in respect of heads of accounts within the Consolidated Fund, Object Heads are primarily meant for itemised control over expenditure and indicate the object or nature of expenditure on a scheme or activity or organisation in terms of inputs such as 'Salaries', 'Office Expenses', 'Grants-in-aid', 'Loans', 'Investments', etc.

(d) The detailed classification of account heads in Government Accounts and the order in which the Major and Minor heads shall appear in all account records shall be such as are prescribed by the Central Government from time to time on the advice of the Comptroller and

Auditor General of India. The 'List of Major and Minor Heads of Account of Union and States contains the classification prescribed in this regard. The classification prescribed (including the code no. assigned should be strictly followed.

NOTE 1:-State Governments have been entrusted with their consent, in terms of clause (1) of article 258 of the Constitution, the functions of the Central Government under Article 150 of the Constitution in so far as such functions relate to the opening of sub-heads and detailed heads of accounts under the various Major and Minor heads of Accounts in the State concerned, subject to the following conditions:

- (i) Orders issued by a State Government for opening subheads and detailed heads are consistent with the directions issued by the Central Government from time to time.
- (ii) No sums shall be paid by the Central Government to the State Government concerned in respect of any extra costs of administration incurred by the State in connection with the exercise of the functions so entrusted.

NOTE 2:- The Administrators of the Administrators of the Union Territories subject to their control, also to discharge the functions of the Central Government under Article 150 of the Constitution in so far as such functions relate to the opening of sub-heads and detailed heads of account under the various Major and Minor heads of account within their respective territories subject to the following conditions:—

- (i) the said discharge of functions shall be subject to the forms prescribed by the President under Article 150; and
- (ii) No sums shall be paid by the Central Government to the Union Territory concerned in respect of any extra cost of administration incurred in connection with the said discharge of functions.

NOTE 3:—Directions issued by the Ministry of Finance (Department of Expenditure—Controller General of Accounts) on the advice of the Comptroller and Auditor General in connection with the exhibition of expenditure incurred by State/Union Territory Governments against grants-in-aid and loans given to them by various Ministries/ Departments of the Government of India under Centrally Sponsored Schemes, are reproduced in Appendix -4.

27. Classification of expenditure as "Charged" or as "Voted"

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

28. Classification of transactions in accounts

- (1) Under Article 150 of the Constitution, the accounts of the Union and of the States shall be kept in such form as the President may on the advice of the Comptroller and Auditor General, prescribe. The word "Form" used in Article 150 has a comprehensive meaning so as to include the prescription not only of the broad form in which the accounts are to be kept but also the basis for selecting appropriate heads under which the transactions are to be classified.
- (2) The estimates of receipts and expenditure framed by Government or in any order of Appropriation shall indicate provisions, ordinarily against heads opened in conformity with these rules. Where there is divergence, the corresponding receipt or expenditure shall be brought to account under the appropriate major head or minor head or other unit of classification as

determined by the President on the advice of the Comptroller and Auditor General of India.

"Principles and Rules regulating adjustments between Governments of certain category of charges and receipts, which have been accepted by all Governments are given in Appendix 5."

29. Basis of classification

As a general rule, the classification of transactions in Government accounts, shall have closer reference to the function, programme, scheme and activity of the Government and the object of the revenue or expenditure, rather than the department in which the revenue or expenditure occurs. This principle is, however, subject to such exceptions as may be authorised specially in any individual case or class of cases e.g. receipts representing 'Interest' are shown under "0049—Interest Receipts" and expenditure on the maintenance and repairs of the non-Residential buildings under the administrative control of the Public Works Department are shown under the major head "2059—Public Works" irrespective of the functions to which they relate. Important general orders governing classification of pay and allowances (including travelling allowances) of Government servants, expenditure on civil works, contributions made by or to Government, refunds of revenue, shall be issued by Government from time to time.

30. Criteria for determining whether expenditure should be classified under heads of Capital Section or Revenue Section of the Consolidated Fund.

(1) Expenditure of a capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character.

NOTE:- Expenditure on a temporary asset or expenditure on Grants-in-aid to local bodies or institutions (for the purpose of creating assets which will belong to these local bodies or institutions) cannot ordinarily be classifiable as capital expenditure, and shall not, except in cases specifically authorised by the President on the advice of Comptroller and Auditor General be debited to a capital head of account.

(2) Expenditure of a Capital nature shall be distinguished from Revenue expenditure both in the Budget Estimates and in Government Accounts.

NOTE:- Capital expenditure is generally met from receipts of a capital, debt, deposit or banking character as distinguished from ordinary revenue derived from taxes, duties, fees, fines and similar items of current income including extra-ordinary receipts. It is open to the Government to meet Capital expenditure from ordinary revenues provided there are sufficient revenue resources to cover this liability.

(3) Expenditure of a Capital nature as defined above shall not be classed as Capital expenditure in the Government accounts unless the classification has been expressly authorised by general or special orders of Government.

31. Allocation between capital and revenue expenditure on a capital scheme and Asset Accounting

(1) The allocation between capital and revenue expenditure on a Capital Scheme for which separate capital and revenue accounts are to be kept shall be determined in accordance with such general or special orders as may be prescribed by the President on the advice of the Comptroller and Auditor General.

(2) The following are the main principles governing the allocation of expenditure on a Capital

Scheme, between Capital and Revenue accounts:

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

(b) Subject to (c) below, revenue account 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 prescribed by Government.

(c) 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, should be debited to Capital account. 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 account and the Fund should be so regulated as to guard against over-capitalisation on the one hand and excessive withdrawals from the Fund on the other.

(d) Expenditure on account of reparation of damage caused by extraordinary calamities such as flood, fire, earthquake, enemy action, should be charged to Capital account or to Revenue account or divided between them in such a way as may be determined by Government according to the circumstance of each case.

(e) Capital receipts in so far as they relate to expenditure previously debited to Capital heads, 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 a special rule or order of Government, they should not be credited to the revenue account of the department or undertaking.

3. The following are the main principles governing Assets Accounting:

(a) The expenditure on asset creation by the government, shall be maintained Ministry/Department wise based on expenditure incurred through all Capital Heads of Accounts, which will be closed to balances in Government Accounts.

(b) Whenever de-recognition of assets happens by way of sale, loss (including theft, impairment etc.) the same are to be adjusted.

32. Net Gain or Loss by Exchange in respect of Government transaction in foreign currencies

Net gain or loss by exchange in respect of Government transactions in foreign currencies shall be uniformly adjusted under the head "0075/2075—Miscellaneous General Services—Gain/Loss by Exchange".

33. Classification and accounting adjustment of transactions pertaining to more than one Major Head of Account

For the sake of convenience or for other special reasons, receipts or charges pertaining to more

than one head of account may be booked in the first instance under one of the heads concerned, but the portion creditable or debitable to the other head or heads involved should be transferred from the former head to the latter before the accounts of the year are closed. A few instances are cited below:-

- (1) Where the charges for the supply of water from Irrigation canals are consolidated with the land revenue demand, the recoveries at the consolidated rates are, in the first instance, credited to the head "0029—Land Revenue" and an approximate amount calculated as the share due to Irrigation is transferred to the relevant Irrigation Revenue Head.
- (2) Charges for collection of Corporation Tax are accounted for under the minor head "Collection Charges—Income Tax" below the major head "2020 —Collection of Taxes on Income and Expenditure" in the first instance, the amount debitable to the minor head "Collection charges—Corporation Tax" being transferred later from the former minor head to the latter.
- (3) The Establishment and Tools and Plant charges of Public Works Divisions are, in the first place, booked under a single Major Head subject to final apportionment among the several major heads concerned.

34. Classification and accounting of transactions relating to Scheduled Areas

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

35. Classification and accounting of recoveries of overpayments

Recoveries of overpayments whether made in cash or by short drawl from a bill, during the same financial year in which such overpayments were made, shall be recorded as reduction of expenditure under the concerned Service Head. Recoveries of overpayments pertaining to previous year(s) shall be recorded under distinct minor head 'Deduct-Recoveries of Overpayments' (code '911') below the concerned major/sub-major head 'without affecting the gross expenditure under the functional Major/Sub-Major Head in the Appropriation Accounts'.

36. Accounts of Government Commercial Departments or Undertakings

Where any departments or departmental Undertakings of Government function on commercial lines, the essential formalities of commercial accounts to the extent prescribed by Government should be strictly observed. In such cases, separate commercial accounts of the departments or Undertakings shall be kept outside the regular Government accounts. Gross receipts and expenditure of commercial departments or undertakings shall be accounted for under the appropriate major and minor heads in the same way as ordinary receipts and expenditure of Government. The heads of accounts should, as far as possible, be common to the Government account, and the General Ledger maintained at the department or undertaking, and should be selected with due regard to the principles of governmental and commercial accounting so; that the monthly classified account of income and expenditure of the department or undertakings may be prepared readily from the General Ledger.

37. Rectification of Misclassifications

The procedure to be followed in rectifying misclassifications in accounts shall be such as may be prescribed by Govt.

38. Criteria for writes-off of balances from Debt, Deposit, Suspense and Remittances Heads closed to balance and classification thereof in accounts

Ordinarily, all amounts due to Government which are found to be irrecoverable shall be written-off from the Debt head of account concerned to an expenditure head as a loss to Government. Similarly, any balance due by Government remaining unclaimed for such time as may be prescribed by Government shall be credited as revenue of the Government concerned by debit to the Debt or Deposit head concerned. Amounts outstanding due to book-keeping errors under heads which close to balance shall be written-off to "8680-Miscellaneous Government Account-Write off from heads of account closing to balance". With the specific approval of the Comptroller and Auditor General in all cases where the compilation of account is his responsibility and in cases where the accounts have been departmentalised or separated from Audit, with the specific approval of the Controller General of Accounts; provided that the Comptroller and Auditor General and the Controller General of Accounts may delegate the power to appropriate Accounts authorities to such extent and subject to such conditions as may be decided by them.

Where it is not possible to establish that unreconciled balances/differences under heads of account which close to balance are either due to book-keeping errors or involve loss/ receipts, the balances/differences may be written-off to "8680 Miscellaneous Government Account - Writes-off from heads of account closing to balance", with the approval of the Comptroller and Auditor General of India after obtaining concurrence of the Government concerned in all cases where the compilation of account is his responsibility and in cases, where the accounts have been departmentalised or separated from Audit, of the Controller General of Accounts after concurrence of the Chief Accounting Authority concerned is obtained.

Such unreconciled balances or differences between the ledger balances and those of as per the relevant subsidiary registers or Broad-sheets, under any detailed/sub-detailed heads of account relating to any Debt, Deposit, Suspense and Remittance heads in the State Accounts, as per the list of Major & Minor Heads of Account, not exceeding Rs. 1000/- in each case in any financial year, may be written-off by an Accountant General to the head "8680 Miscellaneous Government Account — Write-off from heads of account closing to balance" subject to the following conditions:—

- (i) The amounts of unreconciled balances or differences are continuing for a period of over five years, in the year in which it is proposed to be written-off.
- (ii) The Accountant General has satisfied himself that a *dead end has been reached* in resolving the differences and
- (iii) The concurrence of the *State Government* has been obtained for the write-off.

CHAPTER 4-Criteria for recovery of charges for services rendered or articles supplied by Government Departments

Introductory

39. The rules in this Chapter prescribe the conditions under which a department of a Government may make charges for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts of the Government concerned.

NOTE:- Criteria for the purpose of such adjustments in respect of the Central Government are laid down in Part IV of Chapter (Rules 108 to 129) of the Central Government Compilation of the General Financial Rules, 2017.

40. Adjustment between Governments:-

In the case of transactions between two Governments, adjustment shall always be made if required by or under the provisions of the Constitution; and otherwise, in such manner and to such extent as may be mutually agreed upon by the Governments concerned.

NOTE1:- In all cases of claims for an amount not exceeding Rs. 1000 in each case, for transactions on account of supplies made or services rendered by one Government to another, no monetary claims will be resorted to. However, in respect of the following claims monetary settlement should be made irrespective of the amount:—

- (i) claims relating to commercial departments/undertakings of a Government which are required to work to a financial result, for services rendered or supplies made to or by them.

NOTE 2:—For transaction above the limit of Rs. 1000 and where the supplies/services are to be paid for irrespective of any monetary limit, the settlement will be made through cheques/Bank drafts/electronic payment advice by the supplied Government. The procedure to be followed for making the monetary settlements in these cases, (i) between the State Governments *inter se* and (ii) in respect of supplies/service to a Central Government Department will be as indicated below:

- (i) Between the State Governments *inter se*:

The concerned officer of the Government in receipt of the supplies or services will present a bill at the Treasury for the cost of services or supplies alongwith the accepted invoice and a requisition for a bank draft in favour of the officer concerned in the supplying Government and remit the bank draft so obtained to the latter who will present it at the Treasury for encashment and crediting to the proper head of account.

- (ii) Between a State Government and Central Government Department (including Defence, Railways, Postal and Telecommunications Departments besides Civil).

The Department of the Central Government which received supplies/services will present a bill alongwith the accepted invoice to its own Accounts Officer concerned who will make the payment by cheques/bank drafts drawn in favour of the officer concerned of the supplying Government in settlement of

its claims.

In the reverse case of supplies/services rendered by a Central Government Department the cheques/Bank drafts received by it from the supplied Government will be presented by it to its Accounts Officer for encashment and credit to the proper head of Account. In case the departmental officer is himself in account with a branch of the bank, the cheque/draft will be remitted by him to the bank with challans/E-Challans showing particulars of the Head of account for credit to Government account.

NOTE 3:- The Union Territory Governments will also follow the procedure indicated above as may be applicable to them for settlement of their inter-Governmental transactions arising out of services rendered or supplies made by/to them.

NOTE 4:-The procedure to be followed for realisation of customs duty on goods imported by the various Governments/Departments will be laid down separately by the Department of Revenue and Banking (Revenue Wing). Similarly, the procedure to be followed for settlement of claims relating to supplies made by the Medical Store Depots to various Governments/ Departments will be prescribed separately by the Department of Health in the Ministry of Health and Family Welfare.

NOTE 5:- The Principles and procedure indicated in Notes 1 and 2 above will also be followed for settlement of inter Departmental transactions among Defence, Railways, Postal, Telecommunication and Central Civil Departments on account of services rendered or supplies made by one Department to another.

41. Adjustments with Foreign Governments, outside bodies, etc.

Unless exempted by Government by general or special orders, services shall not be rendered without being paid for to any foreign Government or non-government body or institution or to a separate fund constituted as such.

42. Inter-departmental adjustments

For purposes of inter-departmental payments, the departments of a Government shall be divided into service departments and commercial departments according to the following principles.

A. *Service Departments:* These are constituted for the discharge of those functions which either (a) are inseparable from, and form part of the idea of Govt. or (b) are necessary to, and form part of the general conduct of the business of Government. Examples of category (a) are: the departments of Administration of Justice, Defence, Jails, Medical, Police, Public Health, Education, Forest. Examples of category (b) are: the departments of Survey of India, Printing and Stationery, Public Works (Building and Roads Branch), Central Purchase Organisation.

B. *Commercial Departments or Undertakings:* These are constituted mainly for purposes of rendering services or providing supplies, of certain special kinds, on payment for the services rendered or for the articles supplied. They perform functions which are not necessarily Government functions. They are required to work to a financial result determined through account maintained on commercial principles.

NOTE:-Government shall specify whether a particular department or particular activities of a department shall be regarded as commercial department or undertaking.

43. Save as expressly provided by any general or special orders, a service department shall

not make charges against another department for services or supplies which fall within the class of duties for which the former Department is constituted.

The following exceptions to this rule have been authorised:

- (a) The Forest Department shall charge any other department for vegetable, animal or mineral products extracted from a forest area.
- (b) Payment must ordinarily be made for convict labour as in the case of that supplied to the Public Works and other departments of Government but no charge shall be made for convict labour in the case of works undertaken by the Public Works Department which are treated as Jail Works.
- (c) The cost of additional Police Guards supplied to an Irrigation or other project while under construction shall be debited to the project concerned.
- (d) The Film Division of the Government of India shall charge any other department for the cost of production of films and other services on such terms as may be settled in each case.
- (e) The Central Industrial Security Force functioning under the Ministry of Home Affairs shall charge any other department for the cost of force provided, on such terms as may be settled in each case.
- (f) When the Central Public Works Department executes works on behalf of other departments of the Government of India, the cost of which is debitable to the grant (Capital Portion) of those departments, it shall recover the establishment and tools and plant charges leviable on such works on a percentage basis, unless there are special orders of the Government to the contrary.
- (g) When the Central Electricity Authority or the Central Water Commission including any office or division under its control executes works on behalf of other departments of the Government of India as an occasional arrangement, the cost of which is met from sources other than the expenditure heads (Revenue Account) of those departments it shall recover the establishment and tools and plant charges leviable on such works on percentage basis, unless there are special orders of the Government to the contrary.

44. A commercial department or undertaking shall ordinarily charge and be charged for any supplies and services made or rendered to, or by, other departments of Government.

This rule may be applied to particular units or particular activities of any department even though the department as a whole may not be a commercial department. Such a unit or activity shall ordinarily charge for its services or its supplies, to, and may likewise be charged by, either the department of which it forms a part or any other departments.

NOTE 1:- Save as otherwise provided in these rules, services rendered by a service department falling under sub-rule A(a) of rule 42 in the normal discharge of its functions shall not be regarded as service rendered for the purpose of this rule.

NOTE 2: The supply of residential accommodation by one department to the employees of another shall not for the purposes of the rules in this Chapter, be held to constitute a service rendered. In all such cases the rent charges for residential accommodation will be the rent recoverable under the rules for the time being in force from the persons actually using such accommodation.

NOTE 3:-The Central Water Commission and the Central Electricity Authority shall charge commercial departments in respect of advice tendered or services rendered except in the following cases:—

- (a) Where the advice tendered is based on the data already collected by the Commission or the Authority as part of its normal functions.
- (b) Where the amount of recovery does not exceed Rs. 100/- provided that the work involved is not of a recurring nature.

45. Where one department makes payment or renders service as an agent of another department of the same Government the principal department shall, subject to such monetary limit as may be fixed by Government in this behalf, be debited with the expenditure incurred on its behalf by the agent department.

NOTE 1:—The cost of land acquired by a Civil Department on behalf of the Public Works Department shall be debitable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when land is taken up for two or more service departments conjointly, cost shall be wholly debitable to the department for which the major portion of expenditure was incurred unless there are special orders to the contrary.

NOTE 2:—When a special officer is employed for the acquisition of land of any department, the expenditure on pay, allowances etc. of the Special Officer and the establishment and any expenditure on contingencies is debitable to that department as part of the cost of land. When the land is taken by a Civil Officer, not specially employed for the work, only special charges incurred in connection with the acquisition of the land on establishment, contingencies etc. shall be borne by the department for which the land is acquired.

46. Notwithstanding the provisions of rule 43 the Defence Services shall, in respect of inter-departmental transaction charge and be charged for services rendered and supplies made to, or by, other Departments, unless in a particular case, or class of cases, Government may decide otherwise.

NOTE 1: The Defence Service shall not be required to pay rent for buildings of the Central Civil Departments other than Commercial Departments and Undertakings, occupied by the Defence Services for non-residential purposes, nor shall rent be charged for buildings of the Defence Services occupied for non-residential purposes by the Civil Departments of the Central Government other than commercial Departments or undertakings falling under sub-rule 'B' of rule 42.

NOTE 2:-The Defence Services also shall not be required to pay for the use of the Government civil aerodromes and, or other incidental services rendered by the Civil Aviation Department to Indian Air Force Planes, nor shall the Civil Aviation Department be charged, as a reciprocal arrangement, for the use of the aerodromes of the Indian Air Force by the Civil Aircrafts.

47. A branch of a service department performing duties supplementary to the main function of the department and intended to render particular services on payment shall levy charges in respect of the work for which it has been constituted. Examples: Jail Manufacture, Printing, Publishing Department, Mint (Miscellaneous Services other than coinage).

48. A branch of a department constituted for the subsidiary service of that department, but employed to render similar service to another department, shall charge that other department e.g. workshops of a department, Dockyards.

49. A regularly organised store branch of a department shall ordinarily charge any other department for supplies made; but petty and casual supplies of stores may, if the supplying department consents, be made without payment.

50. Notwithstanding anything contained in the rules in this Chapter, a Government may permit inter- departmental adjustment in any case where such an adjustment is considered necessary in the interest of economy or of departmental control of expenditure.

51. General

Where under the rules in this Chapter payment is required to be made by one department of a Government to another, such payment shall, if the case so requires or if otherwise deemed necessary, include adequate charge for supervision or other indirect expenditure connected with the service or supply for which payment is made.

CHAPTER 5- Classification of recoveries of Expenditure in Government Accounts

52. The rules contained in this Chapter indicate the manner of classification of 'recoveries' of expenditure in Government accounts.

The term 'recovery' is used in this chapter in a limited sense to denote repayment of or payment by another department of the same Government or by another Government or by a non-Government party (including public sector undertakings, autonomous bodies and private persons and bodies to a Government Department) which initially incurred the charge and classified it in the accounts as final expenditure by debit to revenue or capital heads of accounts. Recoveries towards establishment charges, tools and plants, fees for procurement or inspection of stores, or both etc. effected at percentage rates or otherwise, are some examples.

Classification of Recoveries made from non-Government parties and other Governments including Government outside India

53. Recoveries of expenditure for services or supplies made to non-Government parties or other Governments (including local funds and Governments outside India) shall, in all cases be classified as receipts of the Government rendering such services or supplies.

Exceptions-(i) When a Government undertakes a service merely as an agent of a private body, so that the entire cost of the service is recovered from that body, the net cost to Government being nil, the recoveries may be taken in reduction of expenditure.

NOTE:- In the case of projects, jointly executed by several Governments, where the expenditure is to be shared by the participating Governments in agreed proportions, but the expenditure is *ab initio* incurred by one Government and shares of another participating Governments recovered subsequently, such recoveries from other Governments should be exhibited as abatement of charges under the relevant expenditure head of account in the books of the Government incurring the expenditure initially.

Classification of recoveries made by one department from another department of the same Government.

54. As between different departments of the same Government, the recoveries shall be classified as deduction from the gross expenditure except that such recoveries as are made by a commercial department e.g. Railways, Department of Posts and Department of Telecommunications or a departmental commercial undertaking should be treated as receipts of that department.

*Exception:—*Recoveries of fees for purchase, inspection etc., effected by the Central Purchase Organisation of Government of India (e.g., Army Purchase Organisations of the Ministry of Defence) are treated as receipts of the Department concerned.

NOTE 1:—Such recoveries realised by a non-commercial department (other than the Central Purchase Organisations of the Government of India) from another Department of the same Government shall be shown in the relevant Demand for Grant as "below the line" recovery under the appropriate major head of account. Recovery actually effected, irrespective of the year to which it relates, shall be adjusted in accounts in reduction of expenditure and exhibited in the schedule of recovery to be attached to the Appropriation Accounts of the year in which the recovery is effected.

NOTE 2:—The term "recoveries" by a commercial department (viz. Posts, Telecommunications and Railways) or by a Departmental commercial undertaking for the purpose of this rule shall apply to recoveries in respect of services rendered to other departments in pursuance of the proper functions for which the department is constituted, that is to say, in the case of Department of Posts and Department of Telecommunications, recoveries shall be classified as receipts only when they are made in respect of Postal, Telegraphs or Telephone services rendered to the other departments. Where, a commercial department or a departmental commercial undertaking acts as an agent of another department for the discharge of functions not germane to the essential purpose of the department, the recoveries shall be taken in reduction of expenditure.

Classification of recoveries of expenditure on works in progress and transactions of stock and other suspense account

55. The technical estimates of a work take cognizance of all anticipated receipts from sale proceeds of materials, plant, etc. received from the old structure, while the receipts under "stock and suspense" are by their very nature inseparable from the expenditure recorded under the main head. The recoveries falling under these two categories shall notwithstanding anything to the contrary provided by or under the rules in this Chapter, be treated as reduction of gross expenditure.

Classification of receipts and recoveries on Capital Accounts.

56. Notwithstanding anything to the contrary provided by or under the rules in this Chapter, receipts and recoveries on capital Accounts insofar as they represent recoveries of expenditure previously debited to a Capital Major head shall be taken in reduction of expenditure under the major head concerned except where under the rules of allocation applicable to a particular department such receipts have to be taken to revenue.

CHAPTER 6-Classification of losses in Government Accounts

57. The rules in this chapter shall regulate the manner of classification and adjustment of losses in Government accounts.

Classification of loss etc. of receipts

58.(1) If a claim be relinquished, the value of the claim shall not be recorded on the expenditure side of accounts as a specific loss.

(2) If money due to Government has actually reached a Government authorised person and is then embezzled, stolen or lost, even though it may not have reached a treasury or bank and entered into the Consolidated Fund or the Public Account, it should be entered in the accounts as a receipt into the Consolidated Fund or the Public Account, as the case may be, and then shown on the expenditure side by record under a separate appropriate head of account as a loss.

NOTE 1:—The term "Government authorised person" used in sub-rule (2) of this rule includes servants and persons, who, though not technically borne on a regular Government establishment, are duly authorised to receive money on behalf of Government.

NOTE 2:—Where losses of Public money are wholly or partially met by non-payment of salary or pension and the Accounts Department authorisedly applies the unpaid amount to meet public claim, the resultant balance of the claim alone shall be treated as a loss, the amount due being debited to the relevant head of account as if it had been drawn and used by the Government servant concerned in paying the Public claim.

Buildings, lands, stores and equipment

59. Losses or deficiencies of buildings, lands, stores, equipment etc. shall not be classified under a separate head, in the accounts, though they should be written off from any value or commercial account that may be maintained. If any transactions under these categories are recorded under a Suspense head in the Government accounts, losses or deficiencies relating thereto shall be written off to the Suspense heads also in terms of Rule 56 of these rules.

Classification of losses or deficiencies of cash in hand, whether in treasury or in departmental charge:

60. All losses or deficiencies of this type shall be recorded under relevant separate heads in the accounts.

NOTE 1:- The acceptance of counterfeit coin or notes shall be regarded as a loss of cash.

NOTE 2:- Any recovery made in the course of the year in which the losses are brought to account shall be shown by deduction from the head under which the loss is recorded. Any recovery made after the accounts of the year are closed shall be as an item of receipts.

Classification of Irregular or unusual payments:

61. Irregular or unusual payments shall be recorded in the accounts with general reference to the ordinary rules of classification according to the nature of the expenditure; for example an overpayment of salary shall be debited to the head "Salaries". Similarly, an excess payment for bricks manufactured shall be debited to the work for which the bricks are used. It

is only when special heads exist in the accounts for recording such charges as compensations for damages, irrecoverable temporary loans written off and the like, that unusual or extraordinary payments shall be separately classified.

Classification of Inevitable Losses

62. Where losses are an inevitable feature of the working of a particular department, the major head of account under which the expenditure of that department is classified shall contain separate descriptive heads under which such losses shall be recorded.

CHAPTER 7-Miscellaneous Rules

Incidence of certain charges and receipts between Governments

63. The incidence of pay, leave salaries, pension etc. charges of Government servants as well as of certain other charges and receipts between different Governments are normally governed by arrangements made by mutual agreements between different Governments and they shall form the basis of accounting of the relevant transactions. Since any modifications in such agreements could involve consequential changes in the accounting arrangements, no agreements, between two Governments governing incidence of charges and receipts shall be executed or modified without the concurrence of the Central Government. Detailed instructions for the allocation and account of such transactions shall be issued by the Central Government from time to time.

Treasury Accounts

64. The manner in which the initial and subsidiary accounts shall be kept by the treasuries and the accounts returns to be rendered by them to the Accounts Offices shall be such as may be prescribed by the President from time to time on the advice of the Comptroller and Auditor General of India. The forms of initial and subsidiary accounts prescribed in this behalf shall be regarded as standard or model forms which may be modified by Government according to local requirements in consultation with the Accounts Officer concerned. Similarly, as regards accounts returns, the Accounts Officer concerned may introduce such changes in detail as he may deem necessary. In respect of such modification of standard or model forms to suit the local requirements of Governments or of changes in the accounts returns to be rendered by the Treasuries, the Accountant General will consult the Comptroller and Auditor General of India, wherever necessary.

Departmental Accounts

65. The manner in which the initial and subsidiary accounts shall be kept by departments like, Public Works, Forests, etc. and the forms in which the compiled accounts of these departments shall be rendered to the Accounts Offices shall be such as may be prescribed by the President from time to time on the advice of the Comptroller and Auditor General of India. The forms of initial and subsidiary accounts prescribed in this behalf shall be regarded as standard or model forms which may be modified by State Governments according to local requirements in consultation with the Accountant General and by the Central Ministries/ Departments in consultation with their Principal Accounts Offices. Changes in detail, of accounts returns, as may be deemed necessary, may be introduced:-

(a) by the Accountant General concerned on the advice of the Comptroller and Auditor General of India, in respect of returns due to be submitted to them.

(b) in consultation with the Controller General of accounts by Pr. Chief Controller of Accounts/Chief Controller of Accounts/ Controller of Accounts/ Dy. Controller of Accounts of Ministries/ Departments of Central Government.

CHAPTER 8-Important General Orders Governing Classification

Pay & Allowances (Other than Travelling Allowances) of Government Servants

66.(1) Following the provisions of Rule 28 of the Government Accounting Rules relating to Form of Accounts of Union and State Governments the pay and allowances of a Government servant should be classified in accounts as part of scheme, activity or organisation (sub-head) under a programme (minor head) below a function (Major Head) to which the services of the Government servant closely relate. Where, however, the duties of a Government servant extend to several activities, programmes, functions etc. and it is not possible to classify *ab initio* his pay and allowances under the appropriate sub-heads, the charges may be classified as part of the scheme or activity or organisation to which the major portion of the work of the Government servant relates.

(2) The transit pay and allowances of a Government servant proceeding to join an office whether on first appointment, or on transfer from one department to another either permanently or as a temporary measure, or proceeding on deputation to another Deptt./Govt. or reverting there from should in absence of special orders to the contrary, be borne by the Deptt./Govt. to which the Govt. Servant is proceeding.

NOTE 1 :—The transit pay and allowances both ways of a government servant transferred on foreign service will be borne by the foreign employer.

NOTE 2 :—The transit pay & allowances both in respect of the forward and return journeys of Government servant transferred to or from Missions and Offices abroad will be borne by the Ministry which plans the transfer of the official. However, the transit pay and allowances of the officers belonging to Indian Foreign Service (A) and Indian Foreign Service (B) in respect of their return journeys from abroad shall be debited to the Budget grant of the Ministry of External Affairs or the Ministry of Commerce and Industry where the official reports for duty.

Travelling Expenses

67. The travelling expenses of a Government servant should on whatever duty he may be employed be debited under the same major/minor/subhead as his pay. However, in the following cases the travelling expenses of a Government servant may be debited to a major/minor etc. head different from that to which his pay is debited:

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

(ii) When Government considers it necessary to show separately the cost of a special service in connection with which the tour is undertaken, and

(iii) in cases covered by general or special orders of the Government authorising a deviation from the general rule.

Contributions made by or to Government

68.(1) Contributions made by the Central or the State Government to district boards, Municipalities, etc. or *vice versa* should be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus, a grant for the construction of a school should be debited to

"2202—General Education", grant for construction of a drainage system to "2205—Water Supply and Sanitation" and a grant for the construction of a road to "3054—Roads and Bridges" and grant given for general purposes, such as grant to make good a deficit or a compensation for revenue resumed, shall be classified under "3604—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions".

NOTE 1 :—If the financial assistance given by the Central or State Government to a local body does not take the form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or part of the cost of a work constructed by that department on behalf of the local body concerned, the contribution thus made should be debited as expenditure under the object head 'Contributions' below the relevant minor/major head corresponding to the programme/function closely connected with the object of the assistance.

NOTE 2 :—Contribution paid by a local body or private party with the express object of meeting the whole or a part of the cost of construction by the Public Works Department/Organisation of a specific work which is eventually to be the property of Government should be credited as revenue receipt of the Government relevant to the function/Programme closely connected with the object for which the contribution is made.

(2) Article 282 of the Constitution provides that the Union or a State may make any grants for any public purpose, not withstanding that the purpose is not one with respect to which Parliament or the Legislature of the State, as the case may be, may make laws. The word 'Grant' used here should be taken to mean not merely 'Grant-in-aid' but also other direct expenditure.

Classification of transactions under "Civil Advances"

69.(1) Moneys advanced for miscellaneous purposes under special authority and recoverable in cash and sums overpaid in vouchers other than those for service payments should be adjusted under the head "8550- Civil Advances". This head should cover items which are from their inception, debts due to Government recoverable either in cash or by deduction from other claims of the party concerned. (In this connection footnotes under the major head may be referred to). Payment made on account of government expenditure should not be held under "Civil Advances" on the ground that further proceedings in audit etc. are necessary for their final admission. Pay and Allowances in respect of an assignable period, paid before they are due shall be debited to same head to which they are debitable had they been paid after they were due.

Classification of advances of Pay and Travelling Allowance on transfer

(2) Advances of Pay and Travelling Allowances should be debited to the final head of account and not to 'Civil Advances'. Such advances should be finally adjusted as a revenue expenditure in the books of the Government which makes the advances irrespective of the fact whether the officer is proceeding to or reverting back from another Government. Settlement of such advances by way of net payment/net recovery through adjustment bills will be accounted for in the books of the Government where the adjustment bills are preferred.

(3) In case of transfer of a government servant from one Department/ Government to another, the debits representing advances of pay and transfer travelling allowance should be finally adjusted as revenue expenditure in the books of the Department/Government which makes the advance irrespective of the fact whether the Officer is proceeding to or reverting back from another Department/Government. Settlement of such advances by way of net payment/net recovery through adjustment bills will be accounted for in the books of the Deptt./Govt. where the adjustment bills are preferred.

Advances for Law suits

(4) Advance for law suits should be debited to the functional expenditure head concerned. Refunds of amounts remaining unspent out of these advances should be dealt with as cash recoveries.

Classification of transactions under 'Suspense'

70. Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars

NOTE: No sums should ordinarily be credited to Government by debit to a suspense head, credit must follow and not precede actual realisation.

Sale-proceeds of Government land and Buildings

71. The classification of the sale-proceeds of Government land and buildings should be regulated as follows:-

In case the expenditure was originally met from Capital Head, the concerned Capital Head will be credited (deduct debited) on account of sale proceeds to the extent of original expenditure and the difference (gain on sale) will be credited to 'Major head 4000-Miscellaneous Capital Receipts'.

In all other cases i.e. where the expenditure on acquisition/purchase was originally met from 'Revenue Heads' or no expenditure was incurred initially (e.g. inherited/gifted land and buildings) or the source is unknown, the entire value of sale proceeds will be credited to 'Major head 4000-Miscellaneous Capital Receipts'.

Municipal rates and taxes

72. Municipal rates and taxes on Government Buildings should be adjusted as follows :

(i) As a general rule, municipal rates and taxes on a non-residential building utilised for functional purposes, such as for schools, colleges or hospitals, if paid by the relevant departments dealing with those functions, should be adjusted in accounts as part of the sub-heads, minor heads concerned relating to the function, under the object head "Rent, Rates and Taxes". Where, however, the whole or a part of the tax is paid by the Public Works Department in administrative control of the building, the payments may be debited to the maintenance estimates of the buildings concerned, viz. "2059-Public Works-Maintenance and Repairs".

(ii) Taxes on non-residential buildings occupied by Departments other than the Defence Department, if paid by a department nominated by Government in this behalf and not passed on to the occupying department, should be debited to object head "Rent, Rates and Taxes" under Minor Head "Other Expenditure" below Major Head "2070-Other Administrative Services" .

(iii) Taxes on residential buildings, if payable by Government should be debited to the maintenance estimates of the buildings under the object head "Rent, Rates and Taxes" below Major Head "2216-Housing"-Sub-Major Head 'Government Residential Buildings:- Minor Head "Maintenance and Repairs" or Major Head "2059- Public Works", in case the Government has decided to debit maintenance expenditure to the latter head.

NOTE:—In cases where the whole or any portion of the taxes which by local rule or by custom are ordinarily leviable from the tenant, is paid by a department of the Government such payments are treated as part of the contingent expenditure of the department.

(iv) Taxes both on residential or non-residential buildings owned or occupied by the Defence Department should be debited to the Defence Service Estimates.

Cost of Survey of India and other Scientific parties accompanying a Military Expedition

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

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

(ii) The cost of the pay, allowances and contingencies of other scientific parties should be borne by the respective Civil Departments concerned, while the expenditure incurred on special transport arrangements made by the Defence Services should be debited to the Defence Estimates. These directions do not, however, apply to the classification of the cost of units of the Survey of India or of other scientific parties mobilized for service with the Army on general mobilization. The whole cost of these units except (in the case of the Survey of India) that of the initial supply of all technical equipments, material and stores, should be debited to the Defence Estimates under special rules.

74. Interpretation

Where any doubt arises as to the interpretation of any of these rules, the matter shall be referred to Ministry of Finance, Department of Expenditure, Controller General of Accounts for its decision, on the advice of the Comptroller and Auditor General.

75. Repeal

With the issue of these rules, the provisions of Accounts Code Vol. I & Form of Accounts of the Union and States (Basic) Rules are hereby repealed.

APPENDIX I

(See Rule 3)

Articles of the Constitution and sections of the Union Territories Act, 1963 relevant to the form of Accounts.

(A) In regard to Consolidated Fund, Public Account and Contingency Fund of India and of the States; and in regard to Consolidated and Contingency Funds of Union Territory Governments, the relevant articles/Sections are reproduced below:-

Article 266. (1) Subject to the provisions of article 267 and to the provisions of this Chapter (i.e. Chapter I of Part XII of the Constitution) with respect to the assignment of the whole or part of the net proceeds of certain taxes and duties to States, all revenues received by the Government of India, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by the Government in repayment of loans shall form one consolidated fund to be entitled "the Consolidated Fund of India", and all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled "the Consolidated Fund of the State".

(2) All other public moneys received by or on behalf of the Government of India or the Government of a State shall be credited to the public account of India or the public account of the State, as the case maybe.

(3) No moneys out of the Consolidated Fund of India or the Consolidated Fund of a State shall be appropriated except in accordance with law and for the purposes and in the manner provided in this Constitution.

Article 267. (1) "Parliament may by law establish a Contingency Fund in the nature of an imprest to be entitled "the Contingency Fund of India" into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the President to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by Parliament by law under article 115 or article 116.

(2) The Legislature of a State may by law establish a Contingency Fund in the nature of an imprest to be entitled "the Contingency Fund of the State" into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the Governor of the State to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by the Legislature of the State by law under article 205 or article 206'.

Section 47.(1) 'As from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, all revenues received in a Union Territory by the Government of India or the Administrator of the Union Territory in relation to any matter with respect to which the Legislative Assembly of the Union Territory has power to make laws, and all grants made and all loans advanced to the Union Territory from the Consolidated Fund of India and all moneys received by the Union Territory in repayment of loans shall form one Consolidated Fund to be entitled "the Consolidated Fund of the Union Territory".

(2) No moneys out of the Consolidated Fund of a Union Territory shall be appropriated except in accordance with, and for the purposes and in the manner provided in this Act'.

Section 48. (1) "There shall be established a Contingency Fund in the nature of an imprest to be entitled "the Contingency Fund of the Union Territory" into which shall be paid from and out of the Consolidated Fund of the Union Territory such sums as may, from time to time, be determined by law made by the Legislative Assembly of the Union Territory; and the said Fund shall be held by the Administrator to enable advances to be made by him out of such Fund.

(2) No advances shall be made out of the Contingency Fund of the Union Territory except for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by the Legislative Assembly of the Union Territory under appropriations made bylaw'.

Article 282. Expenditure defrayable by the Union or a State out of its revenues.—The Union or a State may make any grants for any public purpose, notwithstanding that the purpose is not one with respect to which Parliament or the Legislature of the State, as the case may be, may make laws.

(B) In regard to custody etc. of Consolidated Fund, Contingency Fund and moneys credited to the Public Account the relevant provisions of Articles/Sectionsare:-

Article 283. (1) "The custody of the Consolidated Fund of India and the Contingency Fund of India, the payment of moneys into such Funds, the withdrawal of moneys therefrom, the custody of public money other than those credited to such Funds received by or on behalf of the Government of India, their payment into the public account of India and the withdrawal of moneys from such account and all other matters connected with or ancillary to matters aforesaid shall be regulated by law made by Parliament, and until provision in that behalf is so made, shall be regulated by rules made by the President.

(2) The custody of the Consolidated Fund of a State and the Contingency Fund of a State, the payment of moneys into such Funds, the withdrawal of moneys therefrom, the custody of public moneys other than those credited to such Funds received by or on behalf of the Government of the State, their payment into the public account of the State and the withdrawal of moneys from such account and all other matters connected with or ancillary to matters aforesaid shall be regulated by law made by the Legislature of the State, and, until provision in that behalf is so made, shall be regulated by rules made by the Governor of the State'.

Section 47. (3)The custody of the Consolidated Fund of a Union Territory, the payment of moneys into such Fund, the withdrawal of moneys therefrom and all other matters connected with or ancillary to those matters shall be regulated by rules made by the Administrator with the approval of the President'.

Section 48. (3) "The Administrator may make rules regulating all matters connected with or ancillary to the custody of, the payment of moneys into, and the withdrawal of moneys from, the Contingency Fund of the Union Territory'.

(C) In regard to Annual Financial Statement the relevant provisions of Articles/Sections are:-

Article 112. (1) The President shall in respect of every financial year cause to be laid before both the Houses of Parliament a statement of the estimated receipts and expenditure of the Government of India for that year, in this Part referred to as the "annual financial statement".

(2) The estimates of expenditure embodied in the annual financial statement shall show separately-

- (a) the sums required to meet expenditure described by this Constitution as expenditure charged upon the Consolidated Fund of India; and
- (b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund of India, and shall distinguish expenditure on revenue account from other expenditure.

(3) The following expenditure shall be expenditure charged on the Consolidated Fund of India:-

- (a) the emoluments and allowances of the President and other expenditure relating to his office;
- (b) the salaries and allowances of the Chairman and the Deputy Chairman of the Council of States and the Speaker and the Deputy Speaker of the House of the People;
- (c) debt charges for which the Government of India is liable including interest, sinking fund charges and redemption charges, and other expenditure relating to the raising of loans and the service and redemption of debt;
- (d)
 - (i) the salaries, allowances and pensions payable to or in respect of Judges of the Supreme Court;
 - (ii) the pensions payable to or in respect of Judges of the Federal Court;
 - (iii) the pensions payable to or in respect of Judges of any High Court which exercises jurisdiction in relation to any area included in the territory of India or which at any time before the commencement of this Constitution exercised jurisdiction in relation to any area included in a Governor's Province of the Dominion of India;
- (e) the salary, allowances and pension payable to or in respect of the Comptroller and Auditor General of India;
- (f) any sums required to satisfy any judgement, decree or award of any court or arbitral tribunal;
- (g) any other expenditure declared by this Constitution or by Parliament by law to be so charged.

Article 202. (1) "The Governor shall in respect of every financial year cause to be laid before the House or Houses of the Legislature of the State a statement of the estimated receipts and expenditure of the State for that year, in this Part referred to as the "annual financial statement".

(2) The estimates of expenditure embodied in the annual financial statement shall show separately-

- (a) the sums required to meet expenditure described by this Constitution as expenditure charged upon the Consolidated Fund of the State; and
- (b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State;

and shall distinguish expenditure on revenue account from other expenditure.

(3) The following expenditure shall be expenditure charged on the Consolidated Fund of each State-

- (a) the emoluments and allowances of the Governor and other expenditure relating to his office;
- (b) the salaries and allowances of the Speaker and the Deputy Speaker of the Legislative Assembly and, in the case of a State having a Legislative Council, also of the Chairman and the Deputy Chairman of the Legislative Council;
- (c) debt charges for which the State is liable including interest, sinking fund charges and redemption charges, and other expenditure relating to the raising of loans and the service and redemption of debt;
- (d) expenditure in respect of the salaries and allowances of Judges of any High Court;
- (e) any sums required to satisfy any judgement, decree or award of any court or arbitral tribunal;
- (f) any other expenditure declared by this Constitution, or by the Legislature of the State by law, to be so charged'.

Section 27. (1) "The Administrator of each Union Territory shall in respect of every financial year cause to be laid before the Legislative Assembly of the Union Territory, with the previous approval of the President, a statement of the estimated receipts and expenditure of the Union Territory for that year, in this Part referred to as the "annual financial statement".

(2) The estimates of expenditure embodied in the annual financial statement shall show separately—

- (a) the sums required to meet expenditure described by this Act as expenditure charged upon the Consolidated Fund of the Union Territory, and
- (b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the Union Territory;

and shall distinguish expenditure on revenue account from other expenditure.

(3) The following expenditure shall be expenditure charged on the Consolidated Fund of each Union Territory:-

- (a) the emoluments and allowances of the Administrator and other expenditure relating to his office as determined by the President by general or special order;

- (b) the charges payable in respect of loans advanced to the Union Territory from the Consolidated Fund of India including interest, sinking fund charges and redemption charges, and other expenditure connected there with;
- (c) the salaries and allowances of the Speaker and the Deputy Speaker of the Legislative Assembly;
- (d) expenditure in respect of the salaries and allowances of a Judicial Commissioner;
- (e) any sums required to satisfy any judgement, decree or award of any court or arbitral tribunal;
- (f) expenditure incurred by the Administrator in the discharge of his responsibility;
- (g) any other expenditure declared by the Constitution or by law made by Parliament or by the Legislative Assembly of the Union Territory to be so charged'.

(D) In regard to Appropriation bills the relevant provisions of Articles/Sections are:-

Article 114.(1) 'As soon as may be after the grants under article 113 have been made by the House of the People, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of India of all moneys required to meet-

- (a) the grants so made by the House of the People; and
- (b) the expenditure charged on the Consolidated Fund of India but not exceeding in any case the amount shown in the Statement previously laid before Parliament.

(2) No amendment shall be proposed to any such Bill in either House of Parliament which will have the effect of varying the amount or altering the destination of any grant so made or varying the amount of any expenditure charged on the Consolidated Fund of India, and the decision of the person presiding as to whether; in amendment is inadmissible under this clause shall be final.

(3) Subject to the provisions of articles 115 and 116, no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law passed in accordance with the provisions of this article'.

Article 204.(1) 'As soon as may be after the grants under article 203 have been made by the Assembly, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet-

- (a) the grants so made by the Assembly; and
- (b) the expenditure charged on the Consolidated Fund of the State but not exceeding in any case the amount shown in the statement previously laid before the House or Houses.

(2) No amendment shall be proposed to any such bill in the Houses or either House of the Legislature of the State which will have the effect of varying the amount or altering the destination of any grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of the State, and the decision of the person presiding as to whether an amendment is inadmissible under this clause shall be final.

(3) Subject to the provisions of articles 205 and 206, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this article'.

Section 29, (1) 'As soon as may be after the grants under Section 28 have been made by the Assembly, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of the Union Territory of all moneys required to meet-

(a) the grants so made by the Assembly, and

(b) the expenditure charged on the Consolidated Fund of the Union Territory but not exceeding in any case the amount shown in the statement previously laid before the Assembly.

(2) No amendment shall be proposed to any such Bill in the Legislative Assembly which will have the effect of varying the amount or altering the destination of any grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of the Union Territory and the decision of the person presiding as to whether an amendment is inadmissible under this sub-section shall be final.

(3) Subject to the other provisions of this Act, no money shall be withdrawn from the Consolidated Fund of the Union Territory except under appropriation made by law passed in accordance with the provisions of this section'.

(E) In regard to supplementary, additional or excess grants the relevant provisions of Articles/Sections are:—

Article 115. (1) 'The President shall-

(a) if the amount authorised by any law made in accordance with the provisions of article 114 to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, or

(b) if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year,

cause to be laid before both the Houses of Parliament another statement showing the estimated amount of that expenditure or cause to be presented to the House of the People a demand for such excess, as the case may be.

(2) The provisions of articles 112, 113 and 114 shall have effect in relation to any such statement and expenditure or demand and also to any law to be made authorising the appropriation of moneys out of the Consolidated Fund of India to meet such expenditure or the grant in respect of such demand as they have effect in relation to the annual financial statement and the expenditure mentioned therein or to a demand for a grant and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet such expenditure or grant'.

Article 205, (1) The Governor shall—

(a) if the amount authorised by any law made in accordance with the provisions of article 204 to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current

financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, or

(b) if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year

cause to be laid before the House or the Houses of the Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a demand for such excess, as the case may be.

(2) The provisions of articles 202, 203 and 204 shall have effect in relation to any such statement and expenditure or demand and also to any law to be made authorising the appropriation of moneys out of the Consolidated Fund of the State to meet such expenditure or the grant in respect of such demand as they have effect in relation to the annual financial statement and the expenditure mentioned therein or to a demand for a grant and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of the State to meet such expenditure or grant'.

Section 30. (1) 'The Administrator shall—

(a) if the amount authorised by any law made in accordance with the provisions of section 29 to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, or

(b) if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year,

cause to be laid before the Legislative Assembly of the Union Territory, with the previous approval of the President, another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the Union Territory with such previous approval a demand for such excess, as the case may be.

(2) The provisions of sections 27, 28 and 29 shall have effect in relation to any such statement and expenditure or demand and also to any law to be made authorising the appropriation of moneys out of the Consolidated Fund of the Union Territory to meet such expenditure or the grant in respect of such demand as they have effect in relation to the annual financial statement and the expenditure mentioned therein or to a demand for a grant and the law to be made for the authorisation of appropriation of money out of the Consolidated Fund of the Union Territory to meet such expenditure or grant'.

(F) In regard to votes on account, votes of credit and exceptional grants the relevant provisions of Articles/Sections are:-

Article 116. (1) 'Notwithstanding anything in the foregoing provisions of this Chapter, the House of the People shall have power-

(a) to make any grant in advance in respect of the estimated expenditure for a part of any financial year pending the completion of the procedure prescribed in article 113 for the voting of such grant and the passing of the law in accordance with the provisions of article 114 in relation to that expenditure;

(b) to make a grant for meeting an unexpected demand upon the resources of India when on account of the magnitude or the indefinite character of the service the demand cannot be stated with the details ordinarily given in an annual financial statement;

(c) to make an exceptional grant which forms no part of the current service of any financial year;

and Parliament shall have power to authorise by law the withdrawal of moneys from the Consolidated Fund of India for the purposes for which the said grants are made.

(2) The provisions of articles 113 and 114 shall have effect in relation to the making of any grant under clause (1) and to any law to be made under that clause as they have effect in relation to the making grant with regard to any expenditure mentioned in the annual financial statement and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet such expenditure'.

Article 206. (1) 'Notwithstanding anything in the foregoing provisions of this Chapter, the Legislative Assembly of a State shall have power-

(a) to make any grant in advance in respect of the estimated expenditure for a part of any financial year pending the completion of the procedure prescribed in article 203 for the voting of such grant and the passing of the law in accordance with the provisions of article 204 in relation to that expenditure;

(b) to make a grant for meeting an unexpected demand upon the resources of the State when on account of the magnitude or the indefinite character of the service the demand cannot be stated with the details ordinarily given in an annual financial statement;

(c) to make an exceptional grant which forms no part of the current service of any financial year;

and the Legislature of the State shall have power to authorise by law the withdrawal of moneys from the Consolidated Fund of the State for the purposes for which the said grants are made.

(2) The provisions of articles 203 and 204 shall have effect in relation to the making of any grant under clause (1) and to any law to be made under that clause as they have effect in relation to the making of a grant with regard to any expenditure mentioned in the annual financial statement and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of the State to meet such expenditure'.

Section 31. (1) 'Notwithstanding anything in the foregoing provisions of this part, the Legislative Assembly of a Union Territory shall have power to make any grant in advance in respect of the estimated expenditure for a part of any financial year pending the completion of the procedure prescribed in section 28 for the voting of such grant and the passing of the law in accordance with the provisions of section 29 in relation to that expenditure and the Legislative Assembly shall have power to authorise by law the withdrawal of moneys from the Consolidated Fund of the Union Territory for the purposes for which the said grant is made.

(2) The provisions of sections 28 and 29 shall have effect in relation to the making of any grant under sub-section (1) or to any law to be made under that sub-section as they have effect in relation to the making of a grant with regard to any expenditure mentioned in the annual financial statement and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of the Union Territory to meet such expenditure'.

APPENDIX 2
(See Note under rule 3)

Organisation of the Controller General of Accounts

1. An organisation functioning under the Controller General of Accounts has been created in the Department of Expenditure of the Ministry of Finance. A copy of the Presidential Notification dated the 27th September, 1980 in regard to the function of the C.G.A. as incorporated in the (Allocation of Business) Rules, 1961 is appended as Annexure 'A'. The C.G.A. will have the responsibility for establishing and maintaining a technically sound accounting system in the Departmentalised Accounts Offices. He/She will, on behalf of the Ministries and Departments, liaise with the Budget Division and the Comptroller and Auditor General of India in accounting matters. He/She will provide necessary directions in accounting matters to the Ministries/ Departments and will issue general instructions about the system and form of accounts and procedures for accounting of receipts and payments. In order to maintain the requisite technical standard of accounting in the Departmentalised Accounts Offices, he/she will have powers to inspect the offices, and will be expected with his staff, to ensure that accounts are maintained accurately, comprehensively, and in a correct manner. He/She will also be required to ensure that data and information are supplied in time to the concerned Ministries. Cadre management in respect of Group 'A' and Group 'B' officers of these offices will vest in him. He will have a coordinating and innovating role in the introduction of Management Accounting system in the various Ministries/Departments.

2. In the discharge of these functions, he/she will also have special responsibility for:—

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

(ii) Holding of Departmental examination (analogous to AAO (Civil) examinations etc., held by the Comptroller and Auditor General of India) to maintain the requisite standard of technical expertise for accounting work in the Ministries and Departments;

(iii) Revising Treasury Rules, Account Codes and provisions of General Financial Rules in so far as they relate to the form, and system of accounts etc., consequent upon the departmentalisation of Accounts and the use of the services of the authorised banks in place of treasuries, for collecting receipts and making payments.

3. Consolidation of monthly Civil Accounts of the Union Government from the monthly accounts submitted to him by various Ministries and Departments has also been entrusted to him with effect from 1st April, 1977. Further, the responsibility for preparation of annual accounts including Summary Civil Appropriation Accounts showing under the respective heads, the annual receipts and disbursements for the purpose of the Union Government has been entrusted to him, relieving the Comptroller and Auditor General of India of the responsibility in consultation with him under Section 11 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, vide Ministry of Finance order No. 1 (12)-B (AC) /78 dated the 20th June.1978.

ANNEXURE 'A'
NOTIFICATION NO. CD-896/80

Dated 27th September, 1980.

Issued from Rashtrapati Bhavan, New Delhi

2.(c) Under the heading MINISTRY OF FINANCE (VITTA MANTRALAYA), under the sub heading B—

DEPARTMENT OF EXPENDITURE (VYAYA VIBHAG):-

(a) entry 5 shall be omitted;

(b) for entry 7A, the following entry shall be substituted namely:-

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

(i) General principles of Government accounting relating to Union or State Governments and form of accounts, and to frame or revise rules and manuals relating thereto;

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

(iii) Overseeing the maintenance of adequate standards of accounting by Central Civil Accounts Offices;

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

(v) Administration of Central Treasury Rules;

(vi) Co-ordination and assistance in the introduction of management accounting system in Civil Ministries or Departments;

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

(viii) Organising of training and examination of the Central Civil Accounts Staff belonging to Group 'C' and 'D'.

APPENDIX 3

(See Note under rule 3)

Sections 10, 11 and 22 of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971, and orders issued by the President in exercise of the powers conferred by sub-section 1 of section 10 and first proviso to section 11 thereof

Section 10.—Comptroller and Auditor General to compile accounts of Union and States.

- (1) The Comptroller and Auditor General shall be responsible-
- (a) for compiling the accounts of the Union and of each State from the initial and subsidiary accounts rendered to the audit and accounts offices under his control by treasuries, offices or departments responsible for the keeping of such accounts; and
 - (b) for keeping such accounts in relation to any of the matters specified in clause (a) as may ;

Provided that the President may, after consultation with the Comptroller and Auditor General, by order, relieve him from the responsibility for compiling-

- (i) the said accounts of the Union (either at once or gradually by the issue of several orders); or
- (ii) the accounts of any particular services or departments of the Union;

Provided further that the Governor of a State with the previous approval of the President and after consultation with Comptroller and Auditor General, by order, relieve him from the responsibility for compiling-

- (i) the said accounts of the State (either at once or gradually by the issue of several orders);or
- (ii) the accounts of any particular services or departments of the State;

Provided also that the President may, after consultation with the Comptroller and Auditor General, by order, relieve him from the responsibility for keeping the accounts of any particular class or character.

(2) Where, under any arrangement, a person other than the Comptroller and Auditor General has, before the commencement of this Act, been responsible-

- (i) for compiling the accounts of any particular service or department of the Union or of a State, or
- (ii) for keeping the accounts of any particular class or character, such arrangement shall, notwithstanding anything contained in subsection (1), continue to be in force unless, after consultation with the Comptroller and Auditor General, it is revoked in the case referred to in clause (i), by an order of the President or the Governor of the State, as the case may be, and in the case referred to in clause (ii) by an order of the President.

Section 11.—Comptroller and Auditor General to prepare and submit accounts to the

President, Governors of State and Administrators of Union Territories having Legislative Assemblies

The Comptroller and Auditor General shall, from the accounts compiled by him or by the Government or any other person responsible in that behalf prepare in each year accounts (including, in the case of accounts compiled by him, appropriation accounts) showing under the respective heads the annual receipts and disbursements for the purpose of the Union, of each State and of each Union territory having a Legislative Assembly, and shall submit those accounts to the President or the Governor of a State or Administrators of the Union Territory having a Legislative Assembly, as the case may be, on or before such dates, as he may, with the concurrence of the Government concerned, determine:

Provided that the President may, after consultation with the Comptroller and Auditor General, by order, relieve him from the responsibility for the preparation and submission of the accounts relating to annual receipts and disbursements for the purpose of the Union or of a Union Territory having a Legislative Assembly:

Provided further that the Governor of a State may, with the previous approval of the President and after consultation with the Comptroller and Auditor General, by order relieve him from the responsibility for the preparation and submission of the accounts relating to annual receipts and disbursements for the purpose of the State.

Section 22— Power to make rules

(1) The Central Government may, after consultation with the Comptroller and Auditor General, by notification in the Official Gazette, make rules for carrying out the provisions of this Act in so far as they relate to the maintenance of accounts.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

(a) the manner in which initial and subsidiary accounts shall be kept by the treasuries, offices and departments rendering accounts to audit and accounts offices;

(b) the manner in which the accounts of the Union or of a State or of any particular service or department or of any particular class or character, in respect of which the Comptroller and Auditor General has been relieved from the responsibility of compiling or keeping the accounts, shall be compiled or kept;

(c) the manner in which the accounts of stores and stock shall be kept in any office or department of the Union or of a State, as the case may be;

(d) any other matter which is required to be, or may be, prescribed by rules.

(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Orders issued by the PRESIDENT of India in exercise of the powers conferred by the first proviso to sub-section (1) of Section 10 and first proviso to section 11 of the C.A.G.'s (Duties, Powers and Conditions of Service) Act, 1971.

I. Copy of Order No. F. I (15)-B (A/cs) /76 dated 6th March, 1976 Issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In exercise of the powers conferred by the first proviso to subsection (1) of section 10 of the Comptroller and

Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), the President, after consultation with the Comptroller and Auditor General, hereby relieves the Comptroller and Auditor General from the responsibility for compiling the accounts of the Ministry of Industry, and Civil Supplies, the Ministry of Tourism and Civil Aviation and the Ministry of Communications, other than the Directorate of Posts and Telegraphs.

2. This Order shall come into force on the 1st day of April, 1976.

II. Copy of Order No. 1 (15)-B (A/cs) /76 dated 6th March, 1976 issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In exercise of the powers conferred by the first proviso to subsection (1) of Section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), the President, after consultation with the Comptroller and Auditor General, hereby relieves the Comptroller and Auditor General from the responsibility for compiling the accounts of the Postal Wing and Civil Engineering Wing of the Department of Posts and Telegraphs of the Ministry of Communications.

2. This Order shall come into force on the 1st day of April, 1976.

III. Copy of Order No. I (15)-B (A/cs) /76 dated 3-6-1976 issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In exercise of the powers conferred by the first proviso to subsection (1) of Section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), the President, after consultation with the Comptroller and Auditor General, hereby relieves the Comptroller and Auditor General from the responsibility for compiling the accounts of—

- (a) The Ministry of Agriculture and Irrigation,
- (b) The Ministry of Chemicals and Fertilizers,
- (c) The Ministry of Commerce,
- (d) The Ministry of Energy,
- (e) The Ministry of Petroleum,
- (f) The Ministry of Shipping and Transport,

- (g) The Ministry of Steel and Mines,
- (h) The Ministry of Supply and Rehabilitation, and
- (i) The Ministry of Works and Housing.

2. This Order shall come into force on the 1st day of July, 1976.

IV. Copy of Order No. F. I (15)-B (A/cs) /76 dt. 26-8-1976 issued by the Government of India Ministry of Finance (Department of Economic Affairs).

In exercise of the powers conferred by the first proviso to subsection (1) of section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), the President, after consultation with the Comptroller and Auditor General, hereby relieves the Comptroller and Auditor General of India from the responsibility for compiling the accounts of-

1. President's Secretariat.
2. Vice-President's Secretariat.
3. Prime Minister's Secretariat.
4. Cabinet Secretariat, including Department of Personnel and Administrative Reforms and Department of Cabinet Affairs.
5. Department of Parliamentary Affairs.
6. Department of Atomic Energy.
7. Department of Electronics.
8. Department of Science and Technology.
9. Department of Space.
10. Ministry of Education, Social Welfare and Culture.
11. Ministry of Law, Justice and Company Affairs.
12. Ministry of Health and Family Planning.
13. Ministry of Labour.
14. Ministry of Information and Broadcasting.
15. Ministry of External Affairs.
16. Ministry of Defence.
17. Ministry of Planning including Planning Commission.
18. Union Public Service Commission.
19. Election Commission of India.

20. Supreme Court of India.
21. Central Vigilance Commission.
2. This Order shall come into force on the 1st day of October, 1976.

V. Copy of Order No. P. I (15)-B (A/cs) 76 dt. 8-9-1976 issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In exercise of the powers conferred by the first proviso to subsection (1) of section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), the President, after consultation with the Comptroller and Auditor General, hereby relieves the Comptroller and Auditor General from the responsibility for compiling the account of—

- (a) the Ministry of Finance, except those relating to
 - (i) pensions; and
 - (ii) the Indian Audit and Accounts Department;
- (b) the Ministry of Home Affairs, except those relating to
 - (i) such of the Union Territories whose accounts are; on the date of the issue of this Order, being compiled by the Comptroller and Auditor General; and
 - (ii) pensions to freedom fighters and pensions in lieu of resumed Jagirs, lands etc.; and
- (c) the Department of Revenue and Banking except those relating to taxes, duties and other receipts and deposits realised under any law for the time being in force and administered by the Department of Revenue and Banking including the Central Board of Direct Taxes and the Central Board of Excise and Customs.

2. This Order shall come into force on the 1st day of October, 1976.

VI. Copy of Order No. F. I (15)-B (A/cs) /76 dated 15th March, 1977 issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In exercise of the powers conferred by the first proviso to subsection (1) of section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), and in partial modification of the order of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. F. I (15)-B (A/cs) /76 dated the 8th September, 1976, the President, after consultation with the Comptroller and Auditor General, hereby relieves the Comptroller and Auditor General from the responsibility of compiling the accounts relating to taxes, duties and other receipts and deposits realised or refunded under any law for the time being in force and administered by the Department of Revenue and Banking including the Central Board of Direct Taxes and the Central Board of Excise and Customs.

2. This Order shall come into force on the 1st day of April, 1977.

VII. Copy of Order No. F. I (15)-B (A/cs) /76 dated 22-3-77 issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In exercise of the powers conferred by the first proviso to subsection (1) of section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), and in partial modification of the Order of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. F. I (15)-B (A/cs) /76 dated the 8th September,

1976 and in continuation of the Order of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. F. I (15)-B (A/cs) /76 dated 15th March, 1977, the President, after consultation with the Comptroller and Auditor General, hereby relieves the Comptroller and Auditor General from the responsibility for compiling—

- (i) the accounts of the Union Territory of Delhi, and
- (ii) the accounts in respect of Central Government pensions, pensions to freedom fighters and pensions in lieu of resumed Jagirs, Lands, etc. payable or recoverable in the said Union Territory.

2. This Order shall come into force on the 1st day of April, 1977.

VIII. Copy of Notification No. 1(23)-B(R)/2012 dated 19-02-2013 issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In Exercise of the powers conferred by the first proviso to sub-section (1) of section 10 of the comptroller and auditor Generals (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), and in partial modification of the order of the Government of India in the Ministry of Finance (Department of Economic Affairs), dated 8th September, 1996 published by G.S.R. 794(e), dated the 8th September, 1976 in the Gazette of India, Part-II, Section 3, Sub-Section I, the President, after consultation with the Comptroller and Auditor-General, hereby relieves the Comptroller and Auditor-General from the responsibility for compiling the accounts of the Administration of the Union Territory of Dadra and Nagar Haveli Administration with effect from the 1st day of April, 2013.

IX. Copy of order No. 15(17)-B(R)/2020 dated 12-10-2020 issued by the Government of India, Ministry of Finance (Department of Economic Affairs).

In Exercise of the powers conferred by the first proviso to sub-section (1) of section 10 of the comptroller and auditor Generals (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), the President, after consultation with the Comptroller and Auditor-General, hereby relieves the Comptroller and Auditor-General from the responsibility for compiling the accounts of the Administration of the Union Territory of Ladakh (without Legislature), with effect from the financial years 2020-21. For the purposes of this Order, the expression 'Financial year' means each period of twelve months commencing from the 1st day of April and ending on the 31st day of March (both days inclusive).

APPENDIX 4

[See Note 3 below Rule 26(d)]

Subject: Grants-in-aid and loans sanctioned by various Ministries/ Departments of the Government of India to State/Union Territory Governments in connection with Centrally Sponsored Schemes.

Grants-in-aid and loans are given by various Ministries/Departments of the Government of India to State Governments/Union Territory Governments under Centrally sponsored -Schemes. Many of the Centrally sponsored Schemes are common to a number of States/Union Territories. In order to achieve uniformity in the accountal of such central grants/ loans in the books of all recipient State/Union Territory Governments, the following procedure shall be adopted:

2. Provisions for the release of grants-in-aid and loans to State/Union Territory Governments under Centrally-sponsored Schemes are made in the Union Budget comprising (i) major/sub-major heads "3601/3602-Grants-in-aid to State/Union Territory Governments with Legislature" alongwith 'grants for Centrally Sponsored Schemes' and under "7601/7602 Loans and Advances to State/Union Territory Governments with Legislature" alongwith 'Loans for Centrally Sponsored Schemes' and (ii) minor heads thereunder with nomenclature designed in terms of paras 3.9 and 6.5 of 'General Directions' contained in the List of Major and Minor Heads of Account of Central and States. According to these paragraphs, the first portion of the nomenclature of the minor head is to indicate the function as per sub-major head (or where a sub-major head does not give any indication of the function e.g. General, the major head concerned is to be indicated in bracket; or in the absence of a sub-major head, function as per major head itself) on the revenue expenditure side and second portion is to indicate the programme minor head.
3. Approved allocations under various schemes and also sanctions issued by the Central Ministries/Departments releasing grants-in-aid and/or loans, will indicate the budget head/head of the account upto minor head designed as above and also sub-detailed heads to which the expenditure is debitible in central books. The nomenclature of the minor head mentioned in the sanctions etc. would automatically provide necessary clue in regard to the major/sub-major and minor heads under which corresponding provisions should be budgeted for and expenditure accounted for in State/Union Territory Government books, and the sub/detailed heads mentioned in such sanctions would provide clue to similar heads to be opened in State/Union Territory Government books.
4. Some illustrations of the manner in which budget head/account head should be devised in books of the recipient Government with reference to budget/account head in the central books and mentioned in the sanction etc. releasing the grant/loan by the Central Government Ministries/Departments, are given in the table given below point No. 5 for facility of understanding the *modus operandi* of the above procedure.
5. There may be some schemes/programmes in which constitution of a fund in the public account may also be involved. If the relevant sanction of the Ministry releasing fund relating to such a scheme does not indicate the head (s) of account to be operated upon in the public account portion etc. of the State/Union Territory Government, the Controller General of Accounts, Ministry of Finance (Department of Expenditure) may be approached for the purpose of indicating necessary major/minor head of account in the interest of uniformity of classification.

Table as per para 4 above

Sl. No.	Heads in Central Govt. Budget/Sanction letter					Corresponding heads in State Govt. books from which expenditure is to be incurred			
	Major Head	Sub-Major Head	Minor Head	Purpose	Sub-Head	Major Head	Sub-Major Head	Minor Head	Sub-Head
1	2	3	4	5	6	7	8	9	10
1	7601-Loans & Advances to State Govt.	08-Centrally Sponsored Schemes.	Housing-General Assistance to Housing Boards, Corporations, etc.	Grants-in aid to Housing Boards, Corporations.	Construction of Residential Buildings.	2216-Housing	80-General	103-Assistance to Housing Boards, Corporation, etc.	Grants for Construction of Residential Buildings
2	Do.	Do.	Capital outlay on other Housing Schemes - Subsidized Housing Scheme for Plantation workers	Meant for direct investment by the State Govt.	Do.	4216-Capital Outlay on Housing	03-Rural Housing	Subsidised Housing Scheme for Plantation workers.	(Place / name to be given)
3	Do	Do	Loans for Housing-Loans to Housing Boards,	Meant for relending by State Govt. to Housing Societ	Loans to — (Name of the board to be indicated)	6216-Loans for Housing.		201-Loans to Housing Boards.	Loans to — (Name of the Housing board to be indicated.)

			Corporations, etc.	y.					
4	Do.	Do.	University & Other Higher Education-Assistance To Non-Govt. Colleges.	For release of grant-in aid to non-Govt. Colleges as Revenue Expenditure by State Govt.	Construction of Hostels of affiliated - Colleges.	2202-General Education.	03-University & other Higher Education.	104-Assistance to Non-Govt. Colleges & institutes	Grants for construction of Hostels of affiliated Colleges.
5	Do.	Do.	Capital Outlay on Education, Sports Art and Culture University & Higher Education.	Investment	Construction of hostels of affiliated Colleges.	4202-Capital Outlay on Education, Sports, Art and Culture.	01-General Education	203-University & Higher Education.	Construction of hostels of affiliated Colleges
6	Do	Do	Loans for Education Sports, Art and Culture University & Higher Educa	For relending by State Govt. to Non-Govt. Colleges.	Loans for Construction of hostels of affiliated Colleges.	6202-Loans for Education, Sports, Art & Culture.	Do	Do	Loans for Construction of hostels of affiliated Colleges- Name of the

			tion.						loan Colleg e.
7	Do.	Do.	Cooperatio n- Assist ances to Credit Coop erativ es.	Grants in aid by State Govts. to Credit coop.	Grants for Credit Co- operative Institutions in underdevel oped States.	2425- Co- operati on.		107- Assist ance to Credit Co- operati ves.	Grants for Credit coop erative Instituti ons in underd evelop ed States.
8	Do	Do	Loans for Coop erati on- Cred it Co- oper ative s.	For relendi ng	Loans to Credit Cooperativ es Institutions for underdevel oped States.	642 5- Loa ns for Co- oper atio n,		107- Loans to Credit Coop eratives -	Loans for Credit Co- operati ve Instituti ons for under develo ped States.
9	Do.	Do.	Capit al Outla y and Coop eratio n in Credit Co- operat ives.	Inve stme nt in Credi t Co- oper ative s by State s.	Investment in —	4425- Capit al outlay on Co- opera tion		107- Invest ment in Credit Co- opera tives.	Invest ment in — —
10	Do.	Do	Village s & Small Industri es (Separ ate minor head for each depart mental Comm ercial Under-	Grant -in- aid to meet worki ng expe nses of Depa rtmen tal Com merci al Unde	Managem ent/Opera tion & maintena nce.	2851- Villag e & Small Indust ries.	Nil		Man age ment / Oper ation & Main tena nce.

			taking)	rtakin gs relati ng to S.S.I.					
1 1 .	Do	Do	Capital Outlay on Village & Small Industr ies Small Scale Industr ies.	Capit al Expen diture by State Govt.	Integrated Training Centres.	4851 - Capit al Outl ay on Vill age & Smal l Indu strie s.		102- Small Scale Industr ies.	Integrat ed Trainin g Centre s.
1 2 .	Do	Do.	Loans for Village & Small Indusbi es Small Scale Industr ies.	Relendi ng of Loans.	Loans to Public Sector & other Undertakings	6851- Loan. for Vill age & Sm all Ind ustr ies.		Do	Loans to Public Sector & Other Underta kings.
1 3 .	Do.	Do	Dairy Devel opme nt- Dairy Devel opme nt Projec ts.	Grants by State Govt. for dairy develo pment in the State.	Assistance to State Govt. for new Dairy.	2404- Dairy Devel opme nt		102- Dairy Develo pment Project s.	Assistan ceto new Dairy.
1 4 .	Do	Do	Capita l Outlay on Dairy Develo pment.	Invest ment	Do	4404 capit al Outl ay on Dairy Devel opme nt		Do	Invest ment in State run new Dairy .
1 5 .	Do.	Do.	Loans for Dairy Devel opme nt-	For relendi ng.	Do.	6404- Loans for Dairy Devel opme		Do.	Loan s to new Dairi es.

			Dairy Devel opme nt Projects			nt			
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APPENDIX 5

(See Rule 28)

Principles and Rules regulating the distribution of certain charges and receipts between Governments.

A—INTRODUCTORY

B.—PAY, ALLOWANCES, PENSIONS, ETC.

- (i) Incidence of Pay and Allowances, other than Leave Salaries.
- (ii) Incidence of Leave Salaries.
- (iii) Incidence of Pensions.

C—OTHER CHARGES

- (iv) Incidence of expenditure involved in Audit and keeping Accounts.
- (v) Incidence of the cost of Police functions on Railways including the cost of protecting Railway Bridges.
- (vi) Principles relating to recovery of the cost of (1) Forest surveys carried out by the Survey of India, and (2) Forest maps prepared by that Department.

D— RECEIPTS

- (vii) Incidence of Leave Salary and Pension Contributions recovered in respect of Government Servants lent on Foreign Service.

A.—INTRODUCTORY

The rules, regulating the incidence of pay, leave, and pension etc. charges of Government servants as well as of certain other charges and receipts between Governments which are set out in this Appendix are based on arrangements agreed between the different Governments and are therefore binding on all the Governments.

B.—PAY, ALLOWANCES, PENSIONS, ETC.

I. Incidence of Pay and Allowances, other than Leave Salaries.

1. The transit pay and allowances of a government servant transferred from one government/department to another either permanently or as a temporary measure or proceeding on deputation to another department/ government or reverting there from should in absence of special orders to the contrary, be borne by the Department/Government to which the government servant is proceeding.

Note.—The transit pay and allowances including travelling allowance, both ways of a government servant transferred on foreign service will be borne by the foreign employer."

2. When a military Officer holding a civil post on consolidated pay which is less than his military pay is allowed to draw the difference between them, he draws it from the department— Central or State— from which he receives his consolidated pay.

3. The following rule govern the incidence of the cost of troops lent to civil departments of the Central Government and to State Government. The words 'Military' and Troops' are used to include Indian Navy and Air-Force as well as Army.

(1) When troops are required on duties of a 'Military' nature (e.g.) Ceremonial purpose and provision of escort on guards of honour in circumstances not covered by instruction No. 755 of the Regulations for the Army in India (1962 Edition) and flag marches when they fall into the category of cases involving duties of military nature and when they are not connected with the maintenance of law and order, the extra cost, if any of supplying the services required (e.g. in the way of transport, equipment etc.) will be met by a contribution from the State or the Civil Department concerned of the Central Government, to the Defence Services Estimates.

Note.—The cases in which flag marches come within the scope of this rule will be decided by the Central Government.

(2) (1) The types of duties that Armed Forces may be called upon to perform in aid of Civil Authorities are as follows:-

- (a) Maintenance of law and order.
- (b) Maintenance of essential Services.
- (c) Assistance during natural and other calamities such as earthquakes, floods, fire and famine.
- (d) Assistance required in the execution of development projects.
- (e) Any other types of assistance which may be needed by the Civil authorities and which the Armed Forces are in a position to render.

(2) For maintenance of law and order vide (a) in rule 2 (1) above, all expenditure will be borne by the Central Government but the State Government may contribute towards the cost, if they wish to do so.

(3) For maintenance of essential services, for assistance during natural calamities and assistance in the execution of development projects, vide (b) to (d) in rule 2 (1) above, no recoveries will be made from the State Government/Union Territory Administration on account of:-

(a) Normal pay and allowances and rations for service personnel of the Unit which may be made available from within the Order of Battle. However, in cases where additional units are maintained by retaining the Units due for disbandment or by raising new Units specifically to meet the requirements of state Governments/Union Territories, the entire cost of these units will be charged.

(b) All other expenditure like the cost of payment for consumable stores including pay and allowances will be charged.

(c) For non-consumable stores and equipment:-

(i) Depreciation assessed on the replacement cost on account of wear and tear. For Aircraft, depreciation will be calculated on the original cost.

(ii) Cost of repairs and maintenance.

(iii) Cost of replacement of equipment rendered unserviceable. Assessed on its condition before use. In the case of aircraft, normal strike off wastage element will be charged.

(d) Incidental expenditure, e.g. cost of move of Units, Personnel and equipment to and from the site of work and extra allowances, rations, clothing and amenities will be charged where provided.

(e) Hospitalisation and treatment of the service personnel injured whilst employed in rendering aid will be charged.

(f) Pensionary liability in respect of any troops while employed in aid of civil authorities will be that of Government of India. Damages to crops or compensation payable to civilians would be the responsibility of the State Government.

(g) Assistance rendered by Armed Force for extinguishing fire will be governed by the principles laid down in the Ministry of Defence letter No. F. 256/51/D (15) dated 18th April, '55 as amplified in letter dated 18th May, 1959.

(h) Non-consumable stores and equipment issued in the circumstances detailed in para 2 (3) above, the depreciation rate will be calculated by dividing the Price Vocabulary rates plus 25% by the life of the item in use. Additional packing and Transportation charges, cost of repairs and maintenance charges, cost of stores issued for repair will be paid by Civil authorities.

(i) Cost of replacing items of personal kit/clothing rendered unserviceable or lost accidentally due to no fault of an individual while employed in aid during natural calamities will be met by the State Government if classified by the Survey Board on termination of aid.

(j) In the case of Indents for equipment on loan for a period of over six months, the issue will be only on payment and not on loan.

(k) No departmental charges will be levied over and above the cost of replacement of Equipment and stores rendered unserviceable during rendition of aid during flood, relief operations and other natural calamities.

(l) Recoveries of hire charges in respect of stores other than ordnance stores will be made as follows:—

(i) Tools & Plant Engineering Stores

Hire charges will be based on para 943 of M E S Regulations. For items not covered by above para, the charges will be fixed in consultation with the Ministry of Defence (Finance).

(ii) MT Vehicles

Recovery will be made at normal rates in accordance with Army Instruction No. 928 of 1945 as amended from time to time. In the case of items not covered by this, the hire charges will be fixed in consultation with the Ministry of Defence (Finance).

(4) For any other type of Assistance, vide item (e) in rule 2 (1) above

(a) The complete cost of Armed Forces including ordinary pay and allowances, cost of transport of equipment including loss, repair etc. and extra-ordinary charges in the shape of special pay or transportation of stores will be recovered.

(b) The recoveries in respect of stores equipment or vehicles issued in connection with aid to civil authorities will include hire charges for stores, equipment or vehicles assessed as per normal rules and expenditure incurred on transportation handling etc. charges.

(c) The depreciation charges in case of ordnance stores will be calculated on the basis of Price Vocabulary rates plus 50% divided by life of the items in use, expressed in months.

(d) The recoveries of hire charges in respect of stores other than ordnance stores will be made on the lines laid down in rule 2 (3) (1) above.

(e) In the case of assistance rendered by Indian Navy to civil Ministries etc. or the loan on hire of Naval Yard Craft, equipment, tools etc. the depreciation charges will be calculated as under:—

(i) In terms of para 1 (b) of the Ministry of Defence letter No. Dy/0201/IHQ/SO- II/3152/D (N-I) dated 21-11-1959 and 3620/D (N-I) dated 17th September '77 as amended from time to time for loan on hire of Naval Yard Craft, equipment tools etc; and

(ii) for assistance rendered by Indian Navy Ship, in terms of Ministry of Defence letter No. AC/3977/8 (2) NHQ/1951/ DO III/DLN. II dated 26th December 80 as amended from time to time.

(f) In the event of difference of opinion as to the actual method of calculating the charges payable by State Government, the decision of the Government of India will be final.

4. Indian commissioned officers of the Armed Forces in civil employment count their service as qualifying for the outfit allowances under item (d) of:

A.I (I) 16/S/48

A.F.I (1) 6/S/48

RIN(1) 4/5/48

provided that:

(a) their pay and allowances are governed by the new pay code and

(b) they are required to wear uniform while in civil employ.

The entire cost of the outfit allowance is debitable to the estimates of the Ministry (Central/Civil) /State Government under whom the officer is employed at the time the allowance becomes due for payment.

5. When soldiers are sent under Military escort from one station to another to stand trial on a criminal charge, they will travel like any other party of soldiers on duty, under a warrant furnished by the Military authorities, the charge being met from the Defence Services Estimates. When a soldier is conducted by a Police escort, the charge will be Civil; the warrant issued in such cases should include the accused as he is a soldier proceeding to a certain place under the orders of his military superior and therefore on duty.

6. Civilian Government servants, who belong to the Army in India Reserve of Officers, when called up for training receive the following emoluments: -

(i) When proceeding to carry out their training direct from their civil leave pay and allowances which they would have drawn but for the training;

(ii) When proceeding to carry out their training while on leave in India, Burma, Ceylone, Great Britain or Northern Ireland, the civil leave pay and allowances which they would have drawn but for the training;

(iii) when proceeding to carry out their training on the expiry of leave out of India taken from their civil appointments but before rejoining their civil appointments for duty, joining time civil pay from the date of disembarkation in India to the date preceding that on which their training commenced and full civil leave pay and allowances which they would have drawn in journeying to the place of their civil appointment; and

(iv) military pay and allowances for the period of actual training.

The emoluments drawn under (i) to (iii) are debitable to the Civil-Central or State Estimates and that under (iv) to the Defence Services Estimates.

If it is necessary to provide a substitute in the place of such an officer undergoing training the additional cost will be a charge on Civil Estimates.

NOTE- This rule is also applicable in regard to the allocation of the civil pay of a Government Servant, who is a member of the Indian Naval Volunteers Reserve or the India Naval Reserve, when called up for training.

7. Reservists of the Indian Army employed under the Central or State Governments will, when called up for periodical military training receive military pay and allowances. They will also receive the excess if any of their civil pay over military pay. Provided that this concession is specifically sanctioned by Department of the Government of India or the head of the attached or subordinate office concerned or by the State Governments in whose employ the reservists are serving in their civil capacity. Except where the civil pay of the reservists is met from the Defence Services Estimates the extra expenditure involved will not constitute a charge against the Defence Services Estimates.

7-A. Civil, Central or State Government servants who are members of the various Army, Navy, and Air Force Reserves (excluding the reserve of the officers) will when called up for periodical training receive pay and allowances asunder:—

(a) during the transit period they will be entitled to their civil rates of pay and allowances to be met from the Budget to which such expenditure is normally debitable.

(b) for the period of training (excluding period of transit) if the pay and allowances (including concessions in kind e.g. free ration etc.) admissible as a reservist are less than the pay and allowances admissible in the civil post the difference will be paid and debited to the Budget head to which the individual's civil pay is normally debitable.

8. Travelling allowances of Telegraph signallers accompanying Governors and other high officials on tour is debited to the Department concerned although their pay for the period is debited to the Telegraph Department.

9. Subject to any separate agreements that have been or may be arrived at between the various Governments, the pay and allowances including travelling allowances of a Government

servant summoned to give evidence in his official capacity in a criminal Court or in a Civil Court in a case in which Government is a party or during the period of his absence, are debited to the Government under which he is employed. Actual expenses under the rules of the court, if admissible, are, however, payable by the court, and debited to court contingencies.

II. Incidence of Leave Salaries

The following rules govern the incidence of leave salaries of Government Servants who have served under two or more Governments:-

The liability for leave salary will be borne in full by the Department from which the Government servant proceeds on leave, whether it be his parent Department or a borrowing Department with whom he is on deputation.

III. Incidence of Pensions

Except in regard to the apportionment of liabilities of pensions of Government servants who retired after serving the undivided India between India and Pakistan, the following rules regulate the adjustment of pensionary charges of Government servants who have served one or more than one Government.

The liability for pension including gratuity will be borne in full by the Central/State Government to which the Government servant permanently belongs at the time of retirement except in respect of All India Service Officers (retired as well as retiring, both from the State and Central Government), in whose case Government of India has taken over the entire liability of Pension including gratuity with effect from 01.04.2008.

C.—OTHER CHARGES

IV. Incidence of expenditure involved in Audit and Keeping Accounts

The following rules govern the incidence of expenditure in Audit and Accounts:—

(i) Under Article 149 of the Constitution and the Provisions of Section 13 of the C&AG's (DPC) Act, 1971, the Comptroller and Auditor General is responsible for the audit of all expenditure from the revenues of the Union and of the States, and of certain accounts specified in the Act. In conducting such audit the Comptroller and Auditor General performs a statutory function entrusted to him and the cost of this function is a charge of the Central Government.

(ii) Besides the audit of expenditure from the revenue of the Union and of the States and of certain accounts, as mentioned in rule (i), the Comptroller and Auditor General may be entrusted with the audit of the accounts of "any other authority or body" by or under any law made by Parliament under the provisions of Article 149 of the Constitution. The cost of such audit is recoverable from the authority or body whose accounts are audited.

NOTE 1—The expression, "any other authority or body" does not include private commercial and quasi-commercial under taking (other than Government Companies as defined in Section 617 of the Companies Act 1956) in which Governments in India may be participating.

NOTE 2—In the case of Government Companies the recovery of the cost of supplementary audit conducted under Section, 619 (3) (b) of the Companies Act 1956 shall be waived in these cases where the audit is done by the Comptroller and Auditor General through his own departmental staff; but shall be enforced in cases where the Comptroller and Auditor General employs professional auditors for the second audit.

(iii) If a State Government requests the Comptroller and Auditor General to arrange for a more detailed or a local audit of expenditure, transactions or accounts which relate to or form part of the accounts of the State, the criterion for deciding the incidence of the expenditure involved in such audit is whether or not the Comptroller and Auditor General agrees to do the work as part of his legitimate statutory functions.

If he does, the cost of the audit should be treated as a charge of the Central Government, since what is involved is an extension of audit for which the Comptroller and Auditor General is statutorily responsible. The fact that such audit is undertaken in a single State is not a decisive consideration in the apportionment of cost as the extent of audit to be conducted in any case is determined by the Comptroller and Auditor General.

(iv) The Comptroller and Auditor General is not responsible ab initio for the audit of any accounts mentioned in Section 13 (b) of the C.&A.G's (DPC) Act 1971 but, when he undertakes the audit of any such accounts he becomes statutorily responsible for the work. In this case also, the cost of audit is a charge of the Central Government.

(v) The Comptroller and Auditor General is not statutorily responsible for the audit of the accounts of local authorities (other than those in relation to the accounts of which specified duties have been entrusted to him by or under any law made by Parliament) whose accounts do not constitute part of the accounts of the Union or of any State and of the accounts of private commercial and quasi-commercial undertakings (other than Government companies as defined in Section 617 of the Companies Act, 1956) in which Governments in India may be participating. Such Audit can be undertaken by the Comptroller and Auditor General only on a "consent" basis and on such terms and conditions as regards recovery of costs, etc., as be settled between him and the Government concerned.

NOTE- The recovery of cost of audit of the accounts of local bodies/institutions that are wholly or largely financed from grants-in-aid or loans by Government shall be regulated as follows:—

(i) Where the Comptroller and Auditor General is the sole auditor for a local body/institution, whether under any law made by Parliament under Article 149 of the Constitution or on consent basis under Section 20 (1) of CAG's (DPCs) Act, 1971 charges will be payable in full unless specifically waived by Government.

(ii) Where the local body/institution has its own auditors and audit by the Comptroller and Auditor General is conducted in addition with a view to safeguard Government interests and to ensure that the grants or loans by Government have been utilised for the purpose for which they are given, the Comptroller and Auditor General will be acting in discharge of the C&AG's DPC Act 1971, is a charge of the **Central Government cost**.

(iii) Expenditure involved in keeping the accounts of a State in so far as the responsibility for keeping such accounts remains with the Comptroller and Auditor General under Section 10 (1), [2nd Proviso to Sec. 10 (1) and 1st Proviso to 10 (1)] of the C&AG's (DPC) Act 1971, is a charge of the Central Government. The cost of keeping such accounts of a State as are covered by the initial and Subsidiary Accounts Rules issued under Section 10 (1), 2nd Proviso to Sec. 10 (1) and 1st Proviso to 10 (1) of the C&AG's DPC Act 1971 is a charge of the State concerned. Similarly, if in any State the Comptroller and Auditor General is relieved of the responsibility for the keeping of the accounts of any particular service or department of a State Government in pursuance of Sec. 10 (1), 2nd Proviso to Sec. 10 (1) and 1st Proviso to 10 (1) of the C&AG's DPC Act 1971, the cost of keeping such accounts will be a liability of the Government of the State.

(iv) The maintenance of the internal accounts of a Department of a State is part of the ordinary duties of a State Government and is therefore a responsibility of the State concerned. Thus, if the Comptroller and Auditor General is asked to scrutinise or advise on the modification of an existing

system of internal accounts kept in a department of a State, such work can be undertaken by him on a 'consent' basis and on specified terms and conditions as in rule (v) above.

V. Incidence of the cost of Police Functions on Railways including the cost of Protecting Railway Bridges.

1. With effect from 1-4-79, the cost of GRP, (without distinction of 'Crime' and 'Order Police') will be shared between the State Government and Railways on 50:50 basis, provided that the strength of GRP is determined with the approval of the Railways.

2. For the purpose of calculating Railway's share of cost of GRP the following will be included:—

- (i) Pay and all types of allowances in respect of GRP staff including office and supervisory staff upto the level of Superintendent of Police.
- (ii) Office expenses and contingencies.
- (iii) Cost of Pensionary charges.
- (iv) Cost of rent of buildings occupied by GRP staff.

In addition to above, charges on account of medical reimbursement and medical allowances payable to staff, may also be considered in internal check for payment. However, charges on account of pay and allowances of medical staff viz. Doctors, Nurses etc. are not to be shared.

3. The following rules regulate the incidence of the cost of protecting Railway Bridges:—

(a) Protection of Railway bridges under normal condition is the responsibility of the concerned State Governments and the expenditure incurred thereon will be borne by them.

(b) In the event of replacement of Police guard by military or other Armed Forces of the Union:—

(i) When the services of the Military or other armed forces of the Union are placed at the disposal of the Railways at the request to the Railway Administration, the expenditure of the guards will fall upon the Railway.

(ii) If the substitution is made on general ground of Government Policy and service is taken over by Defence Services, or other Public Service Department as part of the regular duties, the charges will be debited to Defence services or the Public department concerned, as the case maybe.

VI. Principles relating to recovery of the cost of (1) Forest Surveys carried out by the Survey of India and (2) Forest maps prepared by that Department.

Principles relating to recovery of the cost of (1) Forest Surveys carried out by the Survey of India and (2) Forest maps prepared by that department are given in Chapter IX of the Survey of India Handbook of Topography.

D. RECEIPTS

VII. Incidence of Leave Salary and Pension Contributions recovered in respect of Government servants lent on Foreign Service.

Contributions towards leave salary and pension recovered on behalf of a Government servant in foreign service are creditable to the Government (Central or State) under which he was permanently employed at the time of his transfer to foreign service.

2. No contributions towards leave salary and pensions shall be recoverable/payable among the departments of the Central Government including Railways, P&T and Defence Department and departments of the Union Territories with or without legislature in respect of Government servants lent to or borrowed by these departments.

(This arrangement takes effect from 1st January 1978).

CONCORDANCE TABLE

Rule	Proposed Change	Remarks
Name of the Rules	Modified	Name of the Rules modified from GAR 1990 to GAR 2021
1	rephrased	GAR 1990 rephrased to GAR 2021. Date of effect changed to 01.04.2021
2	Modified	Some definitions modified, some added
3	No Change	
4	No Change	
5	No Change	
6	Note Modified	To reflect the change in name of Telecom Commission
7	No Change	
8	Modified	To add digital mode of payments and receipts Definition of Bank has been revised to accommodate all authorised banks Definition of Bank has been revised to accommodate all authorised banks
9	Modified	Since change of status of J&K
10	Modified	To add digital mode of payments and receipts
11	No Change	
12	Updated	To remove the reference to CS.1
13	Modified	Note (ii) deleted, ref. to CS. 1 removed
14	Modification	Digital mode of payment added, ref. to CS 1 removed
15	No Change	
16	Modified	Para 1 (i), 1(iii), 1(iv) removed, change of status of J&K reflected, upgradation of the post of CCA (MEA) reflected
17	No Change	
18	No Change	
19	No Change	
20	No Change	
21	No Change	
22	No Change	
23	Modified	Exception to Note below Rule added, two new notes added in relation to asset accounting
24	Rephrased	Factual correction
25	Modified	Effect of cs no. 857 dated 19-06-2017 to LMMHA taken Major Heads Serial numbers updated due to opening of heads for GST and to bring concordance with receipt heads
26	Modified	Description revised to explain six tier system classification structure

		Description of Object Head added Description of Detailed Head revised In Note 2 reference to dates and name of UTs removed as they do not have any significance anymore Note 3 rephrased due to merger of Plan and Non-Plan expenditure
27	No Change	
28	No Change	
29	Rephrased	Factual correction
30	No Change	
31	Modified	Nomenclature of Rule 31 has been changed and Rule 31(3) has been introduced for Asset Accounting
32	No Change	
33	No Change	
34	No Change	
35	Modified	Changed in light of Correction Slip No.665 dated 10.11.2008 to the LMMHA
36	No Change	
37	No Change	
38	No Change	
39	Modified	Modified in the light of revised GFR 2017
40	Modified	Note 2 modified to add electronic mode of receipts/payment Note 4 deleted due to closure of DGS&D
41	Rephrased	Simplified
42	Modified	Modified due to closure of DGS&D
43	No Change	
44	No Change	
45	No Change	
46	No Change	
47	No Change	
48	No Change	
49	No Change	
50	No Change	
51	No Change	
Heading Chapter-5	Modified	Modified to make it concise
52	No Change	
53	No Change	
54	Modified	Due to closure of DGS&D and since AIR does not exist as commercial entry any more
55	No Change	
56	Modified	In relation to asset accounting
Heading Chapter-6	Modified	Modified to make it concise
57	No Change	
58	Modified	To cover all types of people involved in handling Government monies
59	Modified	In relation to asset accounting and to define the phrase 'such assets'

60	Rephrased	Typographical error
61	No Change	
62	No Change	
63	No Change	
64	No Change	
65	Modified	Pr. Chief Controller of Accounts added
66	No Change	
67	No Change	
68	Modified	Note 1 modified as to reflect the change that Object head is the Primary unit of Appropriation in place of Detailed Head. Note 2 modified as in addition to PWD, other organisations are also involved in construction work.
69	No Change	
70	No Change	
71	Modified	Modified in line with O/o C&AG Advice
72	Modified	Modified as Object head is the Primary unit of Appropriation in place of Detailed Head
73	No Change	
74	No Change	
75	No Change	
Appendix-1	Modified	Definition of Article 282, referred to in Rule 68 (2) added
Appendix-2	Modified	He appearing at various places has been replaced with He/She Reference to Group 'D' staff removed SAS Examination rephrased as AAO (Civil) Examination Public Sector Banks replaced with authorised banks to broaden the definition of banks to be used in place of treasuries
Appendix-3	Modified	Folloing Notifications added:- (VIII) Copy of notification of Department of Economic Affairs, Ministry of Finance dated 19.02.2013 relieving the C&AG from compiling the accounts of Dadra and Nagar Haveli Administration. (IX) Copy of notification of Department of Economic Affairs, Ministry of Finance dated 12.10.2020 relieving the C&AG from compiling the accounts of UT of Ladakh.
Appendix-4	Modified	Due to merger of Plan and Non-Plan schemes various corrections have been carried out and Table below the appendix has also been suitably modified.
Appendix-5	Updated	Reference to Correction slip no.3 removed as it has been merged